

## News Release

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

#### Permanent starting salaries rise at fastest pace in 21 months

##### Key points:

- Salaries for permanent starters rise sharply
- Temp billings in the Midlands increase at slowest pace of all UK regions
- Supply of candidates for permanent and temporary jobs continues to fall

##### Summary:

The Report on Jobs: Midlands contains original data from the survey of recruitment and employment consultants in the Midlands. 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.

##### Upturn in permanent placements eases further

Recruitment consultancies in the Midlands indicated a strong increase in permanent staff placements in October. The rate of expansion remained marked, despite easing to an eight-month low. Nonetheless, out of the five monitored regions, the Midlands saw the second-fastest rate of growth. The South of England also registered a softer upturn, while London, the North of England and Scotland observed quicker rates.

Temp billings received by recruitment agencies operating in the Midlands continued to rise in October. Panellists frequently linked growth to higher client demand. That said, the rate of expansion was the slowest observed since February and below the UK average. Furthermore, of the five monitored regions, the Midlands saw the weakest upturn. For the second consecutive month, temp billings growth at the UK level eased.

Permanent job vacancies in the Midlands rose further in October. Notably, the rate of growth continued to pick-up, and was the fastest since

August 2015. Demand for temporary staff also grew, with the rate of growth reaching a 26-month high. For the second consecutive month, both permanent and temporary vacancies in the region were above the respective UK averages.

##### Quickest drop in permanent candidate numbers for 20 months

Permanent staff availability in the Midlands fell further at the beginning of the final quarter, with survey respondents linking the decline to skill shortages. For the first time in nine months, the pace at which permanent labour supply decreased in the region was faster than seen across the UK as a whole. In fact, the Midlands saw the quickest reduction of the five monitored regions, while the slowest drop was recorded in the North of England.

Recruitment consultancies noted a further decline in temp labour supply across the Midlands in October. Despite easing slightly from September, the rate of contraction was the quickest of the five monitored regions. Anecdotal evidence suggested that uncertainty over the UK economic outlook had impacted on the pool of available candidates. Although the number of suitable candidates declined across all UK regions, rates of contraction eased in the South of England, the North of England and Scotland.

##### Permanent salary inflation accelerates to quickest pace in 21 months

Permanent starting salaries paid to successfully-placed candidates in the Midlands continued to increase in October. Notably, the rate at which salaries rose accelerated to the sharpest in 21 months. Respondents attributed the upturn to counteroffers and attempts to attract the best candidates. Furthermore, permanent starters salary inflation across the UK as a whole reaccelerated.

Contract pay rates in the Midlands rose in October, with recruitment agencies citing a lack of available candidates as the main factor influencing the increase. The rate of growth matched the UK average and was the second-fastest across the five UK regions tracked. However, pay growth in the Midlands eased to the slowest rate in 12 months. There were salary increases for temporary starters across all five regions although the rate of expansion softened.

**Comment:**

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

*“Last month, recruiters helped even more people find permanent jobs – this is great news as it shows that employers are continuing to hire. However, the data also shows that growth is slowing down and one of the reasons is that we simply do not have enough people for all the roles that are out there at the moment. And the number of vacancies is still getting higher.*

*“For jobseekers this is good news as employers are willing to pay higher starting wages to attract the right candidates.*

*“We already know that EU workers are leaving because of the uncertainties they are facing right now. We therefore need clarity around what future immigration systems will look like. Otherwise, the situation will get worse and employers will face even more staff shortages.”*

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**Note to Editors:**

The Report on Jobs: Midlands is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the East Midlands and West Midlands regions. The consultancies are drawn from IHS 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. 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.

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**

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