

The most up-to-date source of monthly UK labour market data and analysis

Report on Jobs



The Report on Jobs is a monthly publication produced by IHS Markit and sponsored by the Recruitment and Employment Confederation.

The report features original survey data which provide the most up-to-date monthly picture of recruitment, employment, staff availability and employee earnings trends available.

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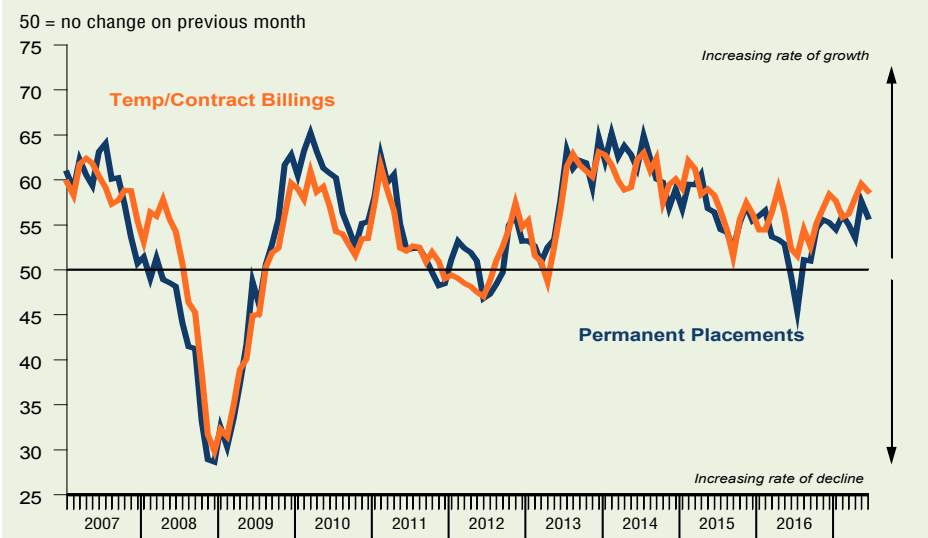
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Growth in staff appointments softens slightly, while starting salaries rise at steeper rate

Staff Appointments via Recruitment Consultancies



Key points from the June survey:

- Permanent placements and temp billings continue to rise markedly
- Availability of candidates continues to decline sharply
- Starting salaries increase at quickest pace for just over a year-and-a-half

Commenting on the latest survey results, Tom Hadley, REC Director of Policy says:

“With fewer people currently looking for jobs, employers are having to increase starting salaries to secure the talent they need. This is creating great opportunities for people with in-demand skills who are prepared to change jobs, but it’s also putting unsustainable pressure on many businesses.

“Existing skills shortages are being exacerbated by Brexit. For example, demand for accountants and other financial roles has increased recently as organisations try to protect themselves against economic uncertainty. London alone employs almost 200,000 EU nationals* in these roles. Policies which make it more difficult to recruit and retain these people will put business growth at risk.

“Investment in training the domestic workforce is vital to the long-term health of the jobs market, but it won’t allay employers’ fears about losing access to workers from the EU. The government needs to outline a five-year roadmap for post-Brexit immigration policy to enable businesses to plan effectively, and so the UK economy can flourish.”

*London has 191,400 EU nationals working in the financial and businesses services sector - Building the post-Brexit immigration system, REC (July 2017)

1 Executive summary

The Report on Jobs is unique in providing the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies and employers to provide the first indication each month of labour market trends.

The main findings for June are:

Staff appointments increase at softer pace

Permanent placements continued to rise sharply in June, despite the rate of expansion easing slightly since May's 25-month peak. Growth in temp billings also softened in June, but remained steep overall.

Demand for staff holds close to May's 21-month peak

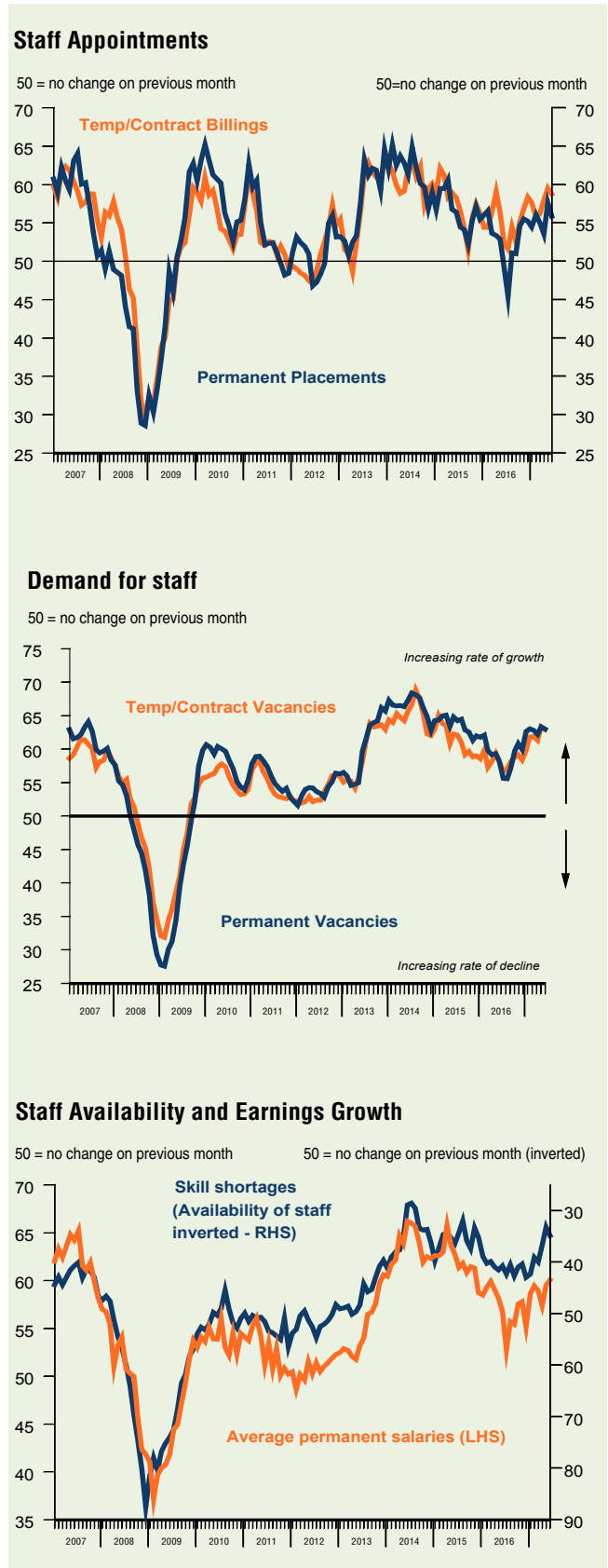
Demand for staff continued to rise in June, with the rate of growth staying close to May's recent peak. This was despite both permanent and temporary vacancies rising at slightly weaker rates than in the previous month.

Salary growth fastest for over a year-and-a-half...

Permanent starting salaries rose at a sharp and accelerated rate that was the fastest in 19 months in June. Growth in hourly pay rates also quickened since May, and reached a six-month record.

...as candidate availability continues to decline

The pool of available candidates for both permanent and temporary roles continued to shrink markedly in June. While the number of permanent candidates fell at a slightly softer pace than in May, the supply of temporary labour deteriorated at the quickest rate in 18 months.



2 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

UK recruitment agencies signalled slightly weaker expansions in both permanent placements and temporary billings in June.

Growth in permanent placements softens, but remains sharp

Latest survey data pointed to a further marked upturn in the number of people placed in permanent jobs at the end of the second quarter. This was despite the rate of expansion slowing from May's 25-month peak. According to panellists, robust demand for staff supported the latest increase in permanent placements. However, growth was reportedly dampened by risk aversion linked to Brexit uncertainty and the general election.

On a regional basis, Scotland noted the sharpest growth in permanent placements, followed by the Midlands. The weakest rate of expansion was recorded in London.

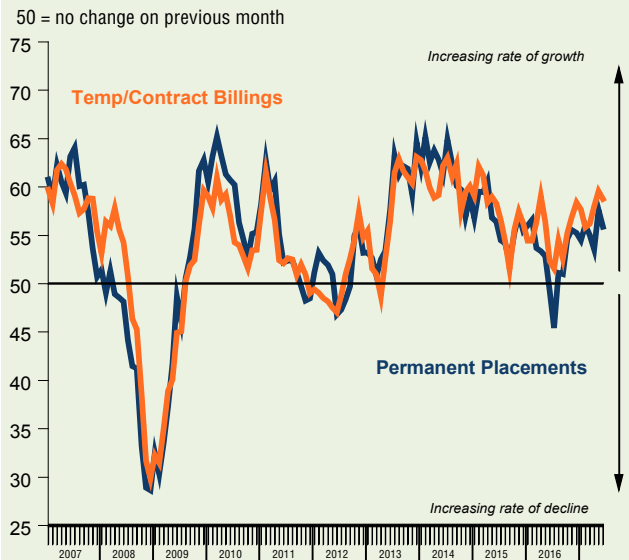
Further steep increase in temp billings

Growth in temp billings received from the employment of temporary workers in the UK softened slightly in June, but remained sharp overall. Furthermore, the latest expansion was the second-fastest in 14 months (after May 2017). Nearly 41% of surveyed recruiters noted increased temp billings, with some firms linking the rise to stronger demand for short-term staff.

Scotland saw the strongest upturn in temp billings of all monitored UK regions in June. Nonetheless, all of the remaining regions also noted marked rates of expansion.

An index reading above 50 signals a higher number of placements/billings than the previous month. Readings below 50 signal a decline compared with the previous month.

Staff Appointments via Recruitment Consultancies



Permanent Staff Placements

Q. Please compare the number of staff placed in permanent positions with the number one month ago.

	Higher %	Same %	Lower %	Net +/-	Index 50 = no chg	S.Adj. Index
2017 Jan	42.3	28.1	29.7	12.6	56.3	54.5
Feb	41.5	34.5	24.0	17.6	58.8	56.1
Mar	41.4	35.2	23.4	17.9	59.0	55.0
Apr	37.8	37.2	25.0	12.8	56.4	53.6
May	42.6	32.9	24.6	18.0	59.0	57.6
Jun	36.7	36.9	26.4	10.4	55.2	55.9

Temporary/Contract Staff Billings

Q. Please compare your billings received from the employment of temporary and contract staff with the situation one month ago.

	Higher %	Same %	Lower %	Net +/-	Index 50 = no chg	S.Adj. Index
2017 Jan	27.3	32.6	40.1	-12.8	43.6	57.7
Feb	33.5	45.5	21.1	12.4	56.2	55.8
Mar	38.9	46.1	15.0	23.9	62.0	56.2
Apr	36.5	46.3	17.2	19.4	59.7	58.0
May	39.2	42.2	18.6	20.6	60.3	59.5
Jun	40.9	45.0	14.1	26.9	63.4	58.8

3 Vacancies

Recruitment consultants are asked to specify whether the demand for staff from employers has changed on the previous month, thereby providing an indicator of the number of job vacancies. The summary indexes shown in this page are derived from the detailed sector data shown on page 5.

Demand for staff remains marked

At 63.0 in June, the Report on Jobs Vacancy Index fell from May's recent peak of 63.3. Nonetheless, the index remained well above the neutral 50.0 value to signal a further sharp increase in staff demand.

Vacancies rose at steep and identical rates for both permanent and temporary roles, despite both job types seeing softer growth than in the previous month.

Public & private sector vacancies

Private sector staff demand continued to rise sharply at the end of the second quarter. This was despite a slight moderation in demand growth for permanent staff across the private sector. Meanwhile, the number of temporary vacancies in the private sector increased at a slightly faster pace.

Demand for staff also increased in the public sector in June. Data indicated that demand growth was similarly strong for permanent and temporary roles, with the rate of increase picking up in the former, but slowing for the latter.

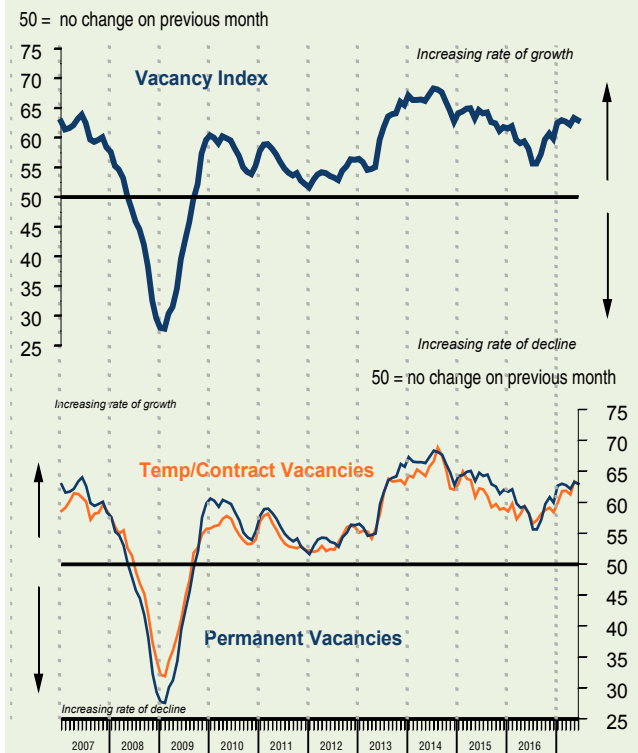
Other vacancy indicators

Data from the Office for National Statistics (ONS) showed that job vacancies increased by 3.2% on the year in the three months to May, down slightly from a 4.4% rise in the previous three-month period.

Latest available data indicated that internet-based recruitment spending increased by 14.6% in the final quarter of 2016, up from 5.7% in Q3 and the fastest rate of growth for a year.

The Job Vacancies Index monitors the overall demand for staff at recruitment consultancies. An index reading above 50 signals a higher number of vacancies than the previous month. Readings below 50 signal a decline compared with the previous month.

Job Vacancies



Job Vacancy Indicators

	Feb'17	Mar	Apr	May	Jun
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	63.0	62.8	62.2	63.3	63.0
Permanent Staff	63.1	62.8	62.2	63.3	63.0
Temporary Staff	61.9	61.9	61.3	63.4	63.0

Public & private sector vacancies (not seasonally adjusted)

Public: perm	52.2	49.2	49.1	53.4	54.7
Public: temp	52.8	51.8	49.6	57.5	54.2
Private: perm	69.6	67.4	64.6	63.8	63.2
Private: temp	65.2	63.1	62.5	63.0	63.2

Other key vacancy data

Annual % change					
ONS Vacancy Survey	0.8	2.0	4.4	3.2	n/a
Internet recruitment	14.6	--	--	--	

Sources: Vacancy data provided by ONS via Thomson Reuters Datastream. Internet recruitment spending provided by WARC.com

4 Demand for staff by sector

Recruitment consultancies are requested to compare the demand for staff according to sector with the situation one month ago.

Permanent staff

Recruitment agencies registered a broad-based upturn in demand for permanent staff during June. Engineering placed first in the rankings, followed by Accounting/Financial. Nonetheless, demand rose sharply in all of the other monitored job sectors.

	This year		(Last year)	
	Rank	Jun'17	Rank	Jun'16
Engineering*	1	68.4	(2)	(61.4)
Accounting/Financial	2	64.0	(3)	(59.0)
IT & Computing	3	63.4	(4)	(58.3)
Secretarial/Clerical	4	62.3	(6)	(56.8)
Blue Collar	5	61.4	(8)	(55.0)
Hotel & Catering	6	60.9	(9)	(52.8)
Nursing/Medical/Care	7	60.7	(1)	(62.7)
Executive/Professional	8	59.2	(5)	(57.4)
Construction*	9	58.8	(7)	(56.6)

Temporary/contract staff

Hotel & Catering pipped Nursing/Medical/Care to place in the top spot for demand for temporary staff in June, with demand growth sharp for both job categories. The weakest increase in demand was seen for Executive/Professional roles.

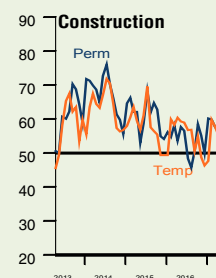
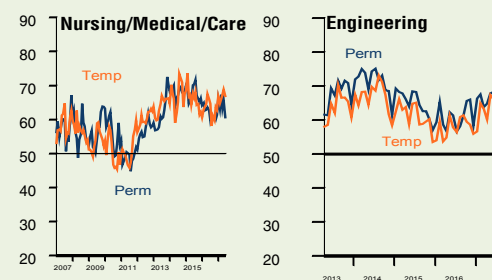
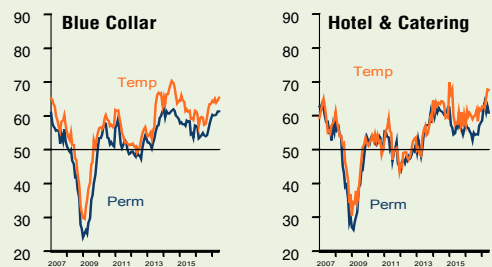
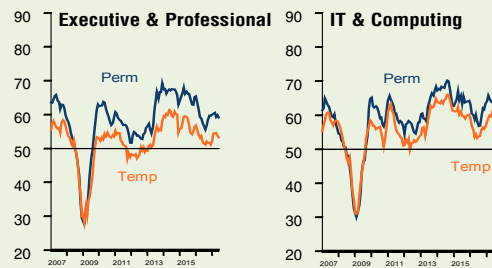
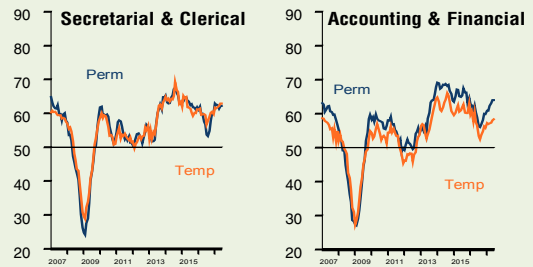
	This year		(Last year)	
	Rank	Jun'17	Rank	Jun'16
Hotel & Catering	1	67.6	(4)	(59.0)
Nursing/Medical/Care	2	67.0	(1)	(66.0)
Engineering*	3	66.0	(6)	(57.9)
Blue Collar	4	65.5	(3)	(59.5)
Secretarial/Clerical	5	62.9	(2)	(59.5)
IT & Computing	6	60.3	(8)	(53.3)
Construction*	7	58.7	(5)	(58.9)
Accounting/Financial	8	58.3	(7)	(56.6)
Executive/Professional	9	53.3	(9)	(51.8)

*Non-seasonally adjusted data. Prior to April 2013 Engineering/Construction was reported as a single category.

Data are presented in the form of diffusion indices whereby a reading of 50 indicates no change on the previous month. Readings above 50 signal stronger demand than a month ago. Readings below 50 signal weaker demand than a month ago.

Demand for staff

50 = no change on previous month



5 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month. An overall indicator of staff availability is also calculated.

Availability of permanent staff

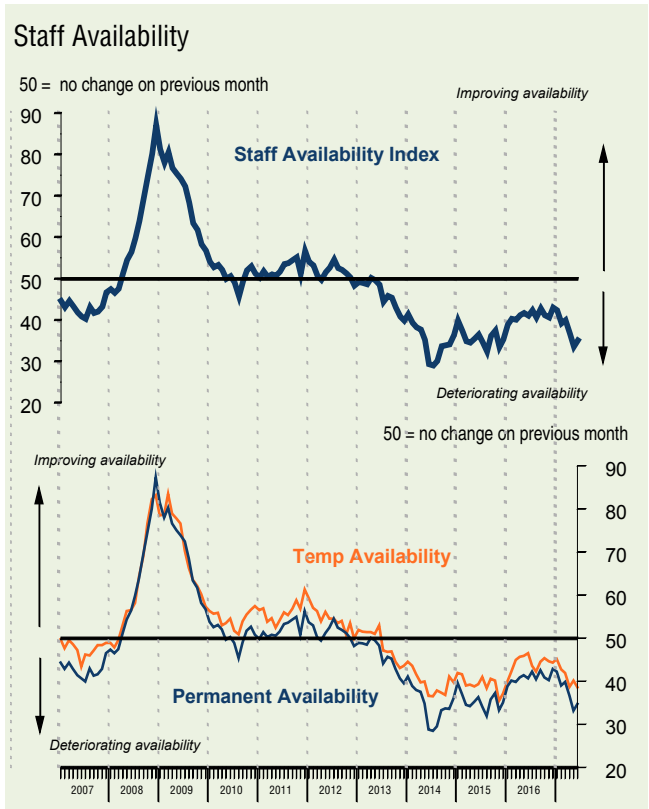
As has been the case since May 2013, the availability of candidates to fulfil permanent roles declined in June. Although the rate of deterioration softened from May's 21-month record, it remained sharp overall.

Each of the five monitored UK regions registered falls in permanent candidate availability, with the steepest decline seen in the South of England.

Availability of temp/contract staff

The supply of candidates for short-term roles declined again in June, and at a faster rate than in May. Furthermore, the rate of deterioration was the sharpest in a year-and-a-half.

The South of England saw the fastest reduction in temporary candidate numbers of all monitored regions, as has been the case throughout the second quarter.



Availability of permanent staff

Q. Is the availability of candidates for permanent vacancies better, the same or worse than one month ago?

	Better %	Same %	Worse %	Net +/-	Index	S.Adj. Index
2017 Jan	28.5	52.5	19.1	9.4	54.7	42.3
Feb	16.8	50.0	33.2	-16.3	41.8	39.0
Mar	11.1	56.0	32.9	-21.8	39.1	39.9
Apr	8.3	53.4	38.4	-30.1	35.0	36.6
May	7.6	49.7	42.8	-35.2	32.4	33.2
Jun	9.1	49.4	41.5	-32.3	33.8	34.8

Availability of temporary/contract staff

Q. Is the availability of candidates for temporary vacancies better, the same or worse than one month ago?

	Better %	Same %	Worse %	Net +/-	Index	S.Adj. Index
2017 Jan	25.6	56.4	18.0	7.6	53.8	45.2
Feb	18.4	55.3	26.2	-7.8	46.1	42.8
Mar	12.4	58.6	29.0	-16.6	41.7	42.0
Apr	11.7	55.1	33.2	-21.5	39.2	38.8
May	14.3	50.5	35.2	-20.9	39.5	40.2
Jun	11.3	53.2	35.5	-24.2	37.9	38.6

Key permanent staff skills reported in short supply:*

Accountancy/Financial: Audit, Accounts, Estimators, Finance, Risk, Treasury. **Blue Collar:** Fabricators, Manufacturing Quality Assurance Managers, Production Managers, Tool Makers, Welders. **Engineering:** Aviation, Electronic Design Engineers, Engineers, Mechanical Design Engineers, Structural Engineers. **Construction:** Architects, Quantity Surveyors. **Executive/Professional:** Advertising, Compliance, Legal, Marketing, Project Managers, Recruiters, Regulators. **Hotel/Catering:** Catering, Chefs, Cooks. **IT/Computing:** Audio/visual, CAD Designers, CNC Programmers, Cyber Security, Developers, Digital, IT, Gaming. **Nursing/Medical/Care:** Care Workers, Healthcare Assistants, Home Carers, Support Workers. **Secretarial/Clerical:** Office Workers, Personal Assistants, Receptionists, Senior Administrators. **Other:** B2B Telesales, Education, Sales, Technical Sales, Telesales.

Key temp skills reported in short supply:*

Accountancy/Financial: Audit, Accounts, Risk. **Blue Collar:** Cleaners, Drivers, Fork Lift Drivers, HGV Drivers, Industrial Workers, LGV Drivers, Warehouse Workers, Welders. **Construction:** Bricklayers, Scaffolders. **Engineering:** Engineers. **Executive/Professional:** Compliance. **Hotel/Catering:** Catering. **IT/Computing:** CAD Designers, Cyber Security, IT, Software Developers. **Nursing/Medical/Care:** Care Workers, Healthcare Assistants, Home Carers, Nurses, Support Workers. **Secretarial/Clerical:** Administration. **Other:** Call Centres, Customer Service, Sales, Telesales.

*consultants are invited to specify any areas in which they have encountered skill shortages during the latest month

6 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

Permanent salaries

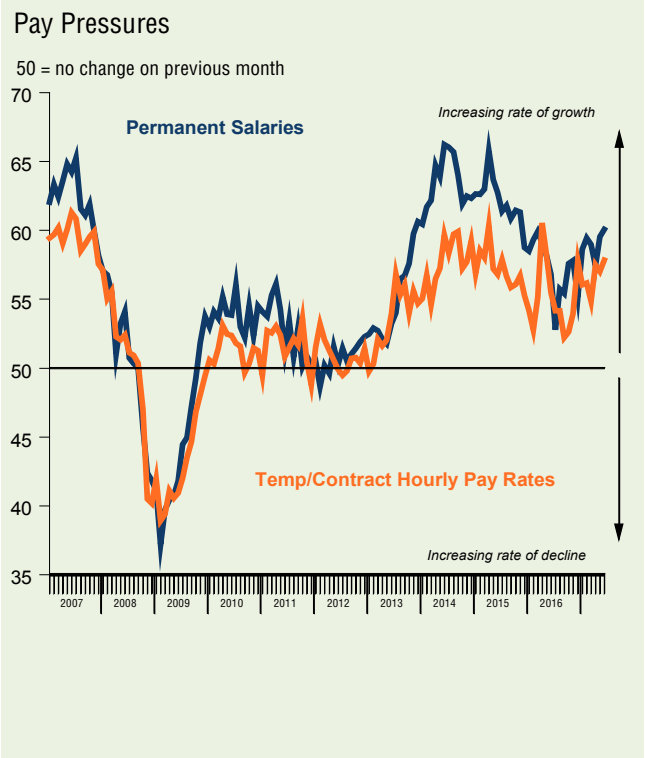
June survey data signalled a sustained rise in permanent starting salaries, thereby stretching the current period of inflation to 62 months. Furthermore, the rate of increase was the sharpest recorded since November 2015. A shortage of candidates and greater efforts to secure quality staff was reportedly behind the latest upturn in starting salaries.

All monitored UK regions saw steep increases in pay, led by the North of England.

Temp/contract pay rates

Hourly rates of pay for workers in temporary/short-term employment increased further in June. Notably, the rate of inflation picked up to the most marked in six months.

The strongest growth in temp pay was again seen in the Midlands. Nonetheless, all other monitored regions also registered steep increases in pay.



Permanent Salaries

Q. Are average salaries awarded to staff placed in permanent positions higher, the same or lower than one month ago?

	Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2016 Dec	13.4	80.4	6.3	7.1	53.6	55.2
2017 Jan	18.6	77.5	3.9	14.7	57.3	58.6
Feb	22.5	73.5	4.0	18.5	59.3	59.5
Mar	22.9	74.1	3.0	19.8	59.9	59.0
Apr	21.7	74.5	3.8	17.9	59.0	57.4
May	25.3	72.2	2.6	22.7	61.4	59.5
Jun	24.2	73.2	2.6	21.6	60.8	60.1

Temporary/Contract Pay Rates

Q. Are average hourly pay rates for temporary/contract staff higher, the same or lower than one month ago?

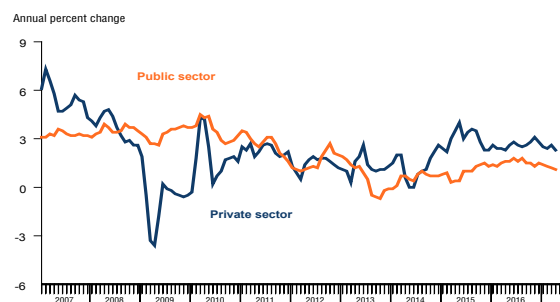
	Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2016 Dec	16.0	80.0	3.9	12.1	56.1	57.8
2017 Jan	13.7	81.2	5.1	8.6	54.3	56.0
Feb	15.5	81.0	3.5	12.0	56.0	56.2
Mar	14.7	80.6	4.7	10.1	55.0	54.9
Apr	26.1	70.8	3.1	23.0	61.5	57.5
May	20.2	74.3	5.5	14.8	57.4	57.0
Jun	19.3	76.9	3.9	15.4	57.7	57.8

UK average weekly earnings

Data from the Office for National Statistics indicated that annual growth of employee earnings (including bonuses) rose by +2.1% in the three months to April. Slower increases in pay were registered in both the private (+2.3% on the year) and public (+1.1%) sectors.

Yr/yr % chg in average weekly earnings (3mma)

	2014	2015	2016	Jan'17	Feb	Mar	Apr
Whole economy	1.0	2.6	2.4	2.2	2.2	2.3	2.1
Private sector	1.3	3.0	2.6	2.5	2.4	2.6	2.3
Public sector	0.6	0.9	1.5	1.4	1.3	1.2	1.1
Services	1.0	2.8	2.3	2.2	2.1	2.4	2.2
Manufacturing	2.1	1.6	2.4	1.6	1.8	1.8	1.6
Construction	1.0	2.8	4.8	4.1	3.0	1.7	1.0



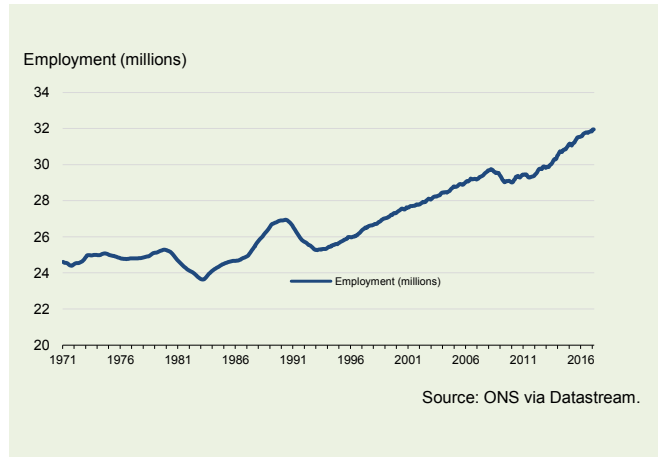
7 Feature | Employment

UK employment rate at joint-record high

The number of people in work in the UK rose to 31.95 million in the three months to April, according to the latest data released by the Office for National Statistics (ONS).

This highlighted an increase of 372,000 compared to a year earlier, and was the highest level of employment seen since records began in the early 1970s. Furthermore, the data shows that there are around three million more people in employment since the global financial crisis.

As a result, the employment rate held steady at a joint-record high of 74.8%. Broken down by gender, 79.5% of men aged 16-64 were in employment (the highest since the three months to May 1991), while the number of women aged 16-64 in work was the joint-highest on record at 70.2%. The ONS noted that the uplift in the proportion of working women has been influenced by the ongoing changes to the State Pension age, which has reduced the number of women that retire between 60-65 years old.



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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Website: ihsmarkit.com

Recruitment Industry Survey

The monthly survey features original research data collected via questionnaire by IHS Markit 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. 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.

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