

## News Release

**MARKET SENSITIVE INFORMATION**  
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# Report on Jobs: North of England

## Permanent placement growth slows amid shortages of candidates

### Key points:

- Permanent staff appointments rise, but growth eases considerably in September
- Sharper reductions in candidate supply for permanent and temporary roles
- Rates of inflation for starting salaries and temp pay remain elevated

### 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.

### Permanent placements rise at below-trend pace

Although staff placements in the North of England continued to increase in September, the upturn softened considerably from August. In fact, the rate of expansion was the slowest since May, below its long-run average and weaker than seen across the UK as a whole. Evidence suggested that growth was hampered by shortages of suitable candidates. Staff appointments also rose in three other regions, the exception being London where a contraction was noted for the first time in 11 months.

Recruitment consultancies in the North of England continued to signal growth of temp billings in September. Although the slowest since June, the pace of expansion remained elevated in the context of historical survey data. Softer increases in temp billings were likewise recorded in the Midlands, London and the South of England. Growth in Scotland picked up to a three-month high.

Rates of expansion for both permanent and temporary job vacancies in the North of England

softened to nine-month lows in September. Furthermore, rates of growth were below the respective All-UK averages.

### Permanent candidate supply deteriorates further

September saw a sharp and accelerated contraction in the overall number of job seekers for permanent positions in the North of England. Accounting, blue collar, engineering, care and IT staff were among the key skills reported to be in short supply during the latest month. Permanent candidate availability fell at slower rates in the Midlands, London and the South of England, while the downturn in Scotland matched that noted in August.

The supply of temporary labour in the North of England deteriorated in September, as has been the case on a monthly basis for four years. One-third of recruitment consultancies signalled lower temp numbers, while 9% saw an increase. Subsequently, the rate of reduction picked up to the fastest since August 2015 and was broadly in line with that seen at the UK level. Short-term staff supply fell at slower, but still sharp, rates elsewhere in the UK.

### Starting salaries and wages rise to entice candidates

Reflecting ongoing efforts to boost labour supply, permanent starting salaries in the North of England increased in September. The rate of salary inflation was sharp, in spite of easing to a four-month low, and matched the UK-wide average. A softer rise was also signalled in London, whereas salary inflation intensified elsewhere. The South of England led the upturn in permanent pay.

Temporary/contract pay rates in the North of England increased for the sixty-first month running in September, and at the quickest rate since May 2016. Anecdotal evidence linked the upturn in pay rates to shortages of candidates in the labour market. While

Scotland recorded a sharper rise in short-term pay rates, softer increases were recorded in London, the Midlands and the South of England.

**Comments:**

**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.”*

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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 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](mailto: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**

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