

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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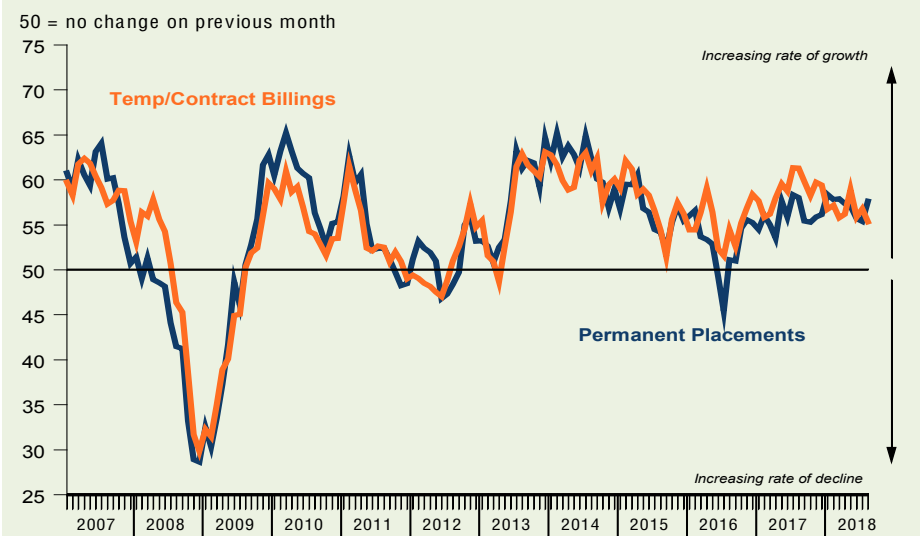
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Staff placements rise further, while candidate shortages fuel higher starting salaries

Staff Appointments via Recruitment Consultancies



Key points from the August survey:

- Stronger expansion in permanent placements, but temp billings growth softens
- Starting salaries increase at second-fastest rate in over three years
- Staff vacancies continue to rise at historically marked pace

Neil Carberry, Chief Executive at the REC says:

“Businesses are getting on with it driving Britain’s growth – jobs are being created and starting salaries are rising. There are big opportunities out there for candidates right now looking for a new role.

“But how long our labour market can defy gravity if the shape of our future trading arrangements with the EU remain unclear is the big question. Companies are starting to implement contingency plans now – and those who aren’t will need to step up progress.

“The biggest long-term question on jobs is how they will be affected by new technology and stiff price competition driven by value-conscious consumers. For recruiters, helping people find pathways from sectors like retail into growing sectors will both boost opportunity and address candidate shortages in key sectors.”

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 expand at quicker pace...

Permanent staff placements rose at the steepest rate for five months in August amid reports of robust demand for staff. Temp billings meanwhile increased at a rate that, though still sharp, was the softest recorded since October 2016.

...buoyed by further sharp rise in vacancies

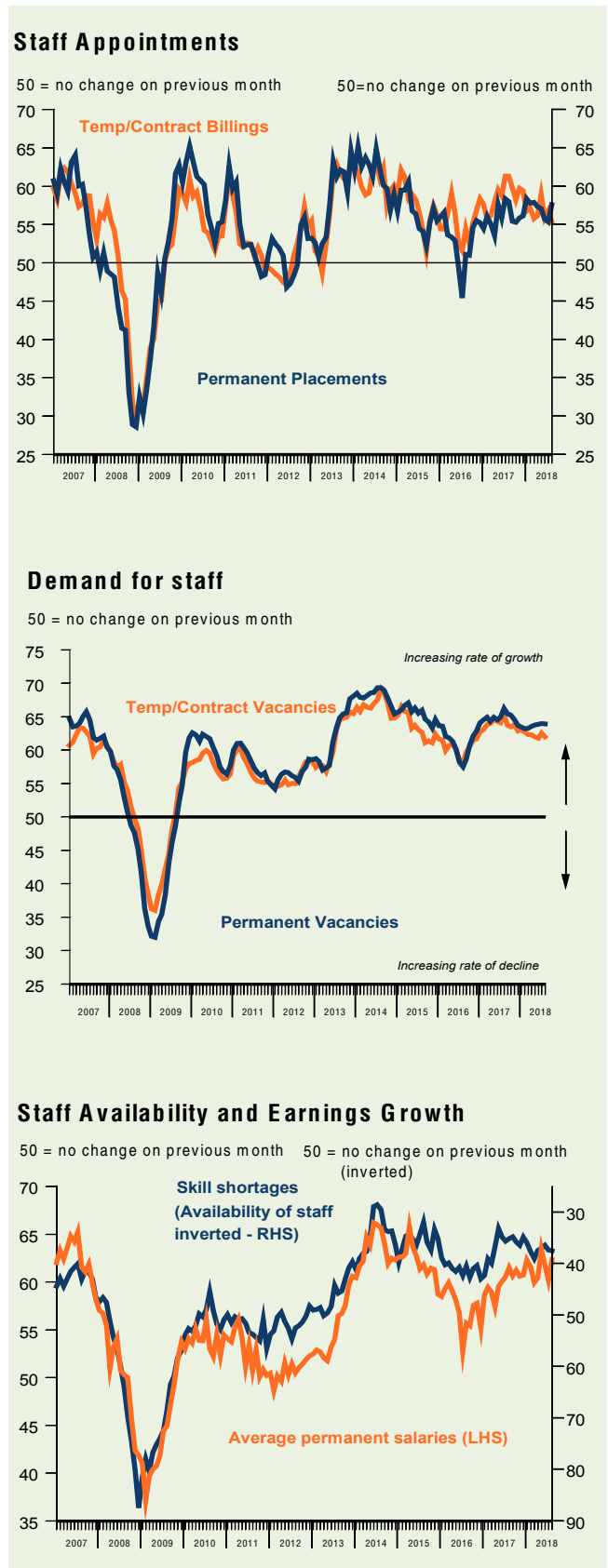
Demand for staff remained strong during August. Notably, vacancies expanded at a pace that was only fractionally slower than July's eight-month record. Encouragingly, steep increases in demand were seen across both permanent and temporary job categories.

Permanent starting salaries rise at sharper pace...

Average starting salaries awarded to newly-placed permanent staff rose at the second-sharpest pace for over three years in August. At the same time, short-term pay rates also increased strongly, despite the rate of inflation softening from the previous month.

...driven by further drop in labour supply

The availability of both permanent and temporary candidates declined further in August, with a number of panellists blaming this on the low unemployment rate. While permanent labour supply contracted at a similarly sharp pace to that seen in July, temporary worker availability fell at a slightly softer pace.



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.

Staff appointments continued to rise during August, with growth in permanent placements outstripping that of temp billings.

Permanent placements increase at quickest pace since March...

The number of people placed into permanent jobs continued to increase during August. Furthermore, the seasonally adjusted Permanent Staff Placements Index signalled that the rate of expansion accelerated to a five-month record. According to panellists, rising demand for staff and, in some cases, greater efforts to secure candidates in a timely manner, had supported the latest increase in placement volumes.

Sharp rises in permanent staff appointments were registered across all four monitored English regions, led by London.

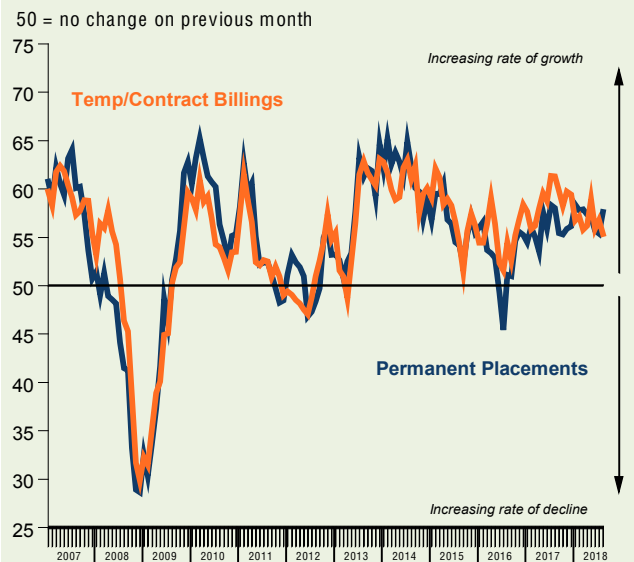
...while temp billings growth softens to 22-month low

Agencies' billings received from the employment of temporary/contract staff increased further in August. The rate of growth was sharp overall, albeit the weakest seen for 22 months. A number of monitored agencies linked higher temp billings to rising activity levels at client companies.

Across all four monitored English regions, the Midlands posted the quickest rise in temp billings, while the weakest upturn was seen 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
2018 Mar	46.8	30.0	23.2	23.6	61.8	57.9
Apr	43.9	30.8	25.3	18.6	59.3	57.3
May	38.3	38.7	23.0	15.3	57.7	57.1
Jun	33.3	43.1	23.6	9.7	54.8	55.7
Jul	39.4	34.0	26.6	12.8	56.4	55.4
Aug	37.5	34.2	28.3	9.2	54.6	57.6

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
2018 Mar	41.2	37.6	21.2	20.0	60.0	55.8
Apr	35.4	41.1	23.6	11.8	55.9	56.2
May	37.6	45.7	16.7	20.9	60.4	58.9
Jun	38.6	41.9	19.5	19.1	59.6	55.9
Jul	42.2	39.4	18.3	23.9	61.9	56.8
Aug	34.3	41.8	23.9	10.5	55.2	55.3

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 remains sharp

The Report on Jobs Vacancy Index was little-changed from July's reading of 62.1, at 62.0 in August, to signal a further sharp increase in demand for staff.

Permanent staff vacancies continued to grow at a slightly steeper pace than seen for temporary roles, as has been the case for nearly two years.

Public & private sector vacancies

Demand for staff rose across both the public and private sectors during August, with the latter noting the fastest increases in job vacancies.

Overall, the strongest upturn in demand was registered for permanent workers in the private sector. The weakest, but still strong, rise in vacancies was seen for permanent public sector staff.

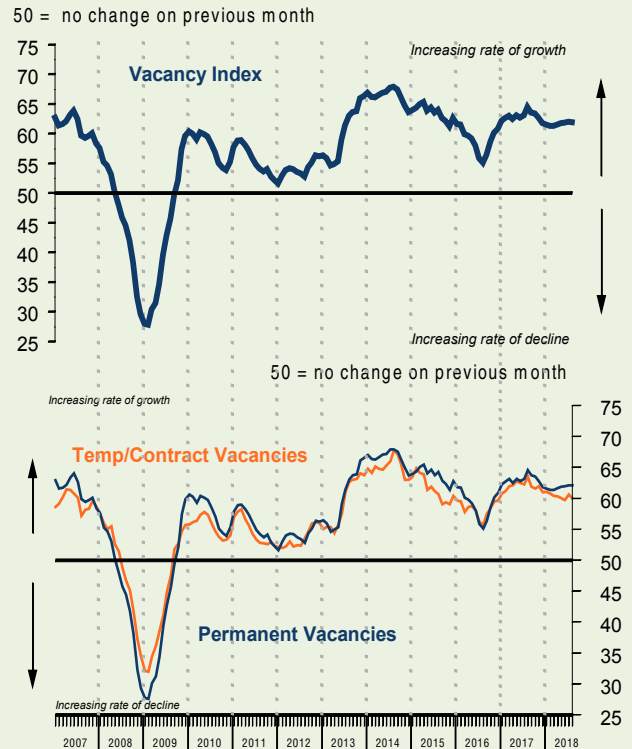
Other vacancy indicators

Latest official data from the Office for National Statistics (ONS) indicated that job vacancies increased by 6.6% on an annual basis in the three months to July. This was up from a 5.5% rise in the three-months to June, to set a new record in the total number of vacancies at 829,000.

Latest available data signalled that internet-based recruitment spending declined by 5.5% on an annual basis during the opening quarter of 2018. This was softer than the 7.9% drop seen in the final quarter of last 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

	Apr'18	May	Jun	Jul	Aug
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	61.6	61.8	61.9	62.1	62.0
Permanent Staff	61.7	61.9	62.0	62.1	62.1
Temporary Staff	60.3	60.0	59.7	60.6	60.0

Public & private sector vacancies (not seasonally adjusted)

Public: perm	54.3	56.1	56.9	52.4	56.1
Public: temp	59.3	56.0	58.5	57.1	57.1
Private: perm	63.8	63.4	63.5	64.6	63.7
Private: temp	61.7	61.0	63.1	61.5	60.8

Other key vacancy data

	Annual % change				
ONS Vacancy Survey	2.5	4.3	5.5	6.6	n/a
Internet recruitment	-5.5	--	--	--	

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

Of the ten broad job categories monitored by the survey, IT & Computing once again led the rankings for permanent job vacancies in August. That said, marked increases in demand were also seen across all other sectors with the exception of retail, where vacancies stagnated.

	This year		(Last year)	
	Rank	Aug'18	Rank	Aug'17
IT & Computing	1	67.3	(1)	(68.3)
Engineering	2	65.4	(3)	(65.1)
Hotel & Catering	3	62.0	(9)	(59.4)
Accounting/Financial	4	61.8	(2)	(66.6)
Nursing/Medical/Care	5	61.6	(4)	(64.5)
Executive/Professional	6	60.8	(5)	(64.3)
Secretarial/Clerical	7	59.3	(7)	(63.3)
Blue Collar	8	59.1	(6)	(64.2)
Construction	9	58.3	(10)	(55.4)
Retail*	10	50.0	(8)	(63.0)

Temporary/contract staff

Demand for temporary/contract staff rose across nine of the ten broad job categories during August, led by Blue Collar and Hotel & Catering. Retail was the only sector to register lower temp staff demand.

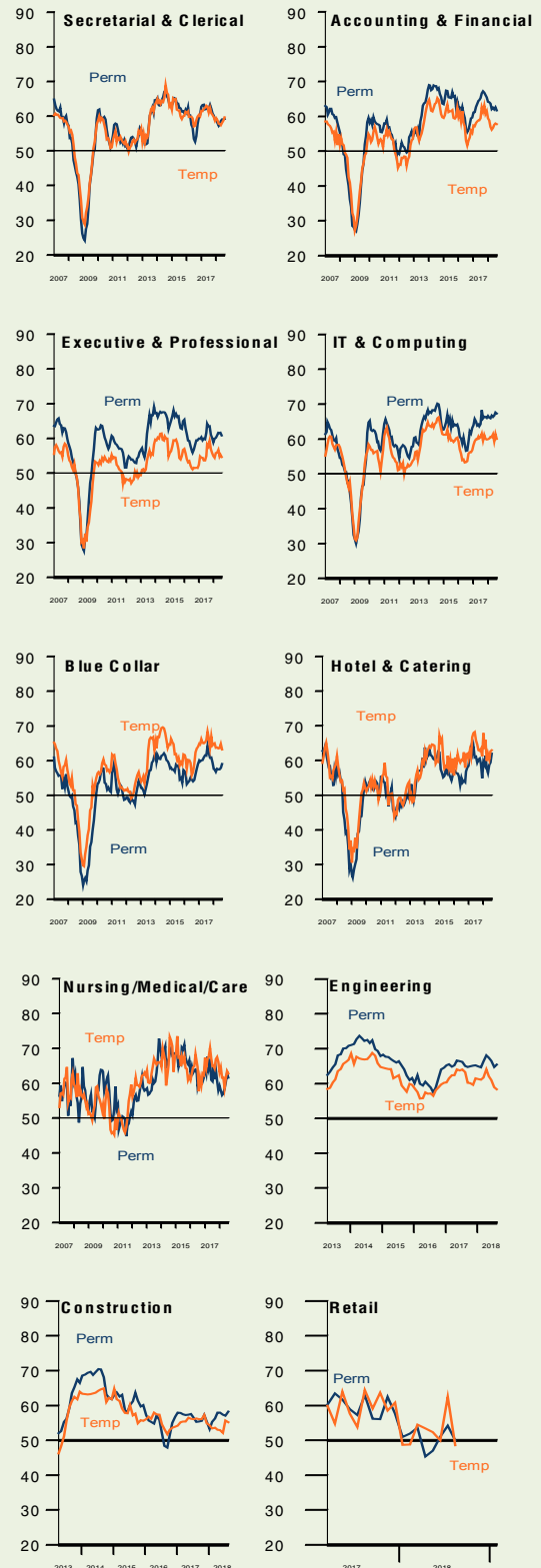
	This year		(Last year)	
	Rank	Aug'18	Rank	Aug'17
Blue Collar	1	63.2	(1)	(68.4)
Hotel & Catering	2	63.0	(3)	(64.7)
Nursing/Medical/Care	3	62.8	(2)	(65.0)
IT & Computing	4	60.1	(8)	(61.6)
Secretarial/Clerical	5	59.7	(7)	(62.4)
Engineering	6	58.4	(5)	(63.3)
Accounting/Financial	7	57.8	(6)	(62.6)
Construction	8	55.2	(10)	(56.3)
Executive/Professional	9	54.6	(9)	(58.4)
Retail*	10	48.7	(4)	(64.5)

*Non-seasonally adjusted data due to shorter series history.

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

August survey data signalled a further steep contraction in the availability of workers for permanent positions. Anecdotal evidence indicated that increased employment underpinned the latest decline in labour supply. At the same time, there were reports that uncertainty over Brexit and reduced numbers of EU candidates had also weighed on staff availability.

The South of England continued to record the steepest rate of decrease, though sharp falls were also seen across the other three English regions.

Availability of temp/contract staff

The number of candidates available for temporary/contract work continued to fall markedly in August, despite the rate of reduction softening to the least marked for five months.

All four monitored English regions noted lower temp candidate numbers, led by the Midlands.

Key permanent staff skills reported in short supply:*

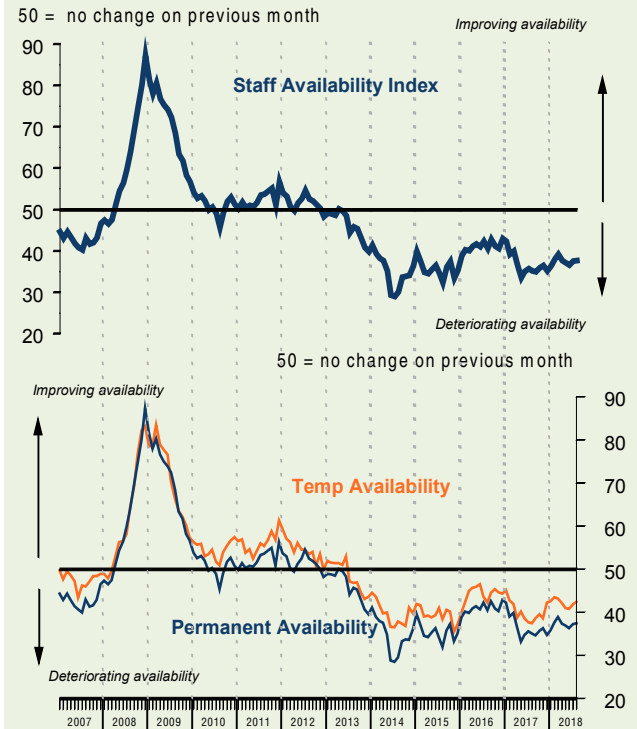
Accounting/Financial: Accountants, Audit, Credit Control, Estimators, Finance, Paraplanners, Payroll, Risk, Tax, Treasury, Underwriters. **Blue Collar:** Blue Collar, Forklift Drivers, HGV Drivers, LGV Drivers, Production Supervisors, Quality Managers, Skilled Workers, Warehouse Staff. **Construction:** Construction Sales, Construction Workers, Qualified Real Estate/Construction Staff, Quantity Surveyors. **Engineering:** Aerospace, Automotive, CNC, Design, Electrical, Engineers, Maintenance, Technicians. **Executive/Professional:** Business Analysts, Business Development, Compliance, HR, Lawyers, Legal, Legal Secretaries, Litigation, Managers, Marketing, Media, Project Managers, Science. **Hotel/Catering:** Baristas, Catering, Chefs, Hospitality. **IT/Computing:** Automation Testers, B2B/Consumer/Infrastructure Tech, C++, C#, CAD, Data, DevOps, Digital, Fintech, Gaming, IT, IT Architects, Java, .NET, Oracle Fusion, Salesforce, SEO, Software Engineers, Technology. **Nursing/Medical/Care:** Care Workers, Healthcare Assistants, Home Carers, Medics, Nurses, Optometrists, Support Workers, Ultrasound Staff. **Secretarial/Clerical:** Administration, Office Staff, Personal Assistants, Receptionists. **Other:** Buyers, Customer Services, Estate Agents, Graduates, Health & Safety, Security, Sales, Supply Chain, Telesales, Traffic Specialists.

Key temp skills reported in short supply:*

Accounting/Financial: Accountants, Audit, Banking, Credit Controllers, Finance, Payroll, Risk, Treasury. **Blue Collar:** Agricultural, Blue Collar, CNC Machinists, Drivers, Electricians, Forklift Drivers, HGV Drivers, Industrial, LGV Drivers, Machine Operatives, Painters/Decorators, Plumbers, Site Managers, Skilled Machinist, Unskilled Workers, Warehouse Workers, Welders. **Construction:** Construction Workers. **Engineering:** Engineers, Design. **Executive/Professional:** Business Analysts, Compliance, Legal, Marketing, Project Managers, Science. **Hotel/Catering:** Catering, Chefs, Hospitality. **IT/Computing:** CAD, Data, Digital, Gaming, Java, Oracle Fusion, Revit, Technology. **Nursing/Medical/Care:** Care Workers, Healthcare Assistants, Home Carers, Medics, Optometrists, Social Workers, Sonographers, Support Workers. **Secretarial/Clerical:** Account Clerks, Administration, Receptionists, Secretaries. **Other:** Customer Services, Graduates, Languages, Sales, Security, 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
2018 Mar	11.0	57.6	31.3	-20.3	39.9	39.0
Apr	6.7	60.3	33.0	-26.3	36.8	37.4
May	8.3	54.5	37.2	-29.0	35.5	37.0
Jun	6.8	54.3	38.9	-32.1	33.9	36.4
Jul	9.0	49.1	42.0	-33.0	33.5	37.3
Aug	7.9	47.8	44.3	-36.4	31.8	37.4

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
2018 Mar	11.6	61.6	26.7	-15.1	42.4	43.2
Apr	9.3	64.4	26.3	-17.1	41.5	42.1
May	9.0	62.0	29.0	-20.1	40.0	41.1
Jun	12.7	54.4	32.9	-20.2	39.9	40.9
Jul	12.4	52.7	34.9	-22.5	38.8	41.9
Aug	11.5	55.0	33.5	-21.9	39.0	42.5

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

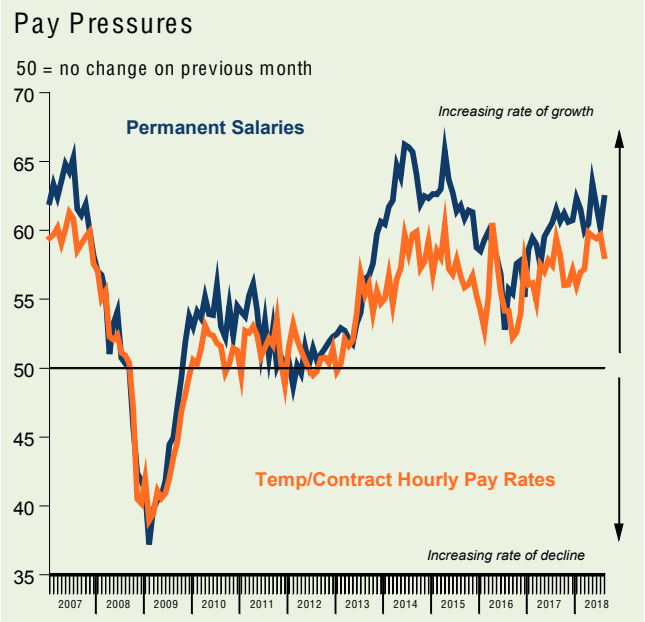
Recruitment consultancies signalled a further increase in permanent starters' salaries during August. Notably, the rate of pay inflation quickened to the second-fastest since June 2015 (behind May 2018). Respondents commonly cited that clients had to offer higher salaries due to shrinking candidate availability and greater efforts to attract suitably skilled staff.

Starting pay rose sharply across all four monitored English regions, with the strongest rate of growth seen in the South of England.

Temp/contract pay rates

Hourly pay rates awarded to contract/temporary staff also rose further in August. Although the rate of increase softened to a five-month low, it remained sharp overall and above the series long-run average.

As was the case for permanent starting salaries, the South of England registered the quickest rate of temp pay growth.

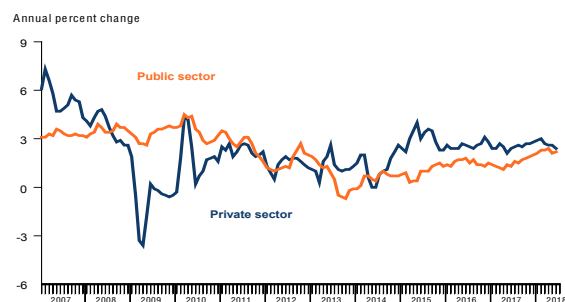


UK average weekly earnings

Data from the Office for National Statistics showed that employee earnings (including bonuses) increased by 2.4% on an annual basis in the three months to June. This marked the slowest increase in pay since the three months to September 2017. Notably, a weaker increase in private sector earnings offset a slight improvement in pay growth across the public sector.

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

	2015	2016	2017	Mar	Apr	May	Jun
Whole economy	2.6	2.4	2.3	2.6	2.6	2.5	2.4
Private sector	3.0	2.6	2.5	2.7	2.6	2.6	2.4
Public sector	0.9	1.5	1.5	2.3	2.4	2.1	2.2
Services	2.8	2.2	2.4	2.6	2.5	2.4	2.3
Manufacturing	1.6	2.4	1.9	2.7	2.8	2.9	2.5
Construction	2.8	4.8	1.7	4.5	4.9	5.7	5.3



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
2018 Feb	26.8	68.6	4.6	22.2	61.1	61.5
Mar	24.7	71.2	4.1	20.5	60.3	60.0
Apr	27.3	69.4	3.3	24.0	62.0	60.5
May	32.0	67.4	0.6	31.4	65.7	63.4
Jun	28.8	66.6	4.6	24.2	62.1	61.8
Jul	23.9	73.2	2.9	20.9	60.5	60.2
Aug	28.5	67.9	3.6	25.0	62.5	62.4

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
2018 Feb	15.2	83.1	1.6	13.6	56.8	57.0
Mar	17.1	81.0	1.9	15.2	57.6	57.2
Apr	32.9	64.3	2.7	30.2	65.1	59.9
May	24.0	73.3	2.8	21.2	60.6	59.6
Jun	18.0	78.8	3.2	14.9	57.4	59.4
Jul	21.6	76.6	1.8	19.7	59.9	59.7
Aug	17.8	80.0	2.3	15.5	57.8	58.1

7 Feature | Unemployment

Jobless rate falls to fresh low of 4.0%

Latest data published by the Office for National Statistics (ONS) showed that labour market conditions in the UK remained tight, with unemployment declining further as employment continued to climb.

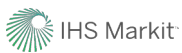
The UK unemployment rate fell to a fresh low of 4.0% in the three months to June. This was down from 4.2% in the preceding three-month period, and the lowest recorded since the start of 1975. This translated into 1.36 million unemployed people, which represented a fall of 124,000 compared to a year ago.

On the flipside, the employment rate held close to a record-high of 75.6% in the three months to June. Notably, employment rose by 313,000 compared to the same time last year, to raise the total number of employed people to 32.39 million.

Falling unemployment continues to correspond with strong hiring growth as signalled by the Reports on Jobs, which continues to point to rising employment in the third quarter so far.



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

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 August 2018:

- Administration
- Associate Level Investment Banking
- Business Analysts
- Buyers
- Candidates ineligible to work in the UK
- Customer Service
- Executive Assistants
- General IT
- Graduates
- HR
- Inexperienced Candidates
- LGV Drivers
- Marketing
- Office Staff
- Operations Manager
- Part-time Workers
- Personal Assistants
- Phlebotomists
- Photographers
- Project Managers
- Receptionists
- Retail
- Sales
- Senior Management
- Students
- Unskilled Workers
- Warehouse Management

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

- Administration
- Baristas
- Business Analysts
- Chefs
- City-job seekers
- Customer Service
- Graduates
- Junior Staff
- Office Staff
- Phlebotomists
- Production Staff
- Retail
- Students
- Warehouse Workers

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