

## News Release

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

## Growth in staff appointments picks up in January

### Key points:

- Growth in permanent placements in the South exceeds UK-wide average
- Supply of labour continues to decline
- Permanent starting salaries rise at steepest rate for eight months

### 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 picks up

Placement placements in the South of England increased for the sixth month running during January. Furthermore, the rate of expansion was the most marked since October 2016. It was also quicker than the rate of growth seen across the UK as a whole, which edged down to a four-month low.

Out of the five UK regions covered by the survey, the North of England registered the sharpest growth, followed by the Midlands. Meanwhile, Scotland was the only region to record a contraction, the fourth in as many months.

The volume of people placed in temporary jobs in the South rose sharply in January, with the rate of expansion quickening slightly from December's three-month low.

Temp billings across the UK increased at a marked, albeit slightly slower, pace in January. This reflected strong expansions in all five monitored UK regions, led by the North of England.

Recruitment consultants in the South signalled a sharp increase in demand for permanent staff in January. Notably, the rate of growth was the most marked for a year and similar to the UK national average. Demand for temp workers also rose markedly across the region, albeit to a weaker extent than the UK-wide trend.

### Drop in permanent staff supply softens

The availability of labour for permanent roles in the South fell for the forty-third month in a row during January. Though remaining sharp overall, the rate of reduction softened to its weakest in four months. Moreover, the South registered a steeper decline in permanent candidate availability than all other UK regions.

The supply of temp labour in the South of England continued to decline in January, though the rate of reduction eased for the second month in a row. Furthermore, it was the joint-weakest reduction in short-term staff availability for three years (on par with September 2016), and broadly in line with the trend seen across the UK as a whole.

### Permanent salary inflation reaches eight-month high

Salaries awarded to newly-placed permanent staff in the South of England increased sharply during January. Moreover, the rate of inflation accelerated to the sharpest in eight months. The rate of salary growth in the South was also stronger than all other UK regions at the start of the year.

Inflation of starting temp pay rates in the South of England softened slightly from December's seven-month high during January. Nonetheless, the rate of increase was nearly identical to that seen for the UK as a whole. Most regions noted slower increases in temp pay rates, with the only exception being London, where temp wages rose at the sharpest pace in nearly two years.

**Comment:**

**REC Chief Executive Kevin Green says:**

*“Employers are crying out for people to fill vacancies. Recruiters say that fewer candidates are available in all regions, and this is dampening jobs growth.*

*“If businesses can’t find the people they need they will outsource abroad, automate activity or shut up shop, resulting in fewer jobs available to UK nationals.*

*“The NHS is already in turmoil because it doesn’t have enough staff and the government’s decision to prioritise immigration control over the economy in their EU negotiations means that finding candidates will become yet more difficult in the future.*

*“We agree that more can be done to encourage under-represented groups into work, including disabled people, single parents and older workers. But the idea that this will resolve the talent shortage is pie in the sky.”*

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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 2014/15, 1,197,928 people were employed in either temporary or contract work through consultancies and 633,992 people were placed in permanent positions through consultancies. 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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Jobs transform lives, which is why we are building the best recruitment industry in the world. As the professional body for recruitment we're determined to make businesses more successful by helping them secure the people they need. We are absolutely passionate and totally committed in this pursuit for recruiters, employers, and the people they hire. Find out more about the Recruitment & Employment Confederation at [www.rec.uk.com](http://www.rec.uk.com)

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