

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 01:01 (UK) November 8th 2017

Report on Jobs: North of England

Temp billings rise at sharper rate than permanent placements

Key points:

- Temp billings expand sharply in October and at fastest pace in 17 months
- Growth of permanent placements picks up, but remains subdued by historical standards
- Availability of candidates continues to deteriorate

Summary:

The Report on Jobs: North contains original data from the survey of recruitment and employment consultants in the North of England. 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.

Upturn in temp billings reaches 17-month peak

Strong client demand for temp staff continued to lead to greater billings at recruitment consultancies in the North of England. Moreover the rate of increase was steep, surpassing its long-run trend level and the UK-wide average. The expansion was also the most pronounced since May 2016. Temp billings across the UK as a whole increased at the slowest pace in six months during October, as weaker rises in Scotland, the Midlands and the South of England acted to offset stronger growth in London and the North of England.

October data showed an upturn in the number of people placed into permanent positions in the North of England, with increases having now been registered on a monthly basis for four-and-a-half years. Although marked and quicker than in September, the rate of expansion continued to lag behind the national average. Growth of permanent placements was widespread across the five monitored regions. Scotland overtook the Midlands and recorded the quickest rate of expansion over the

month.

Jobs data for October highlighted upticks in the rates of expansion in demand for both permanent and temporary workers. That said, increases in the North of England were slower than those seen at the UK level.

Permanent candidate supply falls markedly

The availability of candidates willing to undertake full-time jobs in the North of England continued to deteriorate markedly during October. Recruitment consultancies indicated a wide range of skills in short supply, including drivers, architects, engineers, developers, carers and technicians. Permanent candidate availability across the UK fell for the fifty-fourth straight month in October, with the downturn broad-based across the five localities tracked by the survey. The South of England registered the steepest drop, and the North of England the slowest.

Temp labour supply in the North of England decreased further in October, albeit at the slowest pace in eight months. Accountants, drivers, electricians, surveyors, engineers, developers, nurses, administrators and supervisors were among the key professionals in shortages over the month. The availability of jobseekers for temporary vacancies also deteriorated in the other four regions monitored. Although sharp in all cases, rates of contraction softened in all locations bar London. In fact, the downturn in the capital was the most pronounced since December 2015.

Starting salaries for permanent positions rise further

Permanent starting pay in the North of England continued to increase in October, as businesses raised salaries to attract desired candidates. Although the slowest in six months, the rate of salary inflation was robust and above the average recorded

in the 20-year survey history. Salaries awarded to newly-placed permanent staff in the UK continued to rise in October, mirroring the trends seen at the regional level. Nonetheless, the only place to record a stronger rate of salary inflation was the Midlands, while softer increases were noted elsewhere.

Temporary/contract pay rates in the North of England rose at a softer pace in October, one that was the least marked since March. However, as was the case for permanent salaries, temp wage inflation remained elevated in the context of historical survey data. Temporary wage inflation in the UK eased to a seven-month low in October, with weaker rates of increase evident in all five broad regions covered. The slowest upturn was noted in Scotland.

Comments:

Kevin Green, REC Chief Executive says:

“Last month, recruiters helped even more people find permanent jobs – this is great news as it shows that employers are continuing to hire. However, the data also show that growth is slowing down and one of the reasons is that we simply do not have enough people for all the roles that are out there at the moment. And the number of vacancies is still getting higher.”

“For jobseekers this is good news as employers are willing to pay higher starting wages to attract the right candidates.”

“We already know that EU workers are leaving because of the uncertainties they are facing right now. We therefore need clarity around what future immigration systems will look like. Otherwise, the situation will get worse and employers will face even more staff shortages.”

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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 around 100 recruitment and employment consultancies across the North East, North West and Yorkshire & Humber regions. 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.

A regional Report on Jobs series is now available comprising five regional reports tracking labour market trends across the Midlands, the North of England, the South of England, Scotland 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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