

## News Release

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

### January sees weaker growth in staff placements

#### Key points:

- Slower increases in both permanent placements and temp billings
- Demand for staff reaches 17-month high
- Availability of permanent candidates drops at faster pace

#### Summary:

The 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 increase at softest pace in four months

January data signalled a further marked increase in permanent staff placements, despite the rate of growth easing to its slowest since September 2016.

#### Temp billings growth weakens slightly

Growth in temp billings remained sharp in January, in spite of the rate of expansion easing from December's eight-month peak.

#### Candidate availability continues to tighten...

Recruitment agencies continued to signal a drop in candidate availability at the start of 2017. While permanent staff availability declined at a slightly faster rate, the drop in temp staff availability was the slowest in three months.

#### ...contributing to further upward pressure on pay

Permanent staff starting salaries increased at a sharp and accelerated pace in January, with the rate of inflation the quickest in nine months. At the same time, growth in temp pay rates weakened from December's seven-month record.

#### Regional and sector variation

All four English regions monitored by the survey noted increased permanent placements in January, while Scotland saw a further decline.

Temp billings increased across all monitored regions in January, with the quickest rates of expansion seen in the North and the Midlands.

January survey data showed that growth of demand for staff remained considerably stronger in the private sector compared to the public sector. Furthermore, private sector permanent staff vacancies increased at the sharpest rate for a year-and-a-half at the start of 2017, though growth in demand for temp staff weakened slightly across the sector.

At the same time, public sector demand for permanent staff weakened to a modest pace in January, while public sector vacancies for short-term staff declined slightly.

Nursing/Medical/Care was top of the 'league table' in terms of demand for permanent staff in January, ahead of Engineering and IT & Computing. The weakest increase in demand was seen for Hotel & Catering employees.

Demand for temporary staff increased across almost all monitored sectors in January. The strongest growth was seen in Nursing/Medical/Care, followed by Blue Collar. Meanwhile, demand declined modestly for construction workers.

**REC Chief Executive Kevin Green says:**

*“Employers are crying out for people to fill vacancies. Recruiters say that fewer candidates are available in all regions, and this is dampening jobs growth.*

*“If businesses can’t find the people they need they will outsource abroad, automate activity or shut up shop, resulting in fewer jobs available to UK nationals.*

*“The NHS is already in turmoil because it doesn’t have enough staff and the government’s decision to prioritise immigration control over the economy in their EU negotiations means that finding candidates will become yet more difficult in the future.*

*“We agree that more can be done to encourage under-represented groups into work, including disabled people, single parents and older workers. But the idea that this will resolve the talent shortage is pie in the sky.”*

Full reports and historical data from the Report on Jobs are available by subscription. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com)

**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):**

Annabel Fiddes, Economist, Telephone 01491 461010 / [annabel.fiddes@ihsmarkit.com](mailto:annabel.fiddes@ihsmarkit.com)

**Note to Editors:**

The Report on Jobs is a monthly publication produced by 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 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.

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 Markit. Please contact [economics@ihsmarkit.com](mailto: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**

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)

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

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