

News Release

MARKET SENSITIVE INFORMATION
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UK Report on Jobs

Permanent placements rise at slower pace amid further drop in candidate availability

Key points:

- Permanent placement growth softens to nine-month low, while temp billings increase at faster pace
- Staff vacancies expand at quickest rate since last November
- Decline in candidate availability eases, but remains historically sharp

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.

Softer rise in permanent staff appointments...

Permanent placements continued to rise sharply in July, though the rate of expansion was the softest recorded since last October. Temp billings also increased strongly, with the rate of growth picking up from June's recent low.

...as supply of candidates continues to drop markedly

Recruitment agencies indicated that candidate shortages weighed on permanent staff appointments. Notably, the supply of both permanent and temporary candidates fell sharply in July, despite rates of decline easing to the weakest in three months in both cases.

Staff vacancies rise at quicker pace...

Demand for staff strengthened further in July, with overall job vacancies expanding at the quickest rate for eight months. Growth was led by the private sector, with demand for both permanent and temporary workers continuing to rise at rates that

comfortably outstripped those seen in the public sector.

...maintaining upward pressure on pay

Low candidate availability and robust demand for staff led to a further steep increase in salaries awarded to permanent starters. At the same time, temp pay rates rose at a marked and accelerated rate that was close to April's two-year record.

Regional variation

Permanent placements rose at faster rates in the Midlands and the South of England, but growth softened in the North of England. In contrast, permanent staff appointments fell slightly in London.

Growth of temp billings was broad-based across the four monitored English regions during July, with the sharpest rate of increase seen in the North of England.

Sector variation

July data indicated that demand for staff continued to increase at a considerably stronger pace in the private sector than in the public sector.

The strongest increase in staff vacancies was seen for permanent private sector workers, while the weakest rise was signalled for public sector permanent roles.

IT & Computing was the most in-demand category for permanent staff in July. Nonetheless, steep increases in vacancies were also registered in the remaining nine job categories. The slowest rise in demand was reported for Retail workers.

Temporary staff vacancies rose across all of the ten monitored job categories in July, with the sharpest increases seen across Blue Collar and

Nursing/Medical/Care. The slowest, but still marked, rise in short-term roles was signalled for Executive/Professional.

Sophie Wingfield, Head of Policy at REC says:

“The rise in interest rates for only the second time in a decade may leave some people feeling the pinch. But a new job is one way people can ease the burden on their finances. With our data showing starting salaries continuing to rise, the latest official government figures suggest that we are finally seeing the effects of a tighter labour market feed through to pay.”

“Following a period of turbulence and big name closures, the World Cup and heatwave had retailers enjoying a ‘summer bounce’ and basking in the sun with demand for temporary staff on the up with many businesses positively revising their hiring plans. Right now students on their summer break can make the most of these opportunities and cash-in while gaining valuable experience and new skills.”

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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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