

News Release

MARKET SENSITIVE INFORMATION
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Report on Jobs

Permanent placements growth softens slightly in March

Key points:

- Growth in permanent placements weakens from February's one-year peak
- Demand for staff holds close to its strongest for 18 months
- Availability of temp staff falls at quickest rate since January 2016

Summary:

The Markit/REC Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Permanent placements increase at softer pace

Latest data pointed to sustained growth in permanent placements during March. Although the pace of expansion eased from February's one-year record, it was solid overall. Meanwhile, growth in temp billings picked up slightly from February's four-month low and was sharper than seen on average in 2016.

Supply of candidates drops markedly

The supply of permanent candidates fell sharply in March, although the rate of reduction weakened slightly since February's 13-month peak. The availability of short-term staff fell at a similarly sharp rate that was the quickest recorded since January 2016.

Salary growth remains sharp...

Permanent starting salaries continued to increase sharply in March, despite the rate of pay growth edging down slightly from an 11-month high in the previous month. However, temp pay growth weakened to a rate that, though solid, was the weakest since last November.

...as demand for staff holds close to 18-month peak

March saw a further steep increase in job vacancies across the UK, with growth of demand for staff holding close an 18-month record. Permanent staff vacancies increased at a rate only fractionally slower than the previous month, while demand for short-term staff also remained robust.

Regional and sector variation

All monitored UK regions registered growth in permanent placements, with the South and the North of England noting the sharpest rates of expansion.

The North of England and Scotland both reported the sharpest expansions in temp billings, while the weakest was seen in London.

Private sector demand for staff continued to rise at a stronger pace than that for public sector workers at the end of the first quarter. Despite weakening since February, growth in private sector permanent vacancies remained sharp, while demand for temp staff in the sector also rose solidly.

In contrast, permanent staff vacancies in the public sector declined for the first time since last October, albeit marginally. Meanwhile, public sector temporary staff demand rose only modestly.

IT & Computing led a broad-based expansion in demand for permanent staff in March, closely followed by Nursing/Medical/Care. The slowest growth was signalled for Construction workers.

Demand for temporary/contract workers increased across all monitored categories. The sharpest rates of growth were seen in Nursing/Medical/Care and Blue Collar. Executive/Professional meanwhile saw the weakest increase.

REC Chief Executive Kevin Green says:

“Finding people to do the jobs on offer is rapidly becoming employers’ biggest headache and many are reporting an increasing number of white collar jobs as hard to fill, including in the IT and financial sectors.

“Shortages of appropriately skilled, willing and able candidates was a problem before the referendum. Our concern is that Brexit will make the problem worse, particularly if onerous restrictions are imposed on people coming from the EU to work.

“Also, economic uncertainty about future prospects is having a detrimental effect on employees’ willingness to risk a career move at this time, which seems to be driving down candidate availability. Our data shows London and the South, where financial services jobs are concentrated, as particularly suffering from low candidate availability for permanent job vacancies.

“This shrinking talent pool of available candidates means that businesses are boosting the starting salaries and hourly rates they are prepared to offer to the right candidate. So for job hunters willing to move roles at the moment, there are financial rewards on offer – especially it seems in finance, IT and other management and office-based professional roles.”

Full reports and historical data from the Report on Jobs are available by subscription. Please contact economics@ihsmarkit.com

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Note to Editors:

The Report on Jobs is a monthly publication produced by 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 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.

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 Markit. Please contact 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

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