

## News Release

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

#### **Growth of staff appointments softens slightly but remains marked**

##### **Key points:**

- Growth in permanent placements and temp billings softens slightly
- Steep drop in candidate availability pushes up rates of pay
- South sees fastest growth of demand for permanent staff of all UK regions

##### **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.

##### **Permanent placement growth softens but remains sharp**

Recruitment consultancies in the South of England registered a further sharp increase in the number of people placed into permanent jobs during September. This was despite the rate of expansion softening slightly since the previous month. Meanwhile, growth in permanent placements weakened to a five-month low at the UK level, but remained solid overall. Slower rates of increase were seen for all regions except London, which saw the first drop in permanent placements for nearly a year.

Growth in temp billings also softened slightly in the South of England at the end of the third quarter, but remained marked in the context of historical data. Across the UK as a whole, temp billings also rose sharply, with the quickest rate of expansion seen in Scotland. Notably, Scotland was the only monitored region to see a stronger rate of growth compared to the previous month.

Demand for permanent staff in the South of England

continued to rise sharply in September. Notably, the rate of growth edged up to a 34-month record and outstripped the UK average. Temp job vacancies also rose sharply. However, growth of temp staff demand softened since August and was slightly weaker than that seen at the UK level.

##### **Supply of permanent labour drops sharply**

The availability of permanent candidates in the South of England continued to fall sharply during September, despite the rate of deterioration easing slightly since August. The decline was also the steepest seen of all monitored UK regions. The softest, albeit still marked, reduction in permanent candidate numbers was seen in London.

Recruitment consultancies in the South of England noted a drop in temporary candidate availability for the forty-ninth month running in September. The rate of contraction softened slightly since August, but remained steeper than seen at the UK level. All regions bar the North of England registered softer reductions in short-term staff availability in the latest survey period.

##### **Starting salary inflation hits 29-month high**

September data signalled a sustained increase in salaries awarded to permanent starters in the South of England. Notably, the rate of salary inflation accelerated to a 29-month record and was the fastest of all five monitored UK regions. Nonetheless, steep increases in permanent starters pay were also noted in the remaining regions.

Temp pay also rose sharply in the South of England at the end of the third quarter, with the rate of growth easing only slightly from August. Short-term pay rates also rose markedly across the UK as a whole, though the rate of increase was slightly softer than that seen in the South of England. The North of

England and Scotland were the only regions to see faster rates of temp wage inflation in September.

**Comment:**

**Kevin Green, REC Chief Executive says:**

*“Recruiters are finding it even harder to find people to fill vacancies. Candidate availability has been falling for the past four years and the record high UK employment rate plus a slowdown in the number of EU nationals coming to work here is exacerbating the situation, potentially leaving roles unfilled.*

*“Across the UK permanent placements are slowing, but London is faring worse with placements declining for the first time in eleven months and the financial sector in particular struggling to recruit for roles such as audit, payroll and risk.*

*“Low-skill roles are also hard to fill in areas like food processing, warehouses and catering – sectors that employ a higher proportion of people from the EU than others across the economy. We urge the government to ensure any new immigration system includes provisions for low-skilled and temporary workers so that warehouses, supermarkets and restaurants can access the people they desperately need.”*

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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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