

## News Release

**MARKET SENSITIVE INFORMATION**  
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### Report on Jobs: South of England (excluding London)

#### Staff appointments continue to rise sharply in the South of England

##### Key points:

- Permanent placements and temp billings continue to rise at historically marked rates
- Starting salaries increase to greatest extent for five months
- Growth of demand for staff remains sharp, but candidate availability drops further

##### Summary:

The Report on Jobs: South contains original data from the survey of recruitment and employment consultants in the South of England (excluding London). 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.

##### Growth in permanent placements softens in March

The amount of people placed into permanent job roles in the South of England increased for the twentieth successive month in March. Although the rate of expansion softened from February's three-year record, growth remained sharp. Notably, the pace of increase was the second-strongest of all five monitored UK regions (after the Midlands). Rates of expansion weakened in all monitored UK regions bar London, where growth reached a four-month high.

Recruitment consultancies based in the South of England signalled a further marked rise in billings received from the employment of temporary/contract staff. Furthermore, the rate of growth picked up since February and was quicker than seen across the UK as a whole. Temp billings also rose at steeper rates in the Midlands and Scotland, while expansions softened in the North of England and in the capital. At the UK level, temp billings increased at the weakest rate for 13 months.

Demand for permanent staff in the South of England continued to rise strongly in March. Moreover, the pace of expansion quickened to a four-month high and was stronger than the UK average. Demand for temp staff also rose at a marked pace at the end of the first quarter, albeit one that was weaker than seen at the national level.

##### Permanent candidate numbers decline at slowest rate for a year

The availability of permanent workers in the South of England fell for the fifty-seventh consecutive month in March. Although the rate of decline eased to the weakest for one year, it remained sharp overall and was the strongest of all five monitored UK regions. Softer reductions were also registered elsewhere, with London noting the weakest contraction. As a result, permanent candidate numbers at the UK level fell at the slowest pace for one year.

The supply of short-term labour in the South of England also contracted further in March. The rate of reduction softened slightly to the least marked in 14 months and was slower than that registered at the UK level. Weaker declines in temp candidate numbers were also noted in the Midlands and Scotland, while faster drops were registered in the North of England and London.

##### Starting salary inflation hits five-month record

The rate of inflation in salaries for newly-placed permanent staff in the South of England accelerated for the second month running in March. Notably, the rate of growth was the quickest seen since last October and stronger than the UK average. Anecdotal evidence attributed higher starting salaries to strong demand for staff and competition for scarce candidates. The only other region to see salary inflation accelerate from the previous month was the North of England.

The rate of increase in wages for temporary staff was also marked in the South of England at the end of the first quarter, despite softening slightly since February. Furthermore, the rate of inflation was identical to that seen at the UK level. Sharp rises in temp pay were also recorded in the Midlands, London and Scotland, while the North of England registered a relatively modest rate of growth.

### Comment:

**REC director of policy Tom Hadley says:**

*“Permanent placements are growing month on month as demand for staff remains high. More people are entering employment, but it doesn’t make up for the shortfall of candidates for many roles, from cyber security and aerospace through to sewing machinists and drivers.*

*“As a result, employers are increasing starting pay to draw candidates away from current roles into new positions. Growth in pay for temporary roles especially is accelerating. In hospitality, demand for temporary staff is really high, but businesses have had fewer applicants from the EU since the Brexit vote. Employers are working hard to make themselves attractive to UK nationals, but they will still need temporary roles to be filled by EU nationals post-Brexit and the government must allow for this.*

*“Candidates planning to move jobs have a strong chance of getting a pay rise. With inflation outstripping pay growth for over a year now, high pay offers will be tempting, as the pressure on starting salaries still isn’t translating into pay rises for staff who stay put. Employers need to look at other means to keep staff, such as creating a good workplace culture and offering progression opportunities.”*

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#### Note to Editors:

The Report on Jobs is a monthly publication produced by IHS Markit on behalf of the Recruitment & Employment Confederation. The report features original survey data which provides cross-sector and pan-region analysis of the UK labour market, drawing on original survey data provided by recruitment consultancies.

The Report features original research data from IHS Markit, collected via questionnaire from a panel of 400 UK recruitment and employment consultancies. In 2016/17, recruiters placed nearly a million people into a new permanent job and on any given day there are 1.3 million temporary agency workers active in the labour market. Data for the monthly survey were first collected in October 1997 and are collected at the end of each month, with respondents asked to specify the direction of change in a number of survey variables.

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.

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. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

A regional Report on Jobs series is now available comprising four regional reports tracking labour market trends across the Midlands, the North of England, the South of England and London. The reports are 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.

#### About the Recruitment & Employment Confederation

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