

## News Release

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

#### Candidate shortages continue to hamper growth of staff placements

##### Key points:

- Growth of both permanent placements and temp billings eases to six-month low
- South of England sees steepest drop in permanent candidate supply of all five UK regions
- Companies bump-up pay to bring in applicants

##### 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.

##### October shows below-average rise in permanent placements

Although growth of permanent staff placements in the South of England was sustained in October, the rate of expansion eased to the slowest in six months. Moreover, the respective index was below both its long-run trend level and the UK average. According to recruitment consultancies, the upturn was stymied by candidate shortages. Permanent placements continued to increase in all monitored UK regions, with the rise led by Scotland.

Agencies' billings received from the employment of temporary/contract staff in the South of England expanded further in October, but growth lost momentum. In fact, the rate of increase was the weakest since April and the second-slowest of the five monitored UK regions. The weakest rise was noted in the Midlands, and the fastest in the North of England.

Permanent job vacancies in the South of England continued to increase at a quicker rate than the

national average, despite growth easing again in October. The upturn in temp vacancies in the region also softened, and was slower than seen across the UK as a whole. Demand for both permanent and temp workers improved in each of the five monitored localities.

##### South of England sees steeper fall in permanent candidate numbers

October data showed a further sharp decline in the number of candidates willing to undertake full-time employment in the South of England, with the rate of reduction the most pronounced since June. The downturn was also the fastest of the five monitored UK regions. By comparison, the North of England registered the slowest, although still sharp, fall in permanent candidate availability.

As has been the case on a monthly basis in over four years, temporary candidate availability in the South of England decreased in October. Although easing to the slowest since March, the pace of contraction was steep and sharper than that seen at the UK level. Softer reductions were also recorded in Scotland, the Midlands and the North of England, while a sharper contraction was seen in the capital.

##### Higher salaries offered as firms attempt to fill vacancies

Amid reports of ongoing efforts to attract candidates in a competitive environment, permanent starters' salaries in the South of England increased in October. Despite easing from September's 29-month peak, the rate of salary inflation remained elevated by historical standards and was the highest of the five UK localities tracked. The Midlands was the only region to post a steeper increase in permanent pay over the month.

Temp wage inflation in the South of England eased for the second straight month in October to the

slowest since last November. The rate of inflation was above its long-run average, but below the UK-wide reading. Around 17% of recruitment consultancies signalled higher temp pay rates, while 4% signalled reductions. The slowdown in growth was broad-based by region.

**Comment:**

**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 shows 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 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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