

## News Release

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

### Permanent placements increase at slowest pace since last September

#### Key points:

- Permanent placements growth slows, but temp billings rise at sharpest pace for four months
- Steepest drop in candidate availability for 16 months
- Demand for permanent and short-term staff remains marked

#### 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.

#### Slowest increase in permanent placements for seven months

Growth in permanent staff placements slowed to its weakest for seven months during April, but was nonetheless solid overall. In contrast, temp billings increased at a sharp and accelerated pace that was the fastest seen in 2017 so far.

#### Sharper drop in candidate availability

The availability of permanent and temporary candidates declined at sharper rates in April, with the former posting the quicker pace of reduction. Notably, both categories saw the steepest deteriorations in candidate availability for 16 months.

#### Strong growth in salaries sustained...

Although growth in permanent starting salaries edged down to a four-month low in April, it remained sharp overall and stronger than the series average. Meanwhile, hourly pay rates for short-term staff increased at the sharpest pace in 2017 so far.

#### ...as demand for staff remains sharp

Vacancies continued to rise markedly in April for both permanent and temporary/contract staff. This was despite growth in demand for both types of staff softening slightly since the previous month.

#### Regional variation

The Midlands saw the fastest rate of expansion in permanent placements, closely followed by Scotland. Meanwhile, London saw the slowest increase.

Temp billings growth was recorded across all monitored regions, led by Scotland and London. The weakest increase was registered in the South of England.

#### Sector variation

Latest data pointed to divergent sector trends, with demand for staff rising sharply across the private sector, but declining across the public sector. Demand for private sector permanent and temporary staff rose sharply despite the rates of expansion easing to four- and three-month lows, respectively.

At the same time, vacancies for permanent public sector staff declined for the second month in a row, albeit slightly. Demand for public sector temporary workers meanwhile fell for the first time since January, though only slightly.

Engineering was the most in-demand category for permanent staff in April, closely followed by IT & Computing and Nursing/Medical/Care. Nonetheless, strong expansions were seen across the board at the start of the second quarter.

April data signalled a broad-based upturn in demand for temporary/contract workers in the UK. Nursing/Medical/Care continued to top the table, while Hotels & Catering placed second in the overall rankings.

**REC Chief Executive Kevin Green says:**

*“Demand for staff is growing within all sectors and all regions of the UK, but there are fewer and fewer people available to fill the vacancies. We have the lowest unemployment rate since 2005, and people already in work are becoming more hesitant about moving jobs amid Brexit uncertainty. Meanwhile, the weakening pound and lack of clarity about future immigration rules is putting off some EU nationals from taking up roles in the UK.*

*“As a result, candidate availability is at a 16-month low and recruiters are flagging a shortage of suitable applicants for more than 60 different roles from cleaner to accountant. Every shortage has wider implications, for example the exceptional reputation UK engineering enjoys globally is at risk because employers can’t find people with the skills they need.*

*“One thing is for certain, if British business is to thrive then whichever party forms a government after 8 June needs to address the ever-shrinking pool of suitable candidates by investing in skills and career advice for UK jobseekers, as well as safeguarding access to the workers we need from abroad. It is vital that the future immigration system is agile enough to reflect and adapt to evolving labour market needs.”*

Full reports and historical data from the Report on Jobs are available by subscription. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com)

**For further information, please contact:**

**REC**

Liz Banks / Alasdair Reynolds, REC Press Office, 0207 009 2157 / 2192

Supported by Speed Communications – Kerry Grove [kerry.grove@speedcomms.com](mailto:kerry.grove@speedcomms.com), 0117 906 4517

**Markit Economics (technical/data queries):**

Annabel Fiddes, Economist, Telephone 01491 461010 / [annabel.fiddes@ihsmarkit.com](mailto:annabel.fiddes@ihsmarkit.com)

**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](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**

Dorset House, First Floor, 27-45 Stamford Street, London, SE1 9NT. Tel: 020 7009 2100 Website: [www.rec.uk.com](http://www.rec.uk.com)

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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