

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 01:01 (UK) May 9th 2018

Report on Jobs: South of England (excluding London)

Permanent staff appointments rise markedly in April

Key points:

- Sharper increase in permanent placements, contrasts with slowdown in temp billings growth
- Steeper falls in both permanent and temp labour supply
- Starting salaries rise sharply, while temp pay inflation accelerates to near 20-year high

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 placements continue to rise sharply

Recruitment firms based in the South of England signalled a further increase in the number of people placed into permanent positions during April. Permanent placements have now risen in each of the past 21 months, with the rate of expansion slightly sharper than that seen in March. Growth was also steeper than that seen at the national level. Permanent staff appointments across the UK as a whole rose at a softer rate in April, due to weaker increases in London and the Midlands. The latter, nonetheless, was on top of the rankings on this front. Elsewhere, rates of expansion accelerated.

Billings received from the employment of contract/temporary workers in the South of England rose in April, thereby stretching the current sequence of growth to 22 months. Though sharp, the pace of increase was less marked than that seen in March and below the UK average. In contrast, rates of expansion picked up in the capital and Scotland, with the latter leading the upturn on a regional basis.

Vacancies for both permanent and temporary roles in the South of England continued to rise markedly during April. That said, growth of demand softened in both cases compared to the previous month. The increase in permanent job vacancies was similar to that seen at the UK level, while the upturn in temporary staff demand lagged behind the national trend.

Steeper fall in permanent labour supply

April survey data pointed to a further sharp drop in the availability of permanent workers in the South of England. Notably, the rate of deterioration quickened since March, and was the steepest of all five monitored UK localities. A number of skill shortages were reported in the latest survey period, including accountants, engineers, home carers and solicitors. Faster reductions in permanent candidate availability were also evident in London and Scotland.

The availability of short-term staff in the South of England fell for the fifty-sixth successive month in April. Notably, the rate of reduction accelerated to a three-month high. That said, the pace of deterioration remained softer than that seen across the UK as a whole. Sharper falls in temp labour supply were evident in all UK regions bar the North of England, where a moderation was recorded. For the fourth month in a row, the quickest decline in jobseekers for temp positions was noted in the Midlands.

Pay growth remains marked

Starting salaries awarded to newly-placed permanent workers in the South of England continued to increase in April. According to panellists, strong demand for staff and lower candidate availability had pushed up salaries. Despite easing since March, the rate of inflation remained sharp and was the steepest of all five

monitored UK regions. Starting salaries also rose at a softer pace in the North of England, but rates of growth quickened elsewhere.

Recruitment consultancies in the South of England signalled a sharp and accelerated increase in temp wages during April. Notably, the rate of pay inflation was the most marked since May 1998, and the quickest of all UK regions monitored by the survey. Strong demand for short-term candidates was linked by panellists to the latest upturn in wages. Steeper increases in pay were also evident in the Midlands, the North of England and Scotland, while growth was unchanged from the previous month in London.

Comment:

REC director of policy Tom Hadley says:

“Following the recent headlines about high street closures, it’s unsurprising to see demand for retail staff falling this month. With consumers increasingly shopping online, it’s a good time for retail workers to think about how their skills translate into other areas within the business - for example, recruiters say there’s huge demand for staff in IT, and there is also a shortage of order pickers and packers. Helping people make career transitions will become increasingly important in this fast changing business and employment landscape.

“Demand for staff is still on the rise in every other sector, but candidate availability keeps dropping. Our data shows that employers are paying more to attract the right people into their vacancies. For individuals, now is a good time to look for a new job, as you are in a strong position to negotiate higher pay.

“For employers, the challenge is to stay ahead of the competition to maintain and enhance your workforce. This is about more than just pay, it is about providing progression opportunities and a positive workplace culture. As recruitment gets harder the only solution for employers is to get better at attracting and retaining the right skills and staff.”

For further information, please contact:

REC

Liz Banks, REC Press Office, 0207 009 2157

Supported by Speed Communications – Kerry Grove kerry.grove@speedcomms.com, 0117 906 4517

IHS Markit (technical/data queries):

Annabel Fiddes, Principal Economist, Telephone 01491 461010 / annabel.fiddes@ihsmarkit.com

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 2016/17, recruiters placed nearly a million people into a new permanent job and on any given day there are 1.3 million temporary agency workers active in the labour market. 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 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

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

About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

© Copyright in the Report on Jobs, including the Report on Jobs survey data, is owned by IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. IHS Markit is a registered trade mark of IHS Markit Ltd.