

## News Release

**MARKET SENSITIVE INFORMATION**  
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## Report on Jobs: Midlands

### Permanent placement growth accelerates in June

#### Key points:

- Sharp expansions in both permanent placements and temporary billings
- Temp pay rates increase at quickest pace for 13 months
- Availability of both permanent and temporary candidates contracts further

#### Summary:

The Report on Jobs: Midlands contains original data from the survey of recruitment and employment consultants in the Midlands. The report is designed to provide a comprehensive and up-to-date guide to labour market trends and the data are directly comparable with the UK Report on Jobs.

#### Further marked increase in permanent placements

Recruitment agencies in the Midlands reported another monthly increase in the number of people placed in permanent job roles in June. The rate of expansion was marked and edged up to a three-month high. Of the five monitored regions, the Midlands registered the second-strongest growth rate in permanent placements. A sharper rise was seen only among Scottish recruitment consultancies, with London recording the slowest growth.

June survey data signalled a sustained rise in billings received from the recruitment of temporary workers in the Midlands. Despite easing slightly from May, the pace of expansion was sharp and stronger than that seen across the UK as a whole. Of the five monitored regions, the fastest expansion in billings was recorded in Scotland where growth reached a 34-month peak. The weakest upturn was noted in the South of England.

Permanent job vacancies in the Midlands rose

sharply in June, despite the rate of expansion softening to the weakest since last September. Demand for short-term staff in the Midlands also remained strong, though the rate of growth eased to a ten-month low. In both cases, the increases were weaker than across the UK as a whole.

#### Deterioration in permanent candidate availability softens

The availability of candidates to fulfil permanent roles in the Midlands declined further in June, but the pace of reduction moderated to the weakest in three months. Panellists reported staff shortages across a wide range of roles including sales, marketing, engineering and financial services. Nonetheless, the latest drop in permanent labour supply in the Midlands was less pronounced than that seen for the UK as a whole. At the regional level the fastest contraction in availability was registered by consultancies in the South of England, with London recording the weakest reduction.

Recruitment consultancies in the Midlands noted a further fall in the availability of temporary labour at the end of the second quarter. The pace of contraction was faster than that seen in the previous month, but remained slower than the UK average. Declines in temporary availability also accelerated in the other four regions, with Scotland registering the most marked fall.

#### Pay continues to rise markedly

Salaries paid to newly-placed permanent staff in the Midlands increased at a marked pace in June. That said, the rate of salary inflation was at a nine-month low and was weaker than the UK average. In fact, the Midlands registered the slowest increase in starting salaries of all five monitored UK regions. The UK as a whole saw the strongest rise in permanent salaries since November 2015, with the fastest increase registered among new starters in the North.

Hourly pay rates offered to temporary/contract workers in the Midlands rose in June. The pace of wage inflation accelerated to the sharpest in 13 months, and was the fastest of all five monitored UK areas. Other than Scotland and the North, all regions indicated accelerated hourly wage inflation.

**Comment:**

**Tom Hadley, REC Director of Policy says:**

*“With fewer people currently looking for jobs, employers are having to increase starting salaries to secure the talent they need. This is creating great opportunities for people with in-demand skills who are prepared to change jobs, but it’s also putting unsustainable pressure on many businesses.*”

*“Existing skills shortages are being exacerbated by Brexit. In the East Midlands 18 per cent of all agricultural jobs are filled by EU nationals, compared to 8 per cent in the UK’s farming sector as a whole.\* Policies which make it more difficult to recruit and retain these people will put business growth at risk.*”

*“Investment in training the domestic workforce is vital to the long-term health of the jobs market, but it won’t allay employers’ fears about losing access to workers from the EU. The government needs to outline a five-year roadmap for post-Brexit immigration policy to enable businesses to plan effectively, and so the UK economy can flourish.”*

*\*Building the post-Brexit immigration system, REC (July 2017)*

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**Note to Editors:**

The Report on Jobs: Midlands is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the East Midlands and West Midlands regions. The consultancies are drawn from IHS Markit's UK Report on Jobs panel.

Monthly survey data were first collected in October 1997 and are collected in the end of each month, with respondents asked to specify the direction of change in a number of survey variables. IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

All Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with reading of exactly 50.0 signalling no change on the previous month. Readings above 50 signal an increase or improvement; readings below 50 signal a decline or deterioration. Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.

**About the Recruitment & Employment Confederation**

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