

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Softer increase in staff placements as candidate availability drops markedly

Key points:

- Permanent placements rise at weakest pace for five months...
- ...while growth in temp billings also moderates slightly
- Candidate shortages continue to drive up pay rates

Summary:

The IHS 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 growth weakens to five-month low...

Permanent staff placements rose at the softest pace since April at the end of the third quarter. That said, the rate of growth remained marked overall. Temp billings meanwhile rose sharply, despite also seeing pace of expansion moderate from the previous month.

...as availability of candidates continues to fall sharply

A key factor weighing on growth in staff appointments was a further steep decline in candidate availability. For permanent candidates, the latest fall was the sharpest for four months, while the availability of temporary workers also fell at a historically marked pace.

Further steep increase in demand for staff

The number of job vacancies across the UK continued to rise sharply during September, with

growth of staff demand edging down only slightly from August's recent peak.

Pay pressures remain sharp

Strong demand for staff and a further drop in candidate availability placed further upward pressure on pay during September. Permanent starting salaries rose at the second-steepest rate in 22 months (after August), while temp pay growth softened only slightly from August's 16-month record.

Regional variation

On a regional basis, growth of permanent placements was the most marked in the Midlands and the South of England. London meanwhile signalled a renewed drop in permanent placements (albeit marginal).

The quickest rate of temp billings growth was seen in Scotland, closely followed by the North of England. The weakest upturn was registered in London.

Sector variation

Latest data signalled that demand growth remained considerably stronger in the private sector than the public sector.

The sharpest overall increase in demand for staff was recorded for permanent workers in the private sector, while the weakest rise in staff vacancies was seen for permanent public sector workers.

Accounting/Financial was the most sought-after category for permanent staff in September, followed by IT & Computing. The slowest (albeit still marked) increase in vacancies was reported for Construction.

Blue Collar achieved first place in the rankings for temporary/contract staff demand during September,

while Nursing/Medical/Care scored second place. All remaining categories also saw steep increases in demand.

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.”

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 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.

A regional Report on Jobs series is 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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