

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Permanent staff appointments increase at weakest pace for four months

Key points:

- Softer rise in perm placements contrasts with steeper increase in temp billings
- Growth of demand for staff picks up for first time in nine months
- Steeper decline in overall candidate availability leads to sharper rises in pay

Summary:

The IHS Markit/REC Report on Jobs – published today – provides the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies.

Permanent placements growth softens to four-month low

The number of people placed into permanent job roles continued to rise markedly in April. That said, the pace of expansion was the softest seen in 2018 so far. In contrast, growth of temp billings picked up from March's 13-month low.

Candidate availability continues to fall markedly

Candidate availability for both permanent and temporary roles declined further at the start of the second quarter. Furthermore, the rates of reduction quickened to three- and five-month records, respectively.

Demand for staff strengthens

Growth of overall job vacancies picked up to a three-month high in April. Permanent staff demand grew at a sharper pace compared to the previous month, while short-term staff vacancies expanded at a slightly softer (but still marked) pace.

Pay growth gathers pace

Starting salaries for permanent workers continued to rise sharply in April, with the rate of inflation picking up from March. Concurrently, rates of pay for contract/temporary staff rose to the greatest extent for two years.

Regional variation

The Midlands registered the strongest rise in permanent staff appointments in April, while the weakest was seen in London.

Scotland continued to record the steepest increase in temp billings when comparing all five monitored UK regions, while the North of England recorded the slowest.

Sector variation

Recruitment consultancies indicated that private sector demand for staff continued to rise in April, with growth of both permanent and temporary vacancies picking up since March.

Demand was also higher in the public sector, with steeper increases in vacancies signalled for both permanent and temporary staff. That said, rates of growth continued to lag behind those seen for private sector staff.

The vast majority of monitored job categories registered higher permanent staff vacancies during April. The steepest rates of growth were registered across the Engineering and IT & Computing sectors. Retail was the only category to record lower demand for permanent workers.

Blue Collar and Engineering were the most in-demand categories for temporary workers during April. Nonetheless, all of the remaining job sectors noted higher temp staff vacancies. The slowest growth was signalled for construction.

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 shows 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.”

Full reports and historical data from the Report on Jobs are available by subscription. Please contact economics@ihsmarkit.com

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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 2016/17, recruiters placed nearly a million people into a new permanent job and on any given day there are 1.3 million temporary agency workers active in the labour market. 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 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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