

News Release

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

Growth in permanent placements reaches 15-month record

Key points:

- Permanent placements rise sharply...
- ...but temp billings increase at slowest rate in six months
- Pay growth remains historically strong

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.

Growth in permanent placements edges up to 15-month record

March survey data signalled a further sharp rise in permanent placements across the South of England. Notably, the rate of expansion edged up to its highest since December 2015 and was faster than that seen for the UK as a whole, where growth softened only slightly from February's one-year peak and was solid. The overall expansion was led by the South of the England, followed by the North. The slowest rate of growth was noted in London.

Agencies based in the South of England registered a further increase in billings received from the employment of temporary/contract staff. Though solid, the rate of growth weakened for the second month running and was the least marked since last September. Furthermore, the rate of expansion was slower than the UK average. Latest data indicated that the increase in temp billings was broad-based across all monitored regions. All of the four remaining monitored UK regions noted faster rates of growth, in contrast to the slowdown seen in the South of England.

Vacancies for both permanent and temporary roles in the South rose sharply in March. Furthermore, the increase in permanent staff demand was the quickest since December 2015 and above that seen for the UK as a whole. Growth of demand for short-term staff in the region was also sharp, despite softening since the previous month.

Weaker decline in permanent candidate availability

The availability of job seekers to fulfil permanent roles continued to decline in March, thereby extending the current trend to 45 months. The rate of reduction remained sharp, despite softening from February, and was quicker than the UK average. London saw the steepest drop in permanent staff availability, while the slowest contraction was recorded in Scotland. At the UK level, the availability of candidates fell at the second-fastest rate in a year.

Recruitment agencies based in the South of England recorded a further steep decline in temporary candidate availability during March. This was despite the rate of deterioration easing slightly from February's three-month record. Notably, the latest reduction was in line with that seen for the UK as a whole, where temp labour supply declined at the quickest pace in 14 months. Faster reductions in short-term staff availability were registered in the Midlands, the North and London. The weakest drop in temp staff availability was meanwhile seen in Scotland.

Permanent salaries continue to rise markedly

Average salaries awarded to people placed in permanent jobs in the South of England increased again in March. Moreover, the rate of inflation was only slightly weaker than February's nine-month high and remained sharp overall. As has been the case since the start of 2017, the strongest rate of salary inflation of all monitored UK regions was seen in the South during March. Nonetheless,

robust increases in permanent starting salaries were also seen in the remaining four UK regions. At the UK level, permanent pay increased at a sharp pace that was only slightly weaker than February's 11-month high.

Temp pay rates across the South continued on an upward trend in March, though the rate of inflation weakened since February. Nonetheless, the increase was the second-sharpest recorded in ten months and stronger than the UK average. The only monitored UK region to record a faster rate of temp pay growth was Scotland, which saw the quickest upturn in hourly pay rates of all five monitored regions in March. The slowest increase was meanwhile seen in London, where the rate of inflation was only modest. Across the UK as a whole, temporary/contract pay rates increased at the softest pace in four months.

and other management and office-based professional roles.”

Comment:

REC Chief Executive Kevin Green says:

“Finding people to do the jobs on offer is rapidly becoming employers’ biggest headache and many are reporting an increasing number of white collar jobs as hard to fill, including in the IT and financial sectors.

“Shortages of appropriately skilled, willing and able candidates was a problem before the referendum. Our concern is that Brexit will make the problem worse, particularly if onerous restrictions are imposed on people coming from the EU to work.

“Also, economic uncertainty about future prospects is having a detrimental effect on employees’ willingness to risk a career move at this time, which seems to be driving down candidate availability. Our data shows London and the South, where financial services jobs are concentrated, as particularly suffering from low candidate availability for permanent job vacancies.

“This shrinking talent pool of available candidates means that businesses are boosting the starting salaries and hourly rates they are prepared to offer to the right candidate. So for job hunters willing to move roles at the moment, there are financial rewards on offer – especially it seems in finance, IT

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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 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

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