

## News Release

**MARKET SENSITIVE INFORMATION**  
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### Report on Jobs: London

#### Staff appointments increase at weaker pace

##### Key points:

- Permanent placements and temp billings both rise at weaker rates
- Demand for both permanent and temporary staff increases
- Candidate availability continues to fall

##### Summary:

The Report on Jobs: London contains original data from the survey of recruitment and employment consultants in the capital. 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 rise at weaker rate

Permanent placements in the capital increased for the fourth consecutive month during February. That said, the rate of growth eased to its slowest for three months. Growth of permanent staff appointments in the UK climbed to a one-year high during February. With Scotland seeing a rebound in staff placements, the latest increase was broad-based by region. The upturn was led by the North of England.

Recruitment consultancies in London registered another rise in temporary billings during February, the seventh successive month this has been the case. However, the rate of growth eased markedly from the previous survey period and was the weakest since August last year. Temp billings also increased across the other four monitored UK regions. Rates of expansion eased in the Midlands, the South and the North, while Scotland posted a sharper rise that was the most pronounced since December 2015.

##### Strongest decline in permanent candidate availability for three months

Candidates available for permanent roles fell for the forty-fifth month in a row during February. The rate of reduction quickened to a three-month record. The deterioration in permanent candidate availability was broad-based across the UK. The steepest drop by far came from the South and the slowest, although still sharp, from the North.

The supply of temporary staff fell in February, thereby continuing a trend that has been evident since August 2013. The rate of decline was slightly weaker than seen across the UK as a whole, but marked nonetheless. Faster reductions in temp labour supply were registered in the Midlands, the South and the North. Meanwhile, temp availability across Scotland fell, following stagnation in January.

##### Starting salaries continue to rise

Salaries awarded to permanent starters in the capital increased further in February, thereby extending the current sequence of pay inflation to 45 months. That said, the rate of growth eased from January. Robust rises in permanent starting salaries were recorded in each of the five monitored UK regions. The strongest rate of increase was again seen in the South. At the UK level, salary inflation climbed to an 11-month peak.

Temp pay increased in February, thereby continuing a trend that has been observed for the last five months. The rate of growth was solid, albeit weaker than the UK average. Temp pay rates also rose in the other four UK regions tracked by the jobs survey. The quickest rate of wage inflation was noted in the South and the slowest, though still sharp, in the North. At the UK level, the upturn in overall temp pay rates was slightly stronger than in January. For all regions, permanent salaries rose at quicker rates than temp pay.

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

*“Although permanent placements have hit a 12 month high, businesses across the UK are finding it increasingly difficult to recruit for permanent roles. The big question still remains about how employers will fill their vacancies.*

*“The Chancellor is expected to announce a boost for vocational training in today’s budget and this is very welcome. However, it won’t solve the immediate need for people to fill jobs. We’re already seeing acute staff shortages in a variety of sectors, from healthcare to engineering. This is likely to get worse, especially if the Government continues to refuse the rights of EU citizens living in the UK post-Brexit.*

*“On the flip-side, this is a good time for individuals prepared to move jobs, with bumper pay offers on the table as hirers compete to secure the talent available. In the context of rising inflation and stagnating pay growth, changing employers is becoming a more attractive option for those looking for more money.”*

**For further information, please contact:**

**REC**

Liz Banks / Alasdair Reynolds, REC Press Office, 0207 009 2157 / 2192

Supported by Speed Communications – Kerry Grove [kerry.grove@speedcomms.com](mailto:kerry.grove@speedcomms.com), 0117 906 4517

**Markit Economics (technical/data queries):**

Alex Gill, Economist, Telephone +44-1491-461-015/[alex.gill@ihsmarkit.com](mailto:alex.gill@ihsmarkit.com)

**Note to Editors:**

The Report on Jobs: London is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies in the capital. The consultancies are drawn from Markit's UK Report on Jobs panel.

Monthly survey data were first collected in October 1997 and are collected in the end of each month, with respondents asked to specify the direction of change in a number of survey variables. 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.

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.

**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](http://www.rec.uk.com)

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