

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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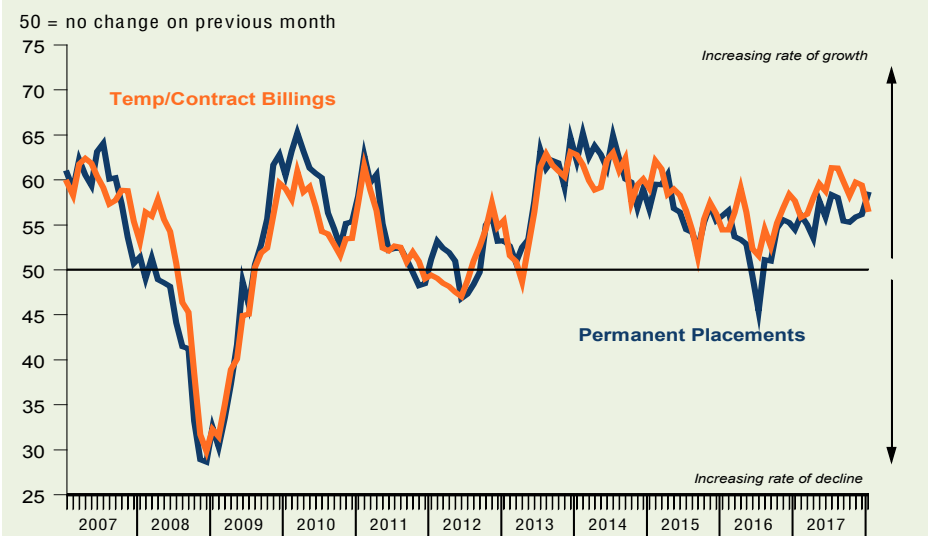
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Permanent placements growth accelerates to fastest since last July

Staff Appointments via Recruitment Consultancies



Key points from the January survey:

- Stronger rise in permanent placements contrasts with softer temp billings growth
- Starting salary inflation hits 31-month record amid growing candidate shortages
- Growth of demand for staff edges down slightly but remains marked

Kevin Green, REC Chief Executive says:

“We are seeing a continued rise in jobs filled via recruiters as it gets more challenging for businesses to find candidates. The UK has almost full employment and the country is plagued by labour, skills and talent shortages. This increasing competition for good quality staff is driving up starting salaries with employers willing to pay higher wages to attract the right people. So, it’s a good time to move jobs, especially as employers aren’t increasing wages for their existing workforce.

“It’s reassuring that demand for permanent staff remains strong despite the economic uncertainties. However, there is a slight slowdown in the growth of temporary placements. This could be an early sign that employers are hesitating.

“The struggle to find appropriate candidates will get worse. We are therefore asking for a balanced and evidence-based immigration system. Businesses urgently need to invest in the upskilling of their workforce. The government can help by turning the Apprenticeship Levy into a broader training levy. It’s time they put the concerns of UK businesses at the top of their agenda.”

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 January are:

Sharper increase in permanent placements...

Recruitment consultants signalled a marked rise in permanent staff placements in January, with the rate of expansion the joint-steepest since April 2015. In contrast, growth in temp billings softened to a ten-month low, but was sharp overall.

...supported by further marked increase in job vacancies

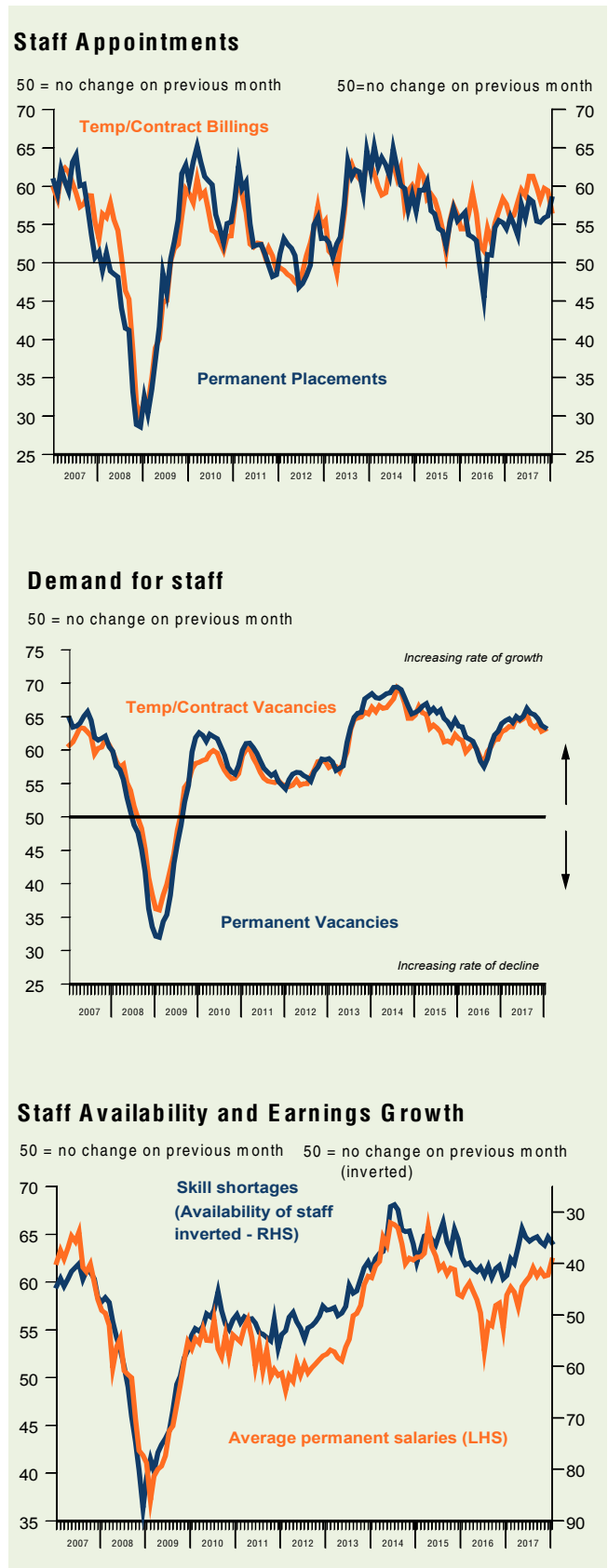
Overall demand for staff continued to rise sharply in January, despite growth of demand softening to a 13-month low. Notably, both permanent and temporary staff vacancies continued to rise at historically marked rates.

Starting salary inflation quickens to 31-month record...

Starting salaries for successful permanent candidates increased at the fastest pace for over two-and-a-half years at the start of 2018. Meanwhile, growth in temp pay eased to the joint-weakest in ten months, but remained sharp overall.

...amid steep drop in candidate availability

The number of candidates available to fulfil permanent and temporary roles continued to contract at historically sharp rates in January. This was despite rates of contraction softening slightly in both cases compared to December.



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.

January data signalled a steeper increase in permanent staff placements across the UK, but softer temp billings growth.

Permanent placements expand at joint-quickest pace for 33 months

Latest data indicated a sharp and accelerated increase in the number of people placed into permanent roles in January. Permanent placements have now risen in each month for the past year-and-a-half, with the latest upturn the joint-quickest since April 2015 (on par with July 2017). Growth was widely linked to firmer demand for staff, while some panellists indicated that improved decision-making had also played a part in the latest rise in permanent staff appointments.

Data broken down by region showed that the North of England saw the fastest increase in permanent placements, though rates of growth were also sharp in the other four monitored regions.

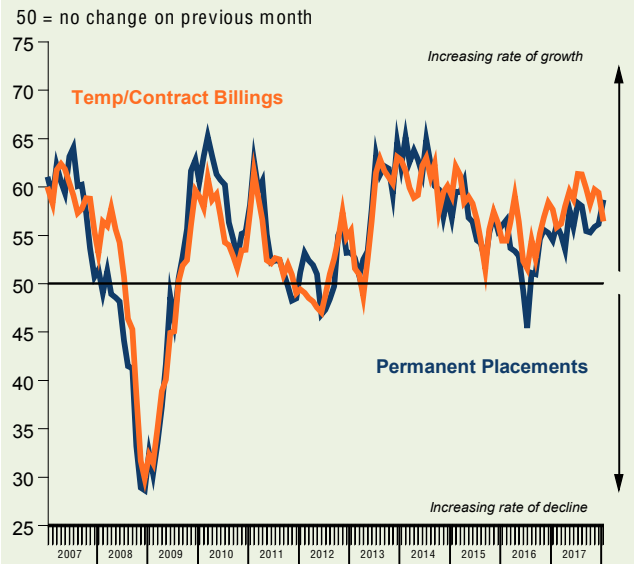
Growth in temp billings eases to ten-month low

Agencies' billings from the employment of temporary and contract staff increased for the fifty-seventh month running in January. Although the rate of expansion softened to a ten-month low, it remained sharp and slightly above the series average. A number of monitored recruitment consultancies suggested that new projects and stronger demand for short-term workers had lifted temp billings in the latest survey period.

The Midlands saw by far the quickest increase in temp billings, while growth was also sharp in the North and South of England and London. Meanwhile, Scotland registered a modest upturn following a reduction in December.

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 Aug	36.9	33.4	29.8	7.1	53.6	58.0
Sep	36.0	38.3	25.7	10.4	55.2	55.4
Oct	37.4	37.3	25.3	12.1	56.0	55.3
Nov	38.1	34.3	27.5	10.6	55.3	55.9
Dec	28.8	36.3	34.9	-6.1	47.0	56.1
2018 Jan	45.6	30.4	24.0	21.6	60.8	58.4

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 Aug	41.8	39.4	18.8	22.9	61.5	61.3
Sep	38.4	42.1	19.5	18.9	59.4	59.8
Oct	41.3	36.4	22.2	19.1	59.6	58.2
Nov	40.3	39.9	19.7	20.6	60.3	59.7
Dec	35.5	45.3	19.2	16.3	58.1	59.4
2018 Jan	24.7	33.5	41.8	-17.1	41.5	56.7

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.

Staff vacancies rise at softer, but still marked, rate

Demand for staff continued to rise in January, with the Report on Jobs Vacancy Index posting well above the neutral 50.0 level at 61.5 at the start of 2018. However, this was down from 61.8 in December and the lowest reading for 13 months. Nonetheless, growth of demand for staff was still above the historical series average.

A slightly softer rise in permanent staff vacancies contrasted with a stronger increase in demand for temporary workers at the start of the year.

Public & private sector vacancies

Stronger demand for staff was led by the private sector in January, according to latest survey data.

In the private sector, permanent staff vacancies rose at a sharp and accelerated pace in January. Demand for temporary workers across the private sector also rose strongly, despite growth softening since December. Meanwhile, permanent staff vacancies stagnated in the public sector, and the number of temporary staff roles declined slightly.

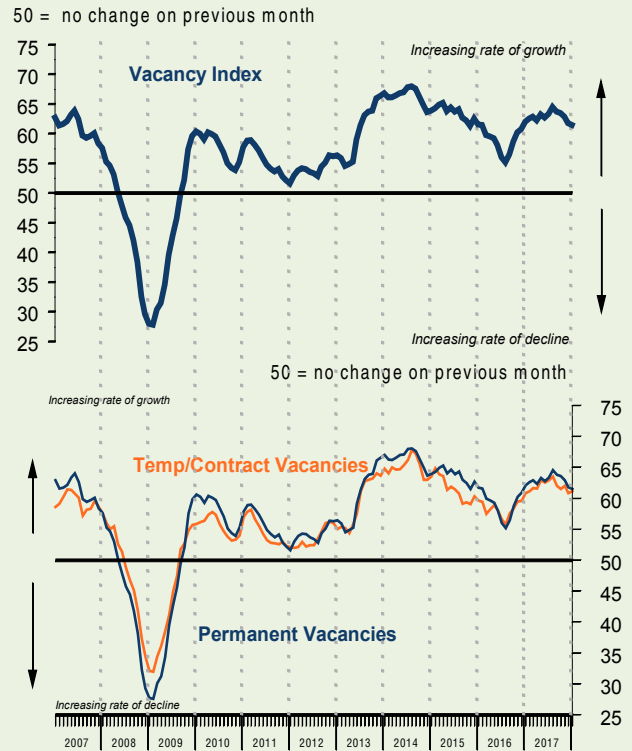
Other vacancy indicators

Data from the Office for National Statistics (ONS) indicated that job vacancies were up by 7.9% year-on-year in the three months to December. This overtook a 6.8% rise in the preceding three months to signal the strongest rate of expansion seen since mid-2015.

Meanwhile, internet-based recruitment spending increased by 2.1% on the year in the third quarter of 2017, which was an improvement upon the -10.9% decline seen in the second quarter of the 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

	Sep'17	Oct	Nov	Dec	Jan'18
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	63.7	63.5	62.9	61.8	61.5
Permanent Staff	63.8	63.6	62.9	61.8	61.5
Temporary Staff	62.0	61.5	62.0	60.9	61.2

Public & private sector vacancies (not seasonally adjusted)

Public: perm	51.9	53.3	50.5	52.8	50.0
Public: temp	57.8	57.4	56.5	52.2	49.6
Private: perm	65.5	65.8	64.8	64.1	66.0
Private: temp	62.9	63.5	63.0	63.1	56.7

Other key vacancy data

Annual % change					
ONS Vacancy Survey	5.7	5.4	6.8	7.9	n/a
Internet recruitment	2.1	--	--	--	

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

All nine types of permanent jobs monitored by the survey saw improved levels of demand for staff at the start of 2018. IT & Computing led the overall rankings, following closely by Engineering and Accounting/Financial.

	This year		(Last year)	
	Rank	Jan'18	Rank	Jan'17
IT & Computing	1	66.4	(3)	(63.8)
Engineering	2	64.9	(1)	(65.2)
Accounting/Financial	3	64.1	(5)	(61.1)
Hotel & Catering	4	59.3	(8)	(58.2)
Secretarial/Clerical	5	59.3	(4)	(62.9)
Nursing/Medical/Care	6	59.1	(2)	(64.6)
Executive/Professional	7	58.5	(7)	(59.5)
Blue Collar	8	57.7	(6)	(60.2)
Construction	9	53.2	(9)	(57.9)

Temporary/contract staff

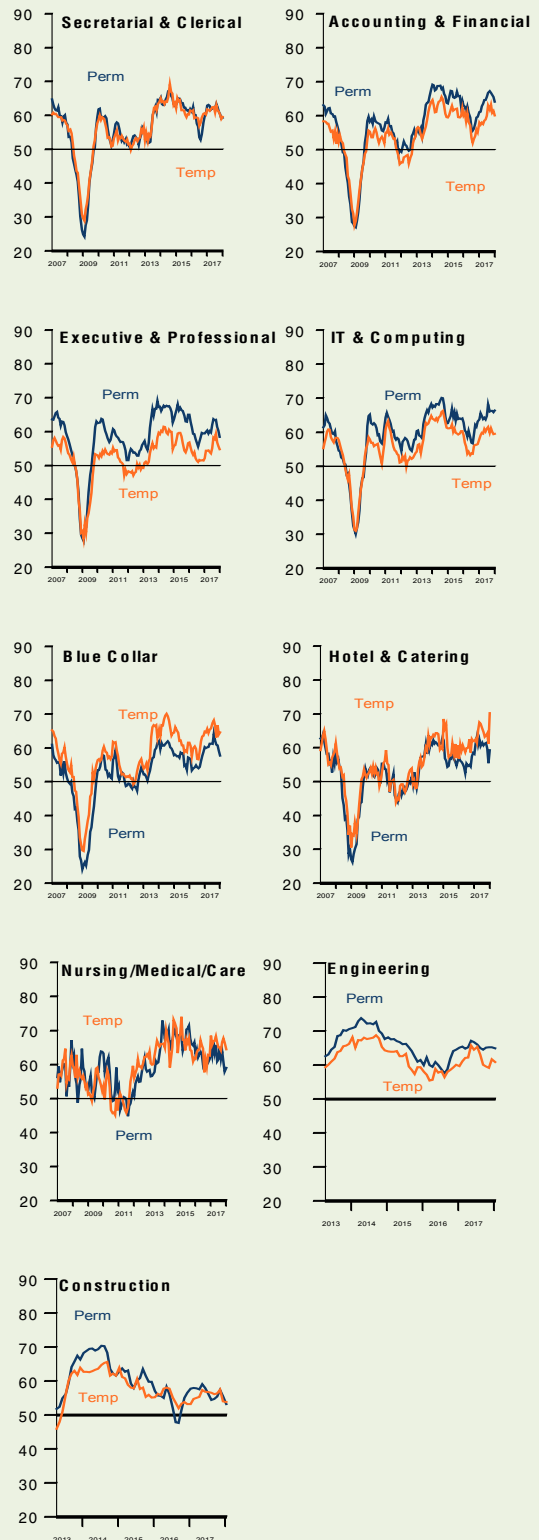
Hotel & Catering was the most in-demand category for temporary/contract staff in January. Growth of demand was also sharp for Blue Collar and Nursing/Medical/Care workers. Construction registered the softest increase in vacancies.

	This year		(Last year)	
	Rank	Jan'18	Rank	Jan'17
Hotel & Catering	1	70.2	(3)	(62.1)
Blue Collar	2	64.6	(2)	(64.8)
Nursing/Medical/Care	3	64.5	(1)	(68.6)
Engineering	4	60.9	(5)	(59.9)
Accounting/Financial	5	60.1	(7)	(58.0)
Secretarial/Clerical	6	59.6	(4)	(61.8)
IT & Computing	7	59.6	(6)	(58.1)
Executive/Professional	8	54.8	(9)	(52.2)
Construction	9	53.8	(8)	(53.8)

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. Data are adjusted for seasonality.

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 permanent staff continued to deteriorate in the opening month of 2018. The rate of decline was sharp, despite softening slightly since December, and remained much sharper than the long-run series trend.

The steepest reduction in permanent staff supply was seen in the South of England, though rates of deterioration were nonetheless sharp in the other four monitored UK regions.

Availability of temp/contract staff

Temporary/contract staff availability fell further in January. Despite easing to the least marked for 11 months, the pace of reduction remained sharp.

Temporary/contract staff availability was down in each of the five UK regions monitored by the survey, with the sharpest drop indicated in the Midlands.

Key permanent staff skills reported in short supply:*

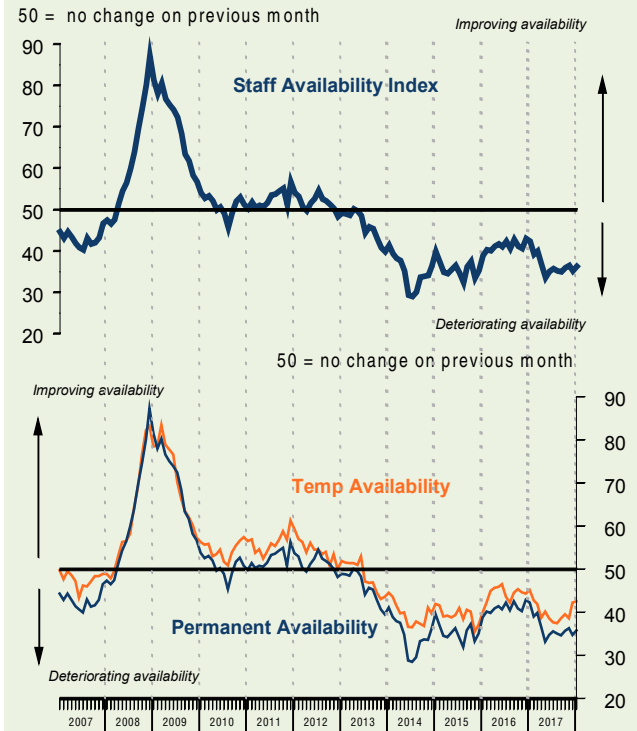
Accounting/Financial: Accountants, Audit, Estimators, Finance, FP & A, Paraplanners, Purchasing, Risk, Treasury. **Blue Collar:** Blue Collar, Drivers, Forklift Drivers, HGV Drivers, Industrial, Labourers, LGV Drivers, Production Planners, Vehicle Technicians, Warehouse Workers, Welders. **Construction:** Construction, Quantity Surveyors, Town Planners. **Engineering:** Automotive, CNC, Design, Electrical, Engineers, Maintenance, Managers, Mechanical, Planning, Rail. **Executive/Professional:** Compliance, Data Scientists, Legal, Legal Secretaries, Marketing, Media, PR, Project Managers, Scientists. **Hotel/Catering:** Baristas, Catering, Chefs. **IT/Computing:** Automation Testers, CAD, Cyber Security, DevOps, Digital, Gaming, GDPR, IT, IT Support, Java, J2EE, .NET, Oracle Fusion, Salesforce, Software Developers/Engineers, Web Developers. **Nursing/Medical/Care:** Care Managers, Care Workers, Healthcare Assistants, Home Carers, Genomics, Nursery Staff, Nurses, Pharmaceutical, Support Workers, Ultrasound Staff. **Secretarial/Clerical:** Account Clerks, Administration, PAs, Receptionists. **Other:** B2B Sales, Buyers, Call Centres, Customer Services, Graduates, Languages (European, Finnish, German & Swedish), Sales, Technical Sales, Telesales, Travel Consultants, Waste & Environment Staff.

Key temp skills reported in short supply:*

Accounting/Financial: Accountants, Audit, Finance, IFRS, Purchasing, Risk, Treasury. **Blue Collar:** Cleaners, Drivers, Electricians, Forklift Drivers, HGV Drivers, Labourers, LGV Drivers, Painters, Production, Skilled Trades, Unskilled Labour, Warehouse Workers, Welders. **Construction:** Construction, Quantity Surveyors, Site Managers. **Engineering:** CNC, Civil, Engineers, Mechanical. **Executive/Professional:** CIM, Compliance, HR, Legal, Marketing, Media, Risk Analysts, Scientists. **Hotel/Catering:** Baristas, Chefs. **IT/Computing:** Automation Testers, CAD, Cyber Security, DevOps, Digital, Gaming, GDPR, IT Project Managers, IT Support, Java, Oracle Fusion, Python, Security Cleared Developers, UI/UX. **Nursing/Medical/Care:** Care Workers, Healthcare Assistants, Home Carers, Nurses, Support Workers. **Secretarial/Clerical:** Administration, Office Support. **Other:** Buyers, Customer Services, Languages (European), Logistics, Sales, Telesales, Travel Consultants, Waste & Environment Staff.

*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
2017 Aug	7.4	46.8	45.8	-38.5	30.8	35.1
Sep	11.3	47.0	41.6	-30.3	34.8	34.7
Oct	8.7	55.8	35.5	-26.8	36.6	35.8
Nov	9.1	51.1	39.9	-30.8	34.6	36.4
Dec	6.5	50.3	43.2	-36.8	31.6	34.8
2018 Jan	25.1	46.9	28.0	-2.9	48.5	35.9

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 Aug	9.9	45.9	44.3	-34.4	32.8	37.5
Sep	11.3	53.0	35.7	-24.4	37.8	38.7
Oct	10.5	55.5	34.0	-23.5	38.3	39.6
Nov	9.6	57.1	33.4	-23.8	38.1	38.7
Dec	15.5	54.1	30.3	-14.8	42.6	42.3
2018 Jan	24.3	58.3	17.4	7.0	53.5	42.6

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

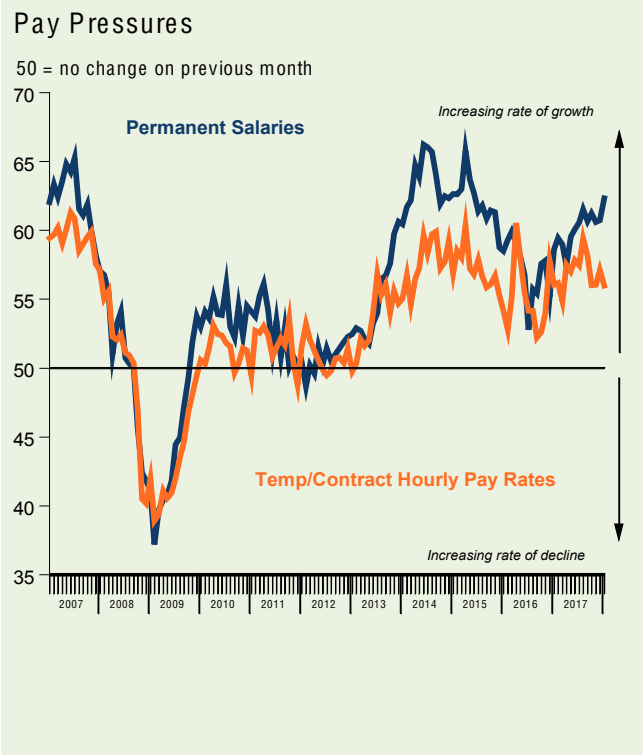
January data signalled a sharp and accelerated rise in starting salaries for people placed into permanent job roles. Notably, the rate of salary inflation was the steepest recorded since June 2015. According to panellists, clients generally offered higher starting pay due to a combination of strong demand for staff and candidate shortages.

All of the five monitored UK regions registered sharp increases in starting salaries, with the quickest rate of inflation seen in the Midlands.

Temp/contract pay rates

Temporary/contract staff hourly pay rates continued to rise markedly in January, despite the rate of inflation easing to the joint-lowest in ten months (on par with October 2017).

The Midlands saw the strongest increase in temp pay of all monitored UK regions, while Scotland recorded the weakest rate of growth.

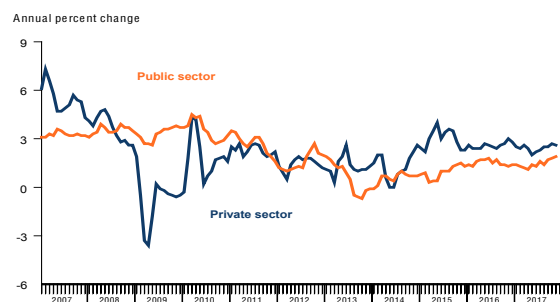


UK average weekly earnings

Data from the Office for National Statistics showed that annual growth of employee earnings (including bonuses) held steady at +2.5% in the three months to November. The private sector (+2.6%) continued to register stronger pay growth than the public sector (+1.9%), though the gap between the two was among the smallest seen for over three years.

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

	2014	2015	2016	Aug	Sep	Oct	Nov
Whole economy	1.0	2.6	2.4	2.3	2.3	2.5	2.5
Private sector	1.3	3.0	2.6	2.5	2.5	2.7	2.6
Public sector	0.6	0.9	1.5	1.4	1.7	1.8	1.9
Services	1.0	2.8	2.2	2.5	2.4	2.6	2.6
Manufacturing	2.1	1.6	2.4	1.6	1.9	2.3	2.6
Construction	1.0	2.8	4.8	1.6	2.3	2.1	1.8



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
2017 Jul	25.3	71.4	3.3	22.0	61.0	60.6
Aug	24.6	73.3	2.1	22.5	61.3	61.5
Sep	25.4	69.6	4.9	20.5	60.3	60.7
Oct	27.3	67.1	5.5	21.8	60.9	61.2
Nov	24.0	72.2	3.7	20.3	60.1	60.6
Dec	21.0	75.0	4.0	17.0	58.5	60.7
2018 Jan	25.6	70.6	3.8	21.8	60.9	62.3

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
2017 Jul	18.9	76.8	4.4	14.5	57.2	57.5
Aug	21.1	76.3	2.6	18.5	59.3	59.4
Sep	18.3	77.8	3.9	14.4	57.2	58.2
Oct	16.6	79.3	4.1	12.5	56.2	56.0
Nov	16.0	81.2	2.8	13.3	56.6	56.1
Dec	15.5	79.4	5.1	10.4	55.2	57.1
2018 Jan	12.7	82.1	5.3	7.4	53.7	56.0

7 Feature | International comparisons

UK unemployment rate in context

The latest labour market data published by the Office for National Statistics (ONS) showed that the UK unemployment rate held at a four-decade low of 4.3% in the three months to November.

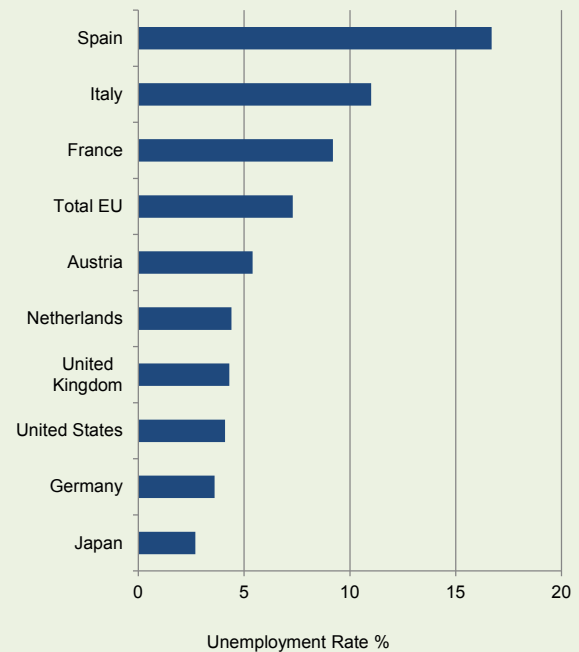
Notably, the unemployment rate in the UK was comfortably below the overall EU jobless rate of 7.3%, which nevertheless stands at its lowest level since late-2008.

Spain continued to record a relatively high rate of unemployment (16.7%) compared to the EU average, despite the measure falling to a multi-year low. Italy's jobless rate also remains in double-digits (11.0%), while in France the unemployment rate stood at 9.2%.

Jobless rates were meanwhile relatively low in Austria (5.4%) and the Netherlands (4.4%) compared to the overall EU figure, albeit above that seen for the UK.

In contrast, the United States (4.1%), Germany (3.6%) and Japan (2.7%) all continued to record lower unemployment rates compared to the UK, according to the latest data.

Unemployment rates in selected countries



Sources: ONS, Eurostat, Bureau of Labor 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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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 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. 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

The number of permanent retail staff vacancies rose only slightly in the opening month of the year. Furthermore, the rate of expansion was the slowest since data were first collected in March last year. Around 23% of surveyed recruitment agencies noted greater demand for permanent retail sector workers, compared to 21% that recorded a decline.



Demand for Temporary Retail Staff

Recruitment consultants signalled reduced demand for temporary retail workers during January. Though only slight, it was the first decline seen since data collection began last March. Approximately one-in-five panellists registered lower temporary retail staff vacancies at the start of the year, while around 17% saw an increase.



Candidates in excess supply

Since October 2017, recruitment consultants have been asked to comment on the job skills in excess supply for both permanent and temporary candidates.

Key permanent staff skills reported in excess supply during January 2018:

- Administration
- Customer Service
- Engineers
- Graduates
- Helpdesk
- HR
- IT Support
- Junior Lettings & Sales Agents
- Oil & Gas
- Part-time Workers
- Personal Assistants
- Production Managers
- Project Management
- Radiographers
- Receptionists
- Senior Directors
- Site/Operational Staff
- Warehouse Staff

Key temporary staff skills reported in excess supply during January 2018:

- Administration
- Blue Collar
- Carpenters
- Construction
- Corporate Business Analysts
- Customer Service
- Entry level/Graduates
- HGV Drivers
- Industrial Engineers
- Painters
- Personal Assistants
- Productivity Analysts
- Project Managers
- Radiographers
- Sales Executives
- Senior Admin
- Senior Directors
- Site Managers
- Unskilled Staff
- Warehouse Staff
- Workers Seeking Roles To Fit Around School Hours

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