

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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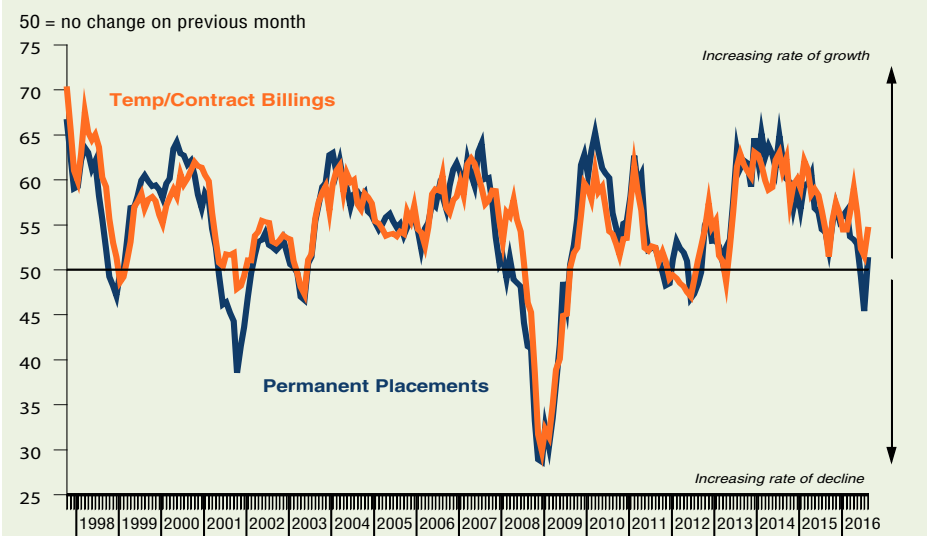
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Permanent staff placements rebound in August

Staff Appointments via Recruitment Consultancies



Key points from the August survey:

- Permanent appointments rise for first time in three months
- Temp billings increase at fastest pace since May
- Permanent salary growth quickens

Commenting on the latest survey results, REC chief executive Kevin Green says:

“The UK jobs market returned to pre-referendum patterns in August as the initial shock of the vote result subsided. Permanent hiring returned to growth as employers confirmed appointments that had been on hold or delayed in June and July. Starting salaries also improved, with employers having to offer more to attract candidates who might be reluctant to move jobs in the current climate.

“Despite this month’s positive data, it is still too early to make conclusions about what impact the vote to leave the EU will have on the jobs market. For example, the fact that vacancy growth has softened is concerning, suggesting that hiring could be volatile over the coming months.

“The priority now is to shore up business confidence. Much of this depends on progress the government can make in its difficult task of ensuring that UK businesses have the ability to trade with their neighbours in the EU. Developing an immigration policy which will allow employers to access enough candidates for the jobs available is vital. Employers from the public sector to agriculture and engineering to construction could be adversely affected if access to workers from outside the UK is limited.”

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 August are:

Permanent placements increase for first time in three months...

Latest data showed a rise in the volume of permanent staff placements during August, following decreases seen in the preceding two months around the Brexit vote. Anecdotal evidence suggested that some panellists had decided to move ahead with hires that had previously been placed on hold.

...while temp billings rise at strongest rate since May

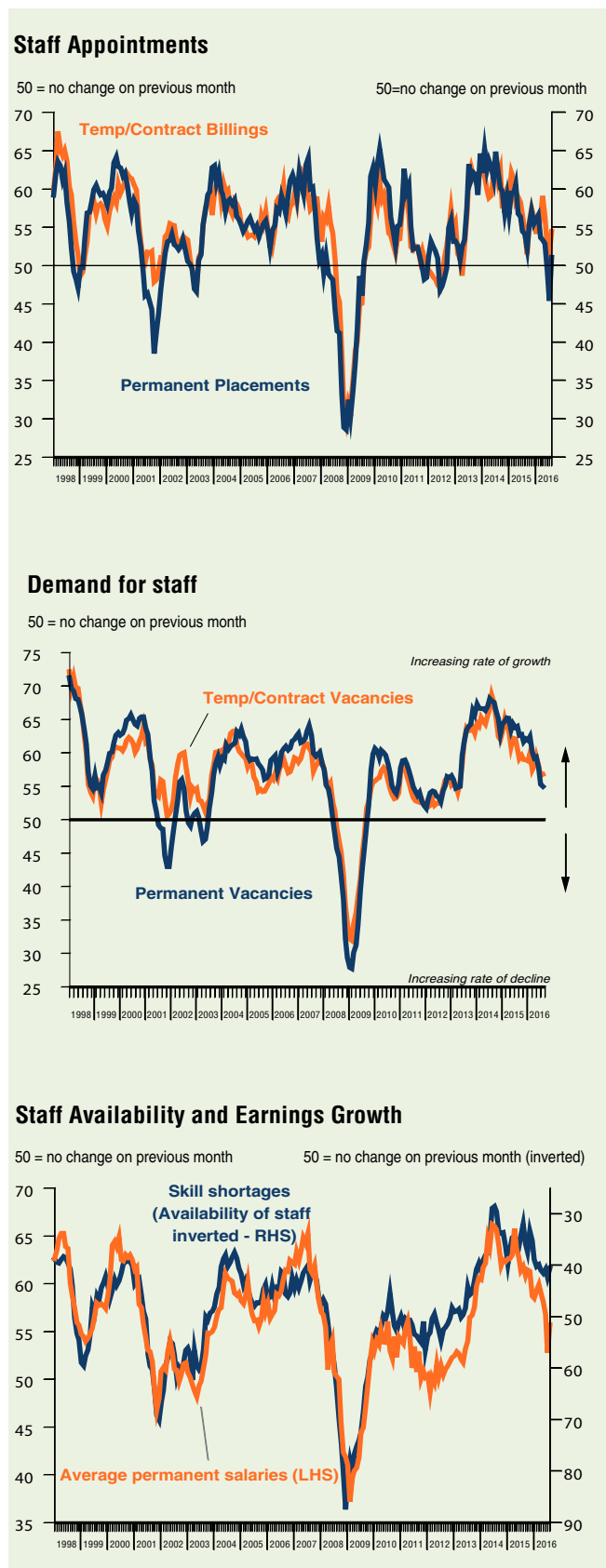
Having eased to a ten-month low in July, growth of short-term staff billings picked up in August. Panellists indicated that strong client activity levels had underpinned the latest increase.

Permanent salary growth accelerates...

Starting salaries for successful permanent candidates continued to rise in August. The rate of growth was solid and faster than in July, with panellists citing skill shortages and greater numbers of senior-level placements.

...amid continuing tight candidate availability

The supply of candidates to fill vacancies remained an issue in August, with consultants signalling sharper falls in both permanent and temporary staff availability.



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.

Recruitment consultants signalled improved trends in both permanent and temporary/contract staff appointments during August.

Permanent placements return to growth

The number of people placed in permanent jobs increased slightly in August, following declines in the previous two months. A number of panellists indicated that decisions on new hires which had been delayed around the Brexit vote had now been confirmed. However, others noted that tight candidate availability remained a brake on activity.

Higher permanent placements were recorded across each of the monitored regions apart from London (where the pace of decline eased markedly).

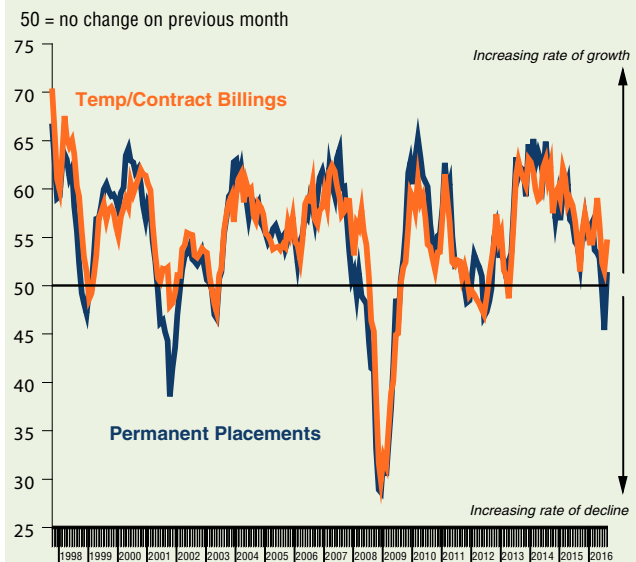
Faster rise in temp billings

Agencies' billings from the employment of temporary/contract staff continued to rise in August. Moreover, the rate of growth accelerated to a three-month high. Higher temp billings were frequently attributed by panellists to rising client activity levels.

Growth of short-term staff billings was broad-based by region, with the North posting the fastest rise.

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
2016 Mar	37.7	35.9	26.3	11.4	55.7	53.7
Apr	38.1	34.1	27.8	10.4	55.2	53.4
May	37.1	31.5	31.4	5.7	52.9	52.9
Jun	33.4	34.7	31.8	1.6	50.8	49.3
Jul	28.1	34.0	37.9	-9.8	45.1	45.4
Aug	32.5	33.7	33.8	-1.3	49.3	51.1

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
2016 Mar	38.6	46.8	14.6	24.0	62.0	56.4
Apr	34.9	43.7	21.4	13.4	56.7	59.1
May	35.3	42.3	22.4	12.9	56.5	56.4
Jun	32.3	46.3	21.4	10.9	55.4	52.3
Jul	34.3	41.1	24.7	9.6	54.8	51.6
Aug	35.7	40.2	24.2	11.5	55.7	54.5

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.

Vacancy growth eases further

Demand for staff continued to rise in August, but at a slower pace. The Report on Jobs Vacancy Index posted 55.1, down from 55.4 in July. That signalled the least marked rise in demand for 39 months.

Permanent staff vacancies increased at a slightly slower pace in August, whereas temp vacancy growth quickened marginally.

Public & private sector vacancies

The strongest growth of vacancies was recorded for private sector temporary workers during August. Public sector permanent staff was the only category to see a decline.

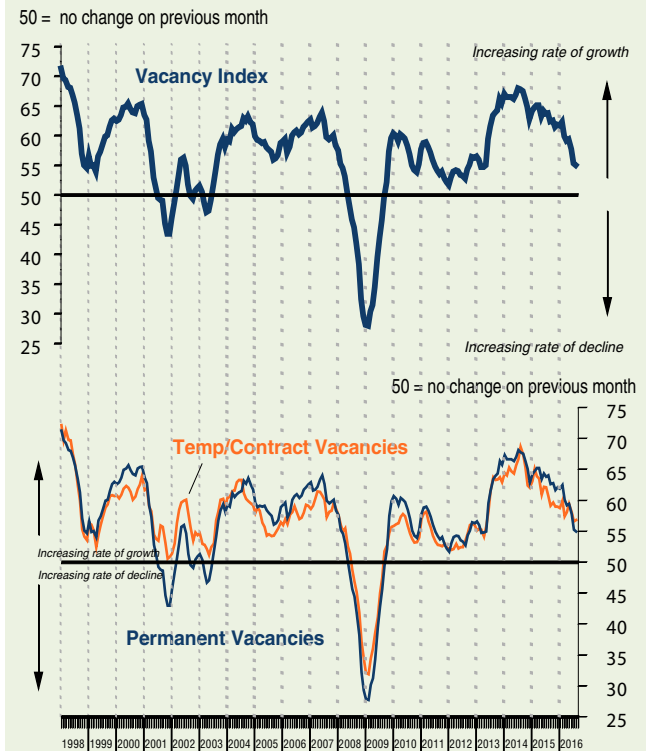
Other vacancy indicators

Latest official data from the Office for National Statistics (ONS) signalled that vacancies rose 0.3% on an annual basis in the three months to July. That was the weakest growth in over four years.

Internet-based recruitment spending fell -5.6% on a year-on-year basis in the opening quarter of 2016 – the second consecutive quarterly drop.

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

	Apr'16	May	Jun	Jul	Aug
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	59.2	59.4	57.8	55.4	55.1
Permanent Staff	59.3	59.4	57.8	55.3	55.0
Temporary Staff	58.1	59.5	58.1	56.6	56.8

Public & private sector vacancies (not seasonally adjusted)

Public: perm	48.7	50.7	50.4	51.5	47.1
Public: temp	50.7	52.0	53.0	50.3	53.0
Private: perm	60.9	62.0	58.6	56.2	55.2
Private: temp	60.1	61.9	63.2	58.2	60.2

Other key vacancy data

Annual % change					
Job centre vacancies	2.2	2.2	1.6	0.3	n/a
Internet recruitment	-5.6	--	--	--	--

Sources: Job centre vacancies provided by ONS via EcoWin.
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

Nursing/Medical/Care remained the most sought-after category for permanent staff in August, just ahead of Engineering. Construction was the only category where a decline in demand was reported.

	This year		(Last year)	
	Rank	Aug'16	Rank	Aug'15
Nursing/Medical/Care	1	58.4	(1)	(71.9)
Engineering*	2	58.2	(5)	(64.5)
IT & Computing	3	56.1	(4)	(64.9)
Executive/Professional	4	55.4	(3)	(65.9)
Accounting/Financial	5	55.3	(2)	(66.8)
Blue Collar	6	53.7	(8)	(58.3)
Hotel & Catering	7	53.7	(9)	(57.8)
Secretarial/Clerical	8	52.6	(6)	(62.1)
Construction*	9	45.7	(7)	(61.9)

Temporary/contract staff

Growth of demand was broad-based across all monitored categories of temporary/contract staff during August. The fastest rise was signalled for Hotel & Catering workers, followed by Engineering staff.

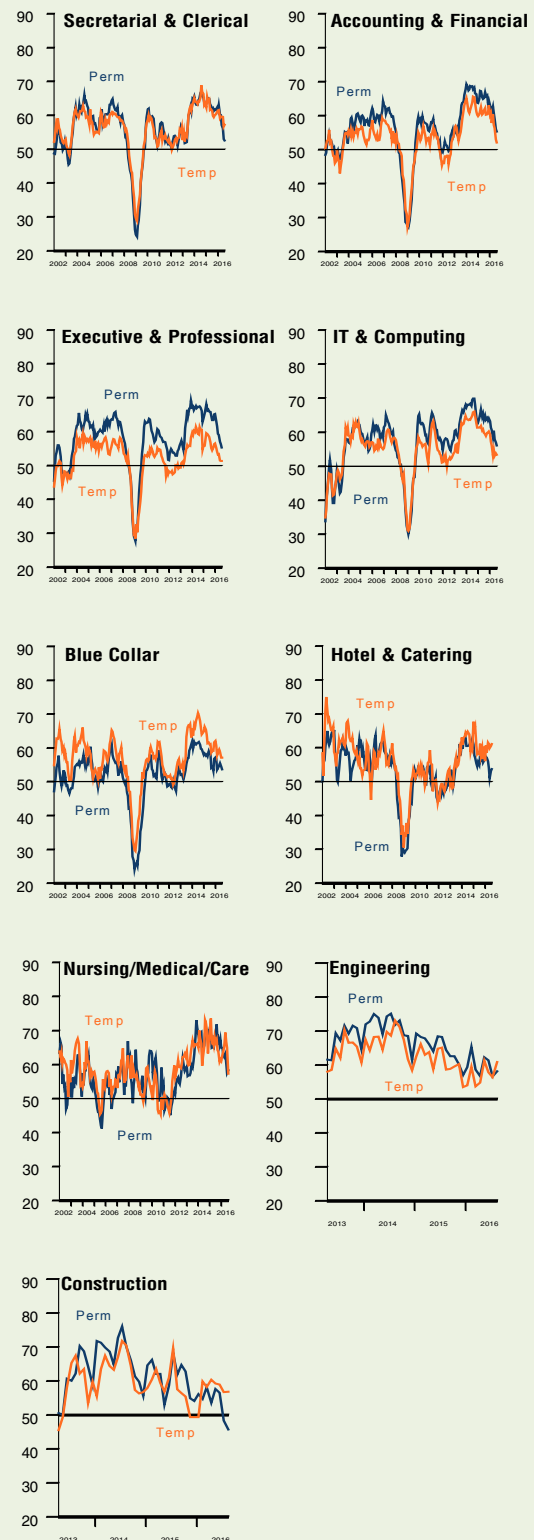
	This year		(Last year)	
	Rank	Aug'16	Rank	Aug'15
Hotel & Catering	1	61.1	(3)	(61.2)
Engineering*	2	60.9	(7)	(58.6)
Nursing/Medical/Care	3	57.3	(1)	(67.5)
Secretarial/Clerical	4	57.3	(5)	(59.9)
Blue Collar	5	57.1	(4)	(61.2)
Construction*	6	56.9	(8)	(57.5)
IT & Computing	7	53.4	(6)	(59.5)
Accounting/Financial	8	52.1	(2)	(62.2)
Executive/Professional	9	51.4	(9)	(56.8)

*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

The availability of staff to fill permanent jobs continued to fall in August. The rate of decline was marked, having accelerated since July. There were some reports from the survey panel of candidates being reluctant to move due to economic uncertainty.

Permanent candidate availability fell across all monitored regions, with the South and London seeing the sharpest declines.

Availability of temp/contract staff

Temporary/contract staff availability deteriorated further in August. The latest fall was the sharpest in six months and marked overall.

Regional data signalled lower temp availability everywhere except Scotland, where a modest increase was reported.

Key permanent staff skills reported in short supply:*

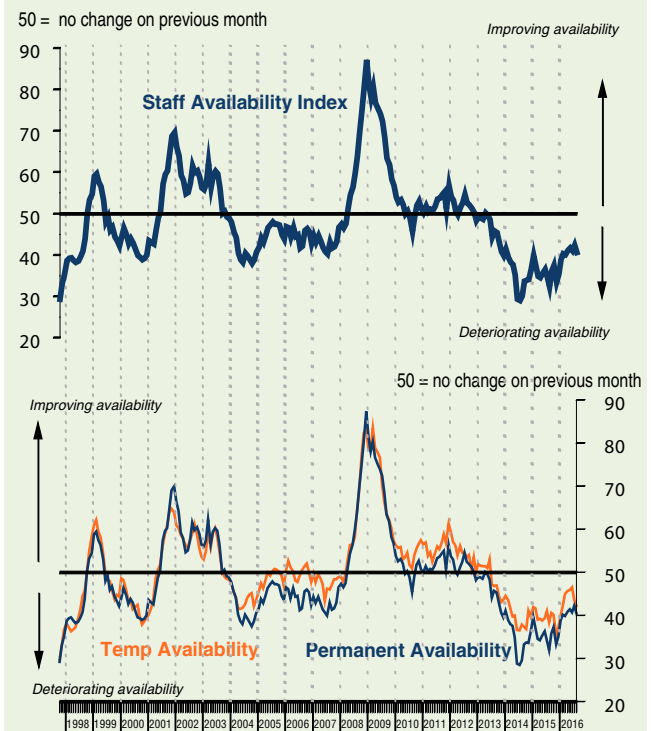
Accountancy/Financial: Accounts, Audit, Compliance. **Blue Collar:** HGV Drivers, LGV Drivers. **Engineering:** Design Engineers, Rail, Structural Engineers. **Hotels/Catering:** Chefs, Front of House. **IT/Computing:** Digital Marketing, Embedded Software, Gaming, Information Security, Java, Mobile Developers, .Net. **Nursing/Medical/Care:** Medical. **Secretarial/Clerical:** Admin. **Other:** Business Development, Customer Service, Sales, Scientists, Pharmaceuticals.

Key temp skills reported in short supply:*

Accountancy/Financial: Audit, Compliance, Risk. **Blue Collar:** Electricians, Forklift Drivers, HGV Drivers, LGV Drivers, Painters, Semi-Skilled, Welders. **Construction:** Construction Workers. **Engineering:** Rail, Structural Engineers. **IT/Computing:** Developers, Digital, Gaming, Java, PHP. **Other:** Call Centre, Customer Service, Pharmaceuticals, Scientists, Telesales.

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

Staff Availability



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
2016 Mar	9.1	58.9	32.1	-23.0	38.5	39.9
Apr	12.4	58.7	28.9	-16.5	41.7	40.9
May	10.9	59.0	30.1	-19.2	40.4	41.5
Jun	9.7	57.8	32.5	-22.8	38.6	40.7
Jul	11.7	53.1	35.2	-23.5	38.2	42.3
Aug	10.3	49.2	40.5	-30.2	34.9	40.5

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
2016 Mar	15.4	58.8	25.9	-10.5	44.7	45.0
Apr	13.5	63.1	23.4	-9.9	45.1	45.7
May	12.0	64.6	23.3	-11.3	44.3	46.0
Jun	16.3	59.1	24.6	-8.3	45.8	46.5
Jul	10.6	61.2	28.2	-17.6	41.2	43.6
Aug	12.3	53.4	34.2	-21.9	39.0	42.3

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

Average starting salaries for candidates placed in permanent jobs rose further in August. The rate of growth was solid, having accelerated since July. Recruitment consultants attributed higher salaries to shortages of suitable candidates and increased volumes of senior-level placements.

Scotland led a broad-based rise in permanent salaries during the latest survey period.

Temp/contract pay rates

Hourly rates of pay for staff in temporary/contract employment continued to rise in August. The rate of increase was unchanged since July.

Temp pay rose in all regions, with the North seeing the strongest increase.

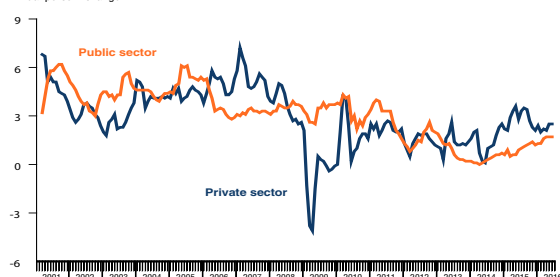
UK average weekly earnings

Data from the Office for National Statistics indicated that annual growth of employee earnings (including bonuses) quickened to 2.4% in the three months to June 2016. That was the strongest growth in eight months.

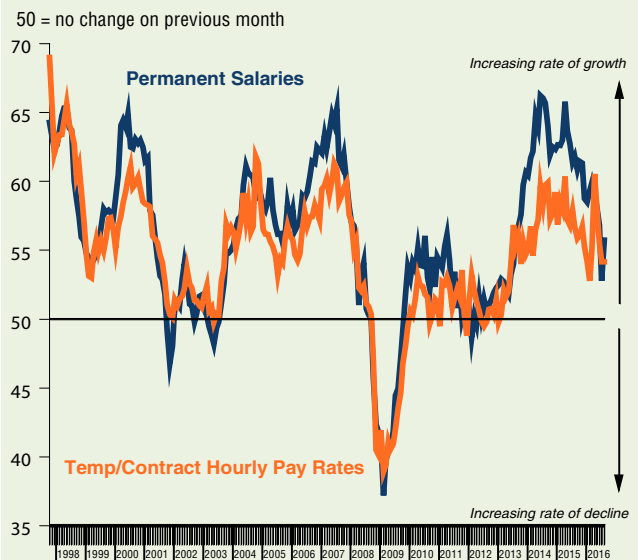
Yr/yr % chg in average weekly earnings (3mma)

	2013	2014	2015	Mar'16	Apr	May	Jun
Whole economy	1.2	1.2	2.5	2.0	2.0	2.3	2.4
Private sector	1.4	1.4	2.9	2.2	2.1	2.5	2.5
Public sector	0.9	0.3	0.9	1.6	1.7	1.7	1.7
Services	1.1	1.0	2.6	1.7	1.6	2.0	2.0
Manufacturing	2.3	2.2	1.3	1.7	1.7	2.2	2.3
Construction	0.3	0.9	4.3	8.3	8.2	8.2	8.4

Annual percent change



Pay Pressures



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 Feb	22.9	72.2	5.0	17.9	59.0	59.3
Mar	24.5	70.9	4.5	20.0	60.0	59.9
Apr	26.0	68.8	5.2	20.8	60.4	59.1
May	22.0	74.2	3.8	18.2	59.1	58.2
Jun	17.3	78.9	3.7	13.6	56.8	56.8
Jul	13.4	80.4	6.2	7.3	53.6	52.8
Aug	17.8	76.3	5.9	11.8	55.9	55.7

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 Feb	11.1	82.7	6.1	5.0	52.5	52.8
Mar	16.1	79.5	4.4	11.7	55.9	55.1
Apr	24.3	71.6	4.1	20.2	60.1	60.5
May	19.7	75.4	5.0	14.7	57.3	58.2
Jun	15.7	77.9	6.4	9.4	54.7	55.5
Jul	12.7	82.5	4.8	7.8	53.9	54.2
Aug	12.1	83.9	4.0	8.0	54.0	54.2

7 Feature | Unemployment

UK jobless total drops to 1.64 million

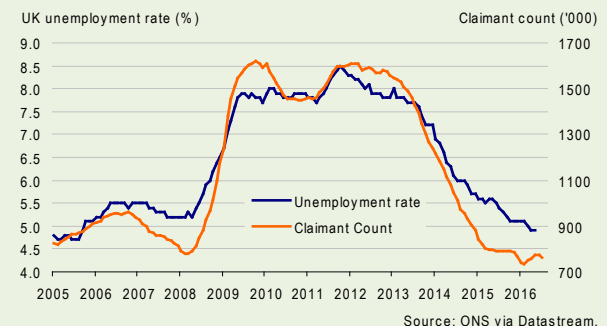
Unemployment fell by 52,000 in the second quarter as the labour market performed strongly in the run-up to the EU referendum. The jobless total stood at 1.64 million, its lowest for eight years.

The unemployment rate held steady at a post-recession low of 4.9%, down from 5.6% a year earlier.

The latest figures from the Office for National Statistics also showed that the number of people claiming unemployment benefit dropped 8,600 in July to 763,000.

Driving the improvement was continued strong job creation, with the employment rate climbing to a record high of 74.5% in the three months to June.

Unemployment rate



The Recruitment & Employment Confederation (REC) is the professional body for the UK's £28.7 billion recruitment industry. The REC represents 3,349 corporate members who have branches across all regions of the UK. In addition, the REC represents 5,759 individual members within the Institute of Recruitment Professionals (IRP). All members must abide by a code of professional practice. Above all, the REC is committed to raising standards and highlighting excellence throughout the industry. Find out more on 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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