

News Release

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

Report on Jobs: North of England

Permanent placement growth accelerates, while candidate supply falls further

Key points:

- Marked and accelerated upturn in permanent staff appointments
- Temp billings rise to weakest extent in 27 months
- Availability of candidates for permanent jobs declines sharply

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.

Marked rise in permanent staff placements

Recruitment consultancies in the North of England reported another upturn in the number of staff placed in permanent positions during April, marking a five-year sequence of uninterrupted growth. Furthermore, after having eased in each of the previous two months, the rate of expansion picked up at the start of the second quarter. Permanent staff placements in the UK 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.

Jobs data for April signalled a sixty-ninth successive monthly increase in temp billings across the North of England. That said, the pace of expansion was modest overall, having slowed to the weakest since January 2016. The rise was also much softer than both the long-run series average and that seen across the UK as a whole. At the same time, rates of expansion picked up in the capital and Scotland, with the latter leading the upturn on a regional basis.

Softer increases were also evident in the Midlands and the South of England.

Permanent and temporary vacancies continued to rise in the North of England during April. Rates of expansion eased in both cases, however, and were weaker than those seen at the national level. By region, the sharpest increases in short- and long-term vacancies were evident in the Midlands and Scotland respectively.

Permanent candidate supply falls further

Continuing the trend that began in February 2013, the number of candidates willing to undertake full-time employment in the North of England decreased in April. Although sharp, the rate of reduction eased slightly since March and was softer than the UK average. Permanent candidate supply continued to drop in a broad-based fashion, with declines likewise registered in the other four monitored localities. The most pronounced contraction was, once again, seen in the South of England.

Temp labour supply in the North of England declined in April, thereby stretching the current sequence of reduction to 55 months. Around one-in-four panellists reported worse temp availability, versus 8% that saw an improvement. The overall decrease was the weakest in three months and slower than noted at the UK level. Conversely, sharper falls in temp labour supply were evident in the remaining four UK regions. For the fourth month in a row, the quickest drop in jobseekers for temp positions was noted in the Midlands.

Starters' salary inflation in the North equals UK average

As has been the case on a monthly basis for over six years, salaries awarded to newly-placed permanent

staff in the North of England rose during April. Despite easing since March, the rate of salary inflation remained above its long-run trend. The pace of increase also matched the UK average. Concurrently, stronger increases were noted in three of the five monitored regions (London, Scotland and the Midlands). Nonetheless, it was in the South of England that the sharpest rate of salary inflation was recorded.

Temp/contract pay rates in the North of England increased at the quickest rate in six months during April. The upturn was marked overall and quicker than the average over the twenty-and-a-half year survey history. That said, rises in temp wages outpaced the one registered in the North of England in each of the other four regions tracked by the survey. Temp pay at the UK level increased to the greatest extent in two years.

Comments:

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 show 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):

Pollyanna De Lima, Principal Economist, Telephone 01491 461075 / pollyanna.delima@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 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

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.