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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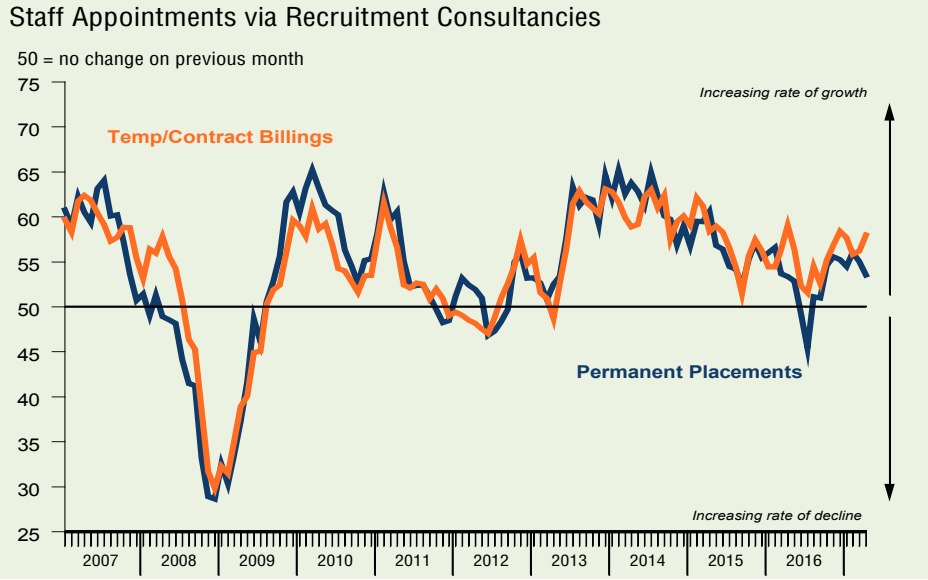
Permanent placements increase at slowest pace since last September



Key points from the April survey:

- Permanent placements growth slows, but temp billings rise sharply
- Steepest drop in candidate availability for 16 months
- Demand for permanent and short-term staff remains marked

Commenting on the latest survey results, REC Chief Executive Kevin Green says:

"Demand for staff is growing within all sectors and all regions of the UK, but there are fewer and fewer people available to fill the vacancies. We have the lowest unemployment rate since 2005, and people already in work are becoming more hesitant about moving jobs amid Brexit uncertainty. Meanwhile, the weakening pound and lack of clarity about future immigration rules is putting off some EU nationals from taking up roles in the UK.

"As a result, candidate availability is at a 16-month low and recruiters are flagging a shortage of suitable applicants for more than 60 different roles from cleaner to accountant. Every shortage has wider implications, for example the exceptional reputation UK engineering enjoys globally is at risk because employers can't find people with the skills they need.

"One thing is for certain, if British business is to thrive then whichever party forms a government after 8 June needs to address the ever-shrinking pool of suitable candidates by investing in skills and career advice for UK jobseekers, as well as safeguarding access to the workers we need from abroad. It is vital that the future immigration system is agile enough to reflect and adapt to evolving labour market needs."

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 April are:

Slowest increase in permanent placements for seven months

Growth in permanent staff placements slowed to its weakest for seven months during April, but was nonetheless solid overall. In contrast, temp billings increased at a sharp and accelerated pace that was the fastest seen in 2017 so far.

Sharper drop in candidate availability

The availability of permanent and temporary candidates declined at sharper rates in April, with the former posting the quicker pace of reduction. Notably, both categories saw the steepest deteriorations in candidate availability for 16 months.

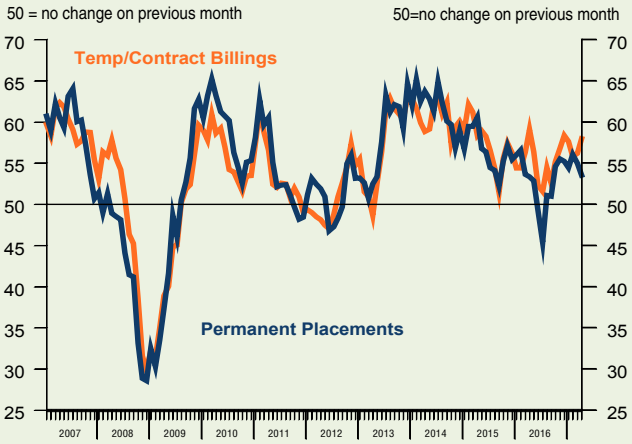
Strong growth in salaries sustained...

Although growth in permanent starting salaries edged down to a four-month low in April, it remained sharp overall and stronger than the series average. Meanwhile, hourly pay rates for short-term staff increased at the sharpest pace in 2017 so far.

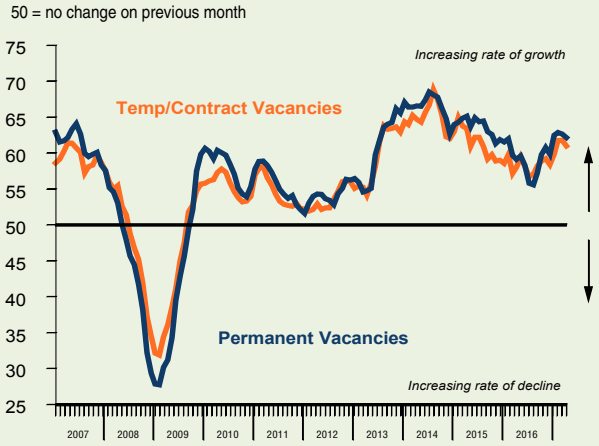
...as demand for staff remains sharp

Vacancies continued to rise markedly in April for both permanent and temporary/contract staff. This was despite growth in demand for both types of staff softening slightly since the previous month.

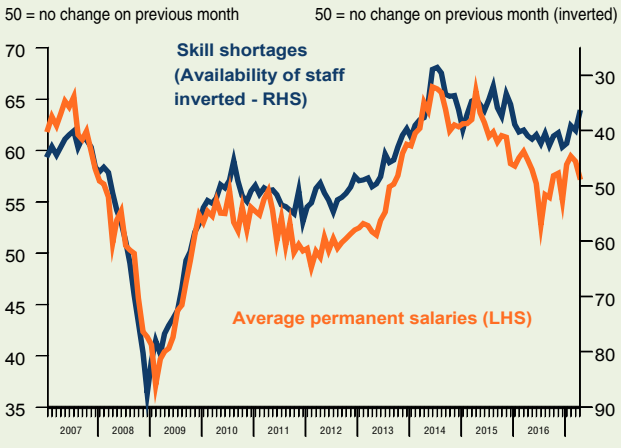
Staff Appointments



Demand for staff



Staff Availability and Earnings Growth



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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 agencies registered a further slowdown in growth of permanent placements at the start of Q2, while temp billings rose at a sharper pace.

Permanent placements increase at softer pace in April

The number of people placed into permanent job roles continued to rise in April. Though solid overall, the rate of expansion weakened for the second month in a row and was the slowest seen since last September. Agencies that reported higher permanent staff placements generally commented on strong demand for staff. At the same time, a lack of suitably qualified candidates had reportedly dampened overall growth.

The Midlands saw the fastest rate of expansion, closely followed by Scotland. Meanwhile, London saw the slowest increase in permanent placements in April.

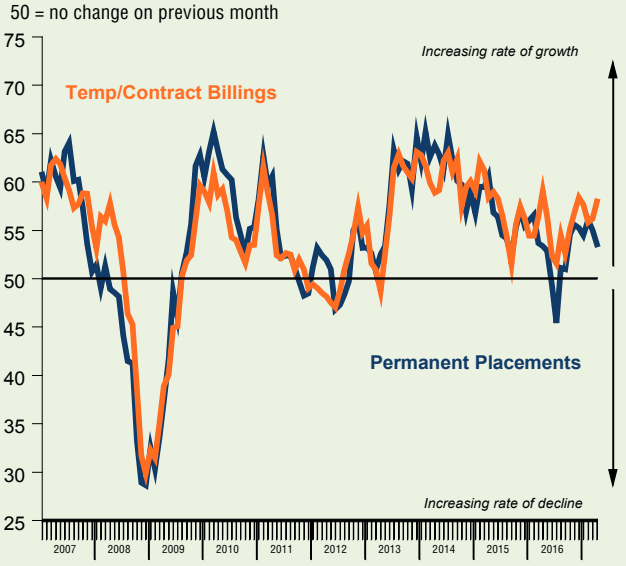
Sharper rise in temp billings

April data signalled a further rise in billings from the employment of temporary/contract staff. Notably, the rate of expansion accelerated to the sharpest in 2017 so far. Panellists widely linked the latest rise in temp billings to robust demand for temporary/contract workers.

Temp billings growth was recorded across all monitored regions, led by Scotland and London. The weakest increase was registered in the South of England.

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	Nov	36.8	35.1	28.0	8.8	54.4	**55.6**
	Dec	25.1	42.0	32.9	-7.9	46.1	**55.2**
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**

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	Nov	36.9	40.8	22.3	14.6	57.3	**56.8**
	Dec	34.4	46.5	19.1	15.4	57.7	**58.4**
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**

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 62.1 in April, the Report on Jobs Vacancy Index was down slightly from 62.6 in March to its lowest level in four months. Nonetheless, the index was well above the 50.0 no-change value and consistent with a further sharp increase in demand for staff.

Strong rates of demand growth were signalled for both permanent and temporary workers in April, with the former once again posting the fastest increase.

Public & private sector vacancies

Latest data pointed to divergent trends, with demand for staff rising sharply across the private sector, but declining across the public sector. Demand for private sector permanent and temporary staff rose sharply despite the rates of expansion easing to four- and three-month lows, respectively.

At the same time, vacancies for permanent public sector staff declined for the second month in a row, albeit slightly. Demand for public sector temporary workers meanwhile fell for the first time since January, though only slightly.

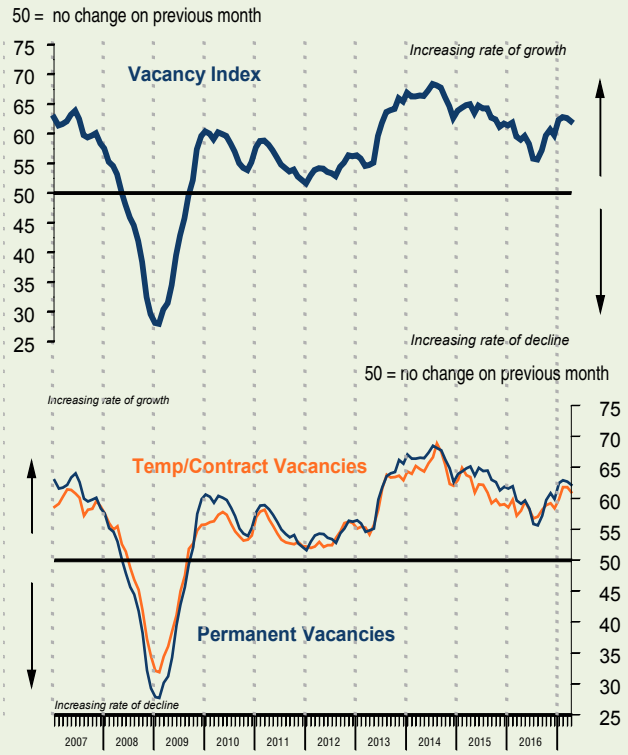
Other vacancy indicators

Data from the Office for National Statistics (ONS) showed that job vacancies were up by +1.7% on an annual basis in the three months to March. This was up from a +0.8% increase in the three months to February.

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

	Dec'16	Jan'17	Feb	Mar	Apr
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	59.8	62.4	62.9	62.6	62.1
Permanent Staff	59.9	62.5	62.9	62.7	62.2
Temporary Staff	58.4	59.9	61.8	61.8	61.0
Public & private sector vacancies (not seasonally adjusted)					
Public: perm	55.9	51.3	52.2	49.2	49.1
Public: temp	52.4	49.6	52.8	51.8	49.6
Private: perm	60.9	67.8	69.6	67.4	64.6
Private: temp	60.0	54.8	65.2	63.1	62.5
Other key vacancy data					
Annual % change					
Job centre vacancies	0.3	-0.9	0.8	1.7	n/a
Internet recruitment	14.6	--	--	--	--

Sources: Job centre vacancies provided by ONS via Thomson Reuters Datastream.
Internet recruitment spending provided by WARC.com

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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

Engineering was the most in-demand category for permanent staff in April, closely followed by IT & Computing and Nursing/ Medical/Care. Nonetheless, strong expansions were seen across the board at the start of the second quarter.

	This year		(Last year)	
	Rank	Apr'17	Rank	Apr'16
Engineering*	1	64.8	(6)	(56.7)
IT & Computing	2	63.7	(5)	(58.6)
Nursing/Medical/Care	3	63.6	(1)	(62.5)
Accounting/Financial	4	63.2	(2)	(62.4)
Secretarial/Clerical	5	61.3	(3)	(59.9)
Hotel & Catering	6	60.9	(7)	(55.7)
Blue Collar	7	60.2	(8)	(53.8)
Executive/Professional	8	59.3	(4)	(59.3)
Construction*	9	56.4	(9)	(53.6)

Temporary/contract staff

April data signalled a broad-based upturn in demand for temporary/contract workers. Nursing/Medical/Care continued to top the league table, while Hotels & Catering placed second in the overall rankings.

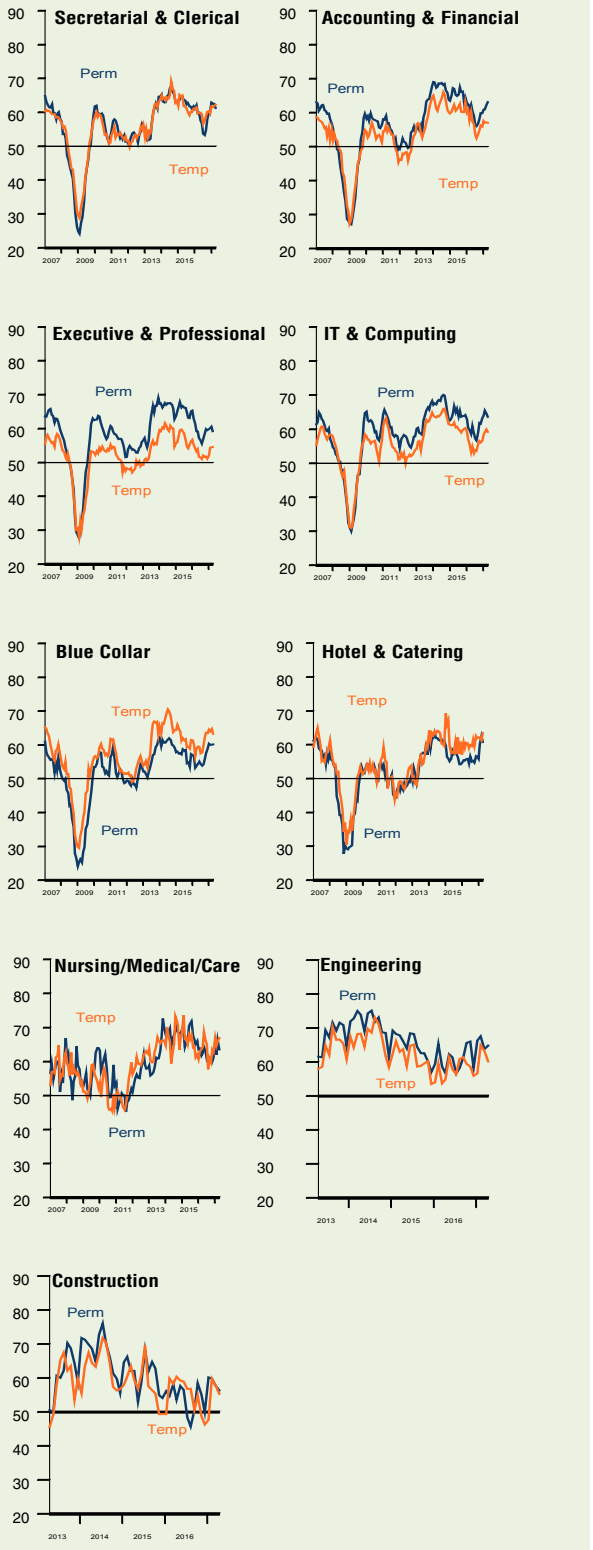
	This year		(Last year)	
	Rank	Apr'17	Rank	Apr'16
Nursing/Medical/Care	1	67.0	(1)	(64.3)
Hotel & Catering	2	63.5	(2)	(60.6)
Blue Collar	3	63.3	(6)	(59.0)
Secretarial/Clerical	4	62.4	(5)	(59.8)
Engineering*	5	60.2	(7)	(54.8)
IT & Computing	6	59.2	(8)	(53.3)
Accounting/Financial	7	57.0	(4)	(60.2)
Construction*	8	55.4	(3)	(60.3)
Executive/Professional	9	54.6	(9)	(53.3)

*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 candidates for permanent roles declined at the quickest pace in 16 months during April. Furthermore, around 38% of recruitment agencies reported lower candidate numbers, compared to 8% that noted an improvement.

All monitored regions registered marked drops in permanent candidate availability at the start of Q2, with the South of England noting the fastest rate of reduction.

Availability of temp/contract staff

Mirroring the trend for permanent candidates, the availability of temporary/contract staff declined at a sharper rate in April. Moreover, the rate of decline was the fastest recorded since the end of 2015.

Marked falls in temp candidate availability were seen across all monitored regions, led by the South of England.

Key permanent staff skills reported in short supply:*

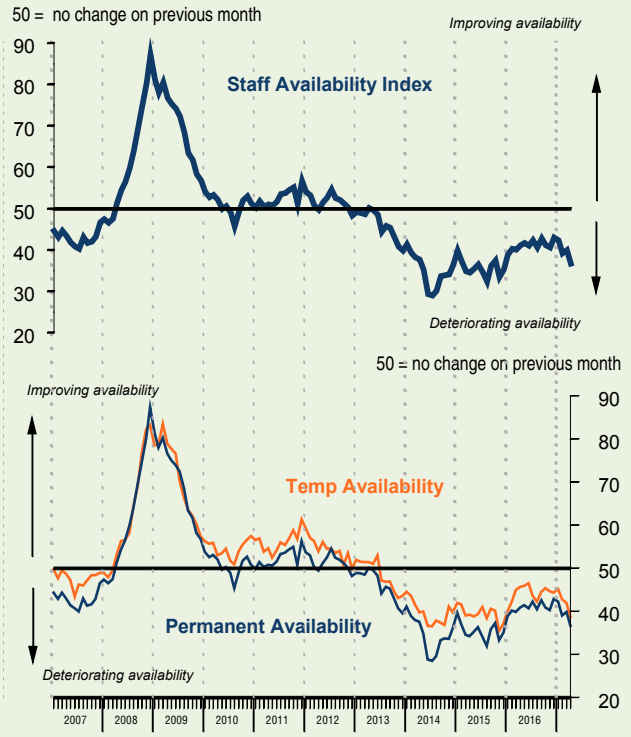
Accountancy/Financial: Accounts, Audit, Compliance, Estimators, Finance, Payroll, Planners, Risk, Senior Finance. **Blue Collar:** Production Managers, Warehouse Managers. **Construction:** Quantity Surveyors. **Engineering:** Engineers, Production Engineers. **Executive/Professional:** Conveyancing Solicitors, German/Dutch/Scandinavian Speakers, Languages, Legal, Legal Secretaries, Merchandiser, Marketing, Project Managers. **Hotel/Catering:** Hospitality. **IT/Computing:** CAD Designers, Cyber Security, Digital, IT, Gaming, Remedy Administrator, Software Developers, Web Developers. **Nursing/ Medical/Care:** Allied Health Professionals (AHP), Care Workers, Healthcare Assistants, Home Carers, Support Workers. **Secretarial/Clerical:** Account Clerks, Administration, Office Staff. **Other:** Buyers, Sales, Telesales, Technical Sales.

Key temp skills reported in short supply:*

Finance: Accounts, Audit, Compliance, Estimators, Payroll, Risk. **Blue Collar:** Factory Workers, Fork Lift Drivers, HGV Drivers, LGV Drivers, Manufacturing. **Construction:** Quantity Surveyors. **Engineering:** Aircraft Engineers, Electricians, Engineers. **Executive/Professional:** German/Dutch/ Scandinavian Speakers, Legal Secretaries, Project Managers. **Hotel/Catering:** Chefs, Cleaning Staff, Kitchen Staff. **IT/ Computing:** Cyber Security, Developers, Ruby Developers, PHP Developers, Testers. **Nursing/Medical/Care:** Allied Health Professionals (AHP), Care Workers, Healthcare Assistants, Home Carers, Support Workers. **Secretarial/Clerical:** Accounts Clerks, Receptionists, **Administration. Other:** Customer Services, Telesales, Teachers.

**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	Nov	8.7	57.6	33.7	-25.1	37.5	**40.3**
	Dec	12.1	54.1	33.7	-21.6	39.2	**42.9**
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**

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	Nov	14.2	58.3	27.6	-13.4	43.3	**44.7**
	Dec	14.3	57.5	28.2	-13.9	43.0	**44.3**
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**

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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

Starting salaries for successful permanent candidates continued to rise in April. Although the rate of inflation weakened to its slowest in 2017 so far, it remained sharp overall and stronger than the series average. According to agencies, strong demand for staff and competition for skilled candidates were key factors driving salaries higher.

Salaries rose markedly across all monitored regions in April, with the strongest rate of pay inflation seen in the South of England.

Temp/contract pay rates

Hourly rates of pay for temporary/contract workers increased further in April. Moreover, the rate of inflation was the sharpest seen in the year-to-date.

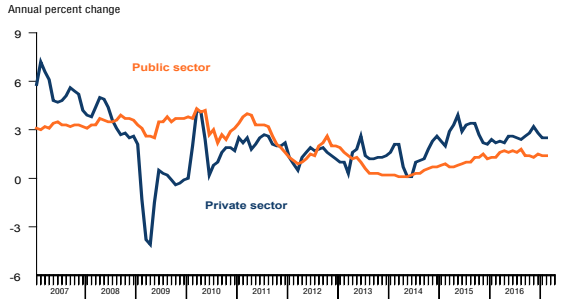
Scotland saw by far the steepest increase in hourly pay rates in the latest survey period. Nonetheless, sharp rates of inflation were also seen across all English regions.

UK average weekly earnings

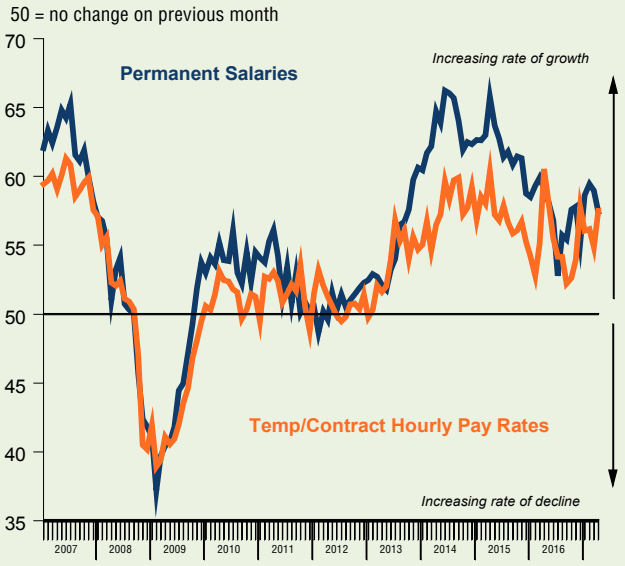
Data from the Office for National Statistics signalled that annual growth of employee earnings (including bonuses) was unchanged at +2.3% in the three months to February. Growth in pay remained unchanged across both the public (1.4% year-on-year) and private sectors (2.5%).

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

	2014	2015	2016	Nov'16	Dec	Jan'17	Feb
Whole economy	1.2	2.5	2.4	2.8	2.6	2.3	2.3
Private sector	1.4	2.9	2.6	3.2	2.8	2.5	2.5
Public sector	0.3	1.0	1.5	1.3	1.5	1.4	1.4
Services	1.0	2.6	2.1	2.6	2.4	2.2	2.3
Manufacturing	2.2	1.3	2.1	2.2	1.7	1.9	2.3
Construction	0.9	4.3	7.0	6.6	6.5	4.1	3.2



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	Oct	18.4	77.9	3.7	14.7	57.3	**57.6**
	Nov	19.0	76.9	4.0	15.0	57.5	**57.8**
	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**

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	Oct	15.8	78.9	5.3	10.5	55.3	**52.6**
	Nov	14.5	80.2	5.3	9.2	54.6	**54.0**
	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**

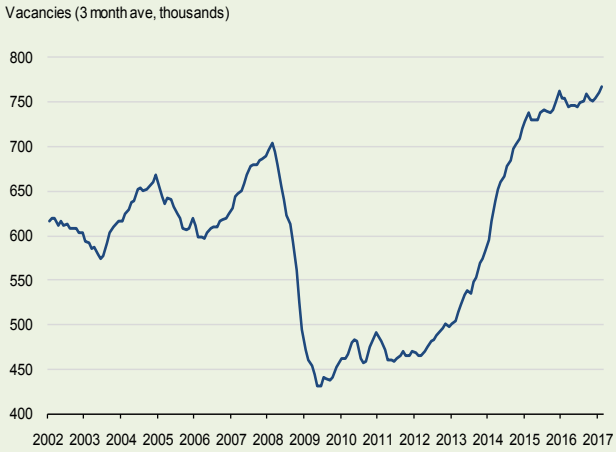
7 Feature | Vacancies

Official vacancies reach record high

Latest official data from the Office for National Statistics (ONS) showed that the UK's labour market remained in good shape in the opening months of 2017. The employment rate remained at its joint-highest level since comparable records began in 1971 at 74.6%, while demand for staff remained sharp, as shown by a further rise in vacancies.

Overall, the number of job vacancies in the UK edged up to 767,000 over the three months to March, according to the ONS. This was up by 16,000 in the final quarter of 2016 and the highest recorded since the series began in 2001.

The service sector posted 678,000 job vacancies, with demand for staff strongest in wholesaling, retailing and repair of motor vehicles (139,000 vacancies) categories, followed by human health and social work (118,000).



Source: Office for National Statistics

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 of 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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UK Report on Jobs

Retail Sector Staff Demand

Since March 2017, recruitment consultants have been asked to comment on the demand for retail staff

Demand for Permanent Retail Staff

Recruitment agencies in the UK signalled a further rise in demand for permanent retail staff in April. Notably, the rate of demand growth was sharp and quickened slightly since March. Approximately 41% of panellists signalled higher vacancies for permanent retail staff at the start of the second quarter, compared to 14% that noted a fall.

Demand for Temporary Retail Staff

In contrast, demand for short-term retail staff increased at a weaker pace than in the previous month. Nonetheless, growth of demand was solid overall, with around one-in-five recruiters noting vacancies for temporary retail workers.

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