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

Report on Jobs: North

The *Report on Jobs: North* is a monthly publication produced by 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 in the North of England.

Regional reports are also available for London, the Midlands and the South of England. Survey data are designed to complement, and are directly comparable with, the UK Report on Jobs.

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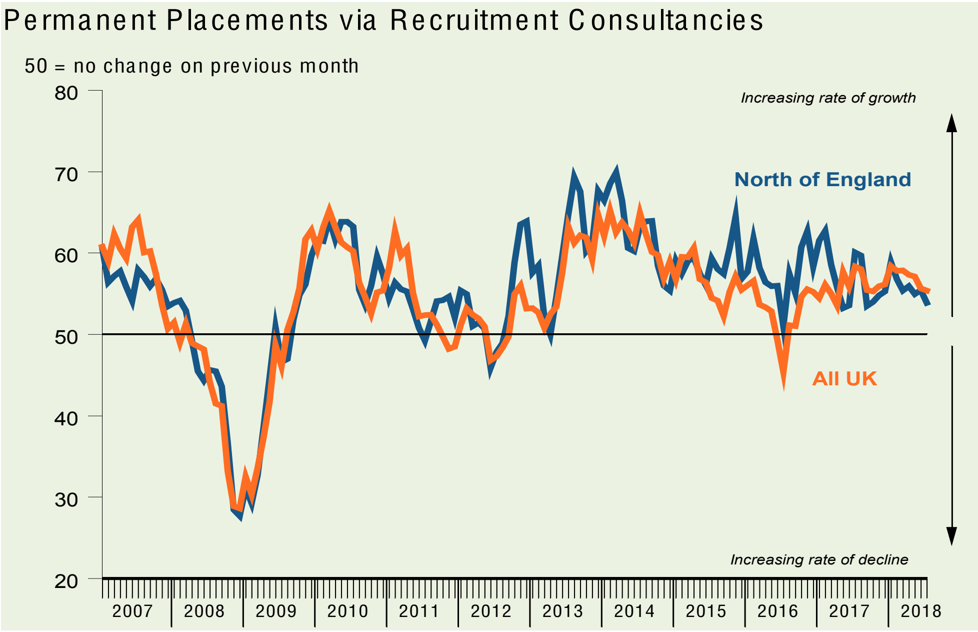
Permanent appointment growth softens amid candidate shortages



Key points from July survey:

- Slowest upturn in permanent placements for ten months
- Steepest decline in permanent staff availability since December 2017
- Rates of increase in both permanent and temp pay in the North of England strongest on regional basis

Sophie Wingfield, Head of Policy at REC says:

"The rise in interest rates for only the second time in a decade may leave some people feeling the pinch. But a new job is one way people can ease the burden on their finances. With our data showing starting salaries continuing to rise, the latest official government figures suggest that we are finally seeing the effects of a tighter labour market feed through to pay.

"Following a period of turbulence and big name closures, the World Cup and heatwave had retailers enjoying a 'summer bounce' and basking in the sun with demand for temporary staff on the up with many businesses positively revising their hiring plans. Right now students on their summer break can make the most of these opportunities and cash-in while gaining valuable experience and new skills."

1 Staff appointments / Vacancies

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.

Permanent placement growth at ten-month low

Recruitment consultancies continued to indicate greater numbers of staff placed into permanent positions in the North of England during July. Where growth was signalled, there were mentions of improved demand for workers and increased client activity. However, the upturn in permanent placements was moderate by historical standards and eased to a ten-month low, curbed by market uncertainty and candidate shortages.

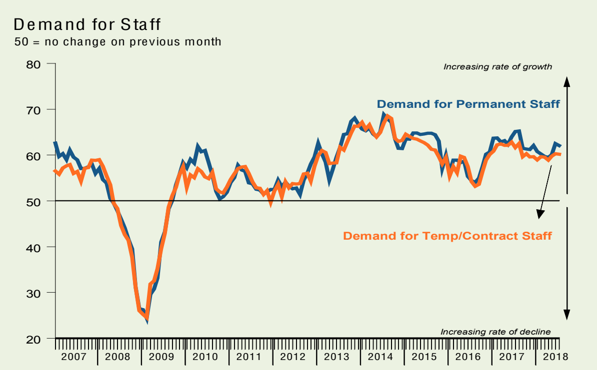
Steep rise in temp billings

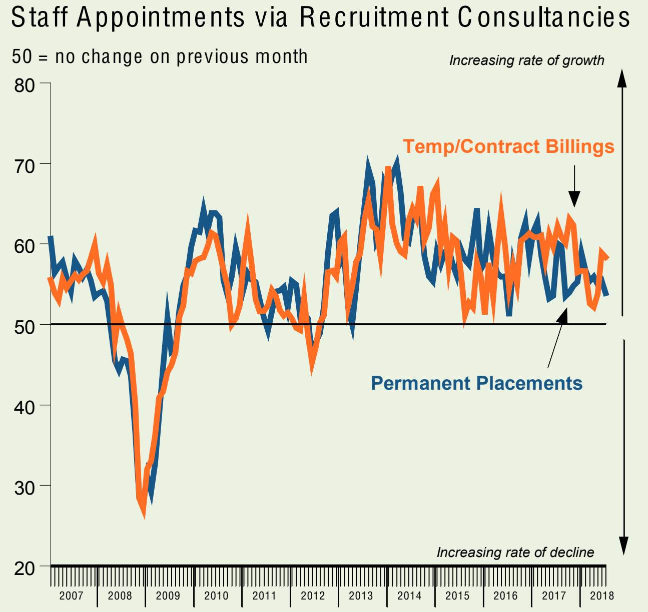
Billings received from short-term employment in the North of England increased further at the start of the third quarter. The pace of growth was steep and the second-highest since November 2017, behind that seen in June. Anecdotal evidence suggested that the upturn was supported by new client wins as well as stronger demand for staff from existing customers.

Job vacancies

Jobs data for July showed that demand for both temporary and permanent labour in the North of England improved. Although sharp in both cases, rates of expansion softened from June and were below the respective UK averages.

		Perm		Temp	
		North	UK	North	UK
2018	Feb	60.2	61.3	59.7	60.8
	Mar	59.7	61.4	59.6	60.5
	Apr	59.5	61.7	58.9	60.4
	May	60.0	61.9	59.8	60.2
	Jun	62.5	62.0	60.3	59.9
	Jul	62.1	62.2	60.2	60.8





Permanent Staff Placements

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

	North of England					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Feb	38.7	37.1	24.2	57.3	**56.8**	**57.8**
Mar	39.7	39.7	20.6	59.6	**55.4**	**57.9**
Apr	38.5	35.4	26.2	56.2	**55.9**	**57.3**
May	31.7	38.1	30.2	50.8	**54.9**	**57.1**
Jun	35.0	48.3	16.7	59.2	**55.4**	**55.7**
Jul	31.7	43.3	25.0	53.3	**53.9**	**55.4**

Temporary/Contract Staff Billings

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

	North of England					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Feb	35.5	46.8	17.7	58.9	**56.6**	**57.2**
Mar	31.8	43.9	24.2	53.8	**52.6**	**55.8**
Apr	32.8	35.9	31.3	50.8	**52.1**	**56.2**
May	31.7	44.4	23.8	54.0	**53.8**	**58.9**
Jun	45.8	44.1	10.2	67.8	**58.9**	**55.9**
Jul	42.9	35.7	21.4	60.7	**58.3**	**56.8**

2 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month.

Steepest decline in permanent candidate numbers in 2018 so far

As has been the case for five-and-a-half years, permanent candidate numbers in the North of England decreased during July. Moreover, the pace of contraction was steep and quickened to the fastest in the year-to-date. Panellists reported scarcity of a wide range of skills, including accountants, constructors, developers, drivers, engineers and nurses.

Decline in temp supply softens

The availability of jobseekers willing to undertake short-temp employment in the North of England continued to deteriorate in July. Survey participants reported shortages of accountants, engineers, IT, receptionists, scientists, support workers and a number of blue collar candidates. The pace of reduction moderated from June's recent record, but remained sharp in the context of historical survey data.

Key permanent staff skills reported in short supply:*

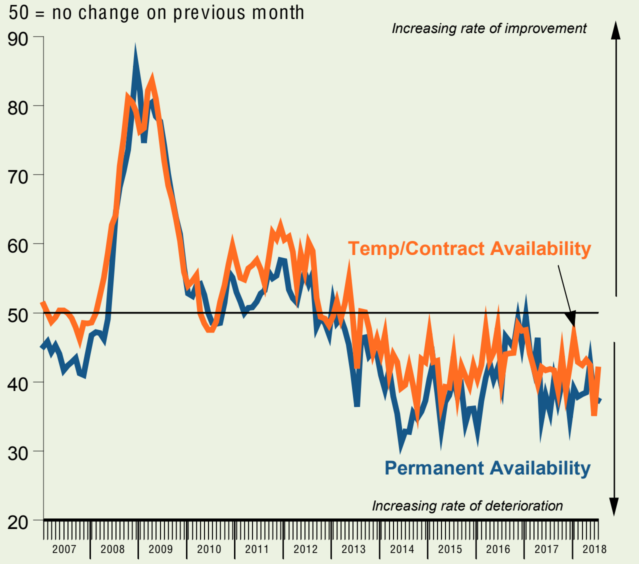
Accounting & Financial: Accounts. **Blue Collar:** HGV Drivers, Manufacturing, Warehouse. **Construction:** Constructors. **Engineering:** Aerospace Engineers, Engineers. **Executive & Professional:** Lawyers, Litigation, Scientists, Technical. **IT & Computing:** Automation Testers, C#, Cloud, Data Scientists, DevOps, IT, IT Security, Java, .Net, Network, Python, Ruby, Software, UI/UX. **Nursing/Medical/Care:** Nurses, Support Workers. **Other:** Assistant Buyers, Buyers, Consumer Compliance Managers, Customer Services, Portal Fee Earners, Project Managers, Sales, Telemarketing, Travel Consultants.

Key temp skills reported in short supply:*

Accounting & Financial: Accounts, Finance, Payroll. **Blue Collar:** Cleaners, CNC, Decorators, Electricians, Forklift Drivers, HGV Drivers, Painters, Plumbers, Warehouse. **Engineering:** Design Engineers, Engineers. **Executive & Professional:** Litigation, Scientists, Technical. **IT & Computing:** CAD, Developers, DevOps, Information Security, IT, Java, Revit, Software, UI/UX. **Nursing/Medical/Care:** Animal Health & Nutrition, Support Workers. **Secretarial & Clerical:** Administrators, Receptionists. **Other:** Assistant Buyers, Buyers, Customer Services, Languages, Portal Fee Earners, Project Managers, Sales, Telemarketing, Travel Consultants.

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

Candidate Availability



Availability of permanent staff

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

	North of England					All UK
	Better %	Same %	Worse %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Feb	14.5	59.7	25.8	44.4	**37.8**	**37.7**
Mar	10.4	53.7	35.8	37.3	**38.2**	**39.0**
Apr	7.7	64.6	27.7	40.0	**38.5**	**37.4**
May	12.9	59.7	27.4	42.7	**42.7**	**37.0**
Jun	10.0	51.7	38.3	35.8	**37.7**	**36.4**
Jul	5.0	58.3	36.7	34.2	**37.3**	**37.3**

Availability of temporary/contract staff

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

	North of England					All UK
	Better %	Same %	Worse %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Feb	9.8	73.8	16.4	46.7	**42.9**	**43.5**
Mar	7.6	66.7	25.8	40.9	**42.4**	**43.2**
Apr	8.2	67.2	24.6	41.8	**43.2**	**42.1**
May	6.5	67.7	25.8	40.3	**42.4**	**41.1**
Jun	5.1	57.6	37.3	33.9	**35.1**	**40.9**
Jul	12.3	56.1	31.6	40.4	**41.8**	**41.9**

3 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

Starters' salary inflation in the North of England eased for the second month in a row during July, after reaching a 45-month peak in May. Nonetheless, the seasonally adjusted Permanent Salaries Index remained well above its long-run average. Recruitment consultancies that signalled higher pay cited efforts to attract applicants amid a candidate-driven market.

Temp/contract pay rates

Temp pay increased to the greatest extent in 27 months during July. Exactly one-quarter of companies reported higher hourly pay rates in July, which they commonly linked to efforts to boost applicant numbers. Concurrently, fewer than 2% of recruitment consultancies indicated lower temp wages compared to June.

UK average weekly earnings

Data from the Office for National Statistics indicated that average weekly earnings across the UK rose 1.7% compared to a year ago in the opening quarter of 2018.

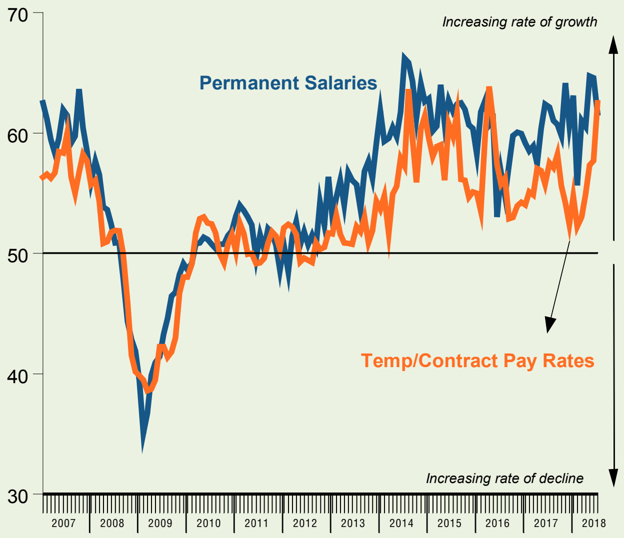
On a regional basis, Scotland registered the steepest annual increase, where earnings rose 4.7% to £567. The East Midlands meanwhile posted the quickest decline, with average weekly earnings falling -4.7% to £515.

Average weekly earnings in Q1 2018

	£	Change on year £	Change %
All UK	**610**	**+10**	**1.7**
Scotland	567	+25	4.7
East of England	654	+28	4.5
South East	674	+25	3.8
North East	526	+19	3.7
Wales	542	+15	2.8
Northern Ireland	515	+12	2.4
North West	561	+11	2.1
Yorks & Humber	533	+8	1.6
London	779	+5	0.7
South West	562	-5	-0.9
West Midlands	562	-11	-1.8
East Midlands	515	-25	-4.7

Wages and Salaries

50 = no change on previous month



Permanent Salaries

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

	North of England					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Jan	27.9	70.5	1.6	63.1	**63.1**	**62.3**
Feb	16.1	79.0	4.8	55.6	**55.6**	**61.5**
Mar	26.5	69.1	4.4	61.0	**61.0**	**60.0**
Apr	27.7	66.2	6.2	60.8	**60.5**	**60.5**
May	30.6	69.4	0.0	65.3	**64.7**	**63.4**
Jun	33.3	63.3	3.3	65.0	**64.6**	**61.8**
Jul	25.0	73.3	1.7	61.7	**61.7**	**60.2**

Temporary/Contract Pay Rates

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

	North of England					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2018 Jan	8.3	90.0	1.7	53.3	**54.8**	**56.0**
Feb	8.2	86.9	4.9	51.6	**52.2**	**57.0**
Mar	9.1	87.9	3.0	53.0	**53.0**	**57.2**
Apr	23.0	72.1	4.9	59.0	**54.9**	**59.9**
May	21.0	77.4	1.6	59.7	**57.3**	**59.6**
Jun	16.7	80.0	3.3	56.7	**57.7**	**59.4**
Jul	25.0	73.2	1.8	61.6	**62.5**	**59.7**

4 Regional comparisons

The Report on Jobs: North is one of four regional reports tracking labour market trends across England. Data are also available for London, the Midlands and the South of England.

Staff appointments

Permanent staff placements increased in three of the four monitored English regions in July, the sole exception being London where a marginal decline was noted. The Midlands was the brightest spot, posting the strongest rate of expansion in permanent appointments.

Temp billings continued to rise on a broad-based fashion, with the North of England remaining the best-performing region on this front. However, the only area to see a pick-up in growth was the South of England.

Candidate availability

Rates of reduction in permanent candidate supply eased in all English regions, bar the North of England. The steepest drop was evident in the South of England and the weakest, though still sharp, in the Midlands.

Temp supply deteriorated in each of the four tracked regions in July, as has been the case for nearly five years. Rates of contraction softened in the South and North of England, but quickened in London and the Midlands. At the UK level, the fall was the slowest in three months, though sharp.

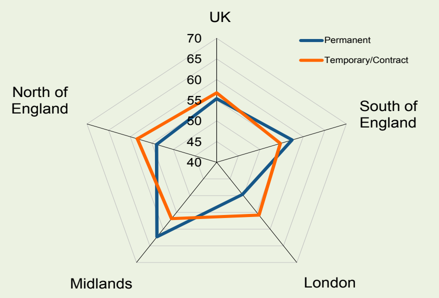
Pay Pressures

Survey participants across England reported higher salaries awarded to newly-placed permanent workers in July. Rates of salary inflation eased in all four localities, with the North of England again registering the strongest upturn. At the UK level, the latest rise was the weakest since March.

The North of England also led the upturn in temp pay at the start of the third quarter. In London and the Midlands rates of wage inflation were at two-month highs, while a moderation was registered in the South of England (four-month low). Across the UK as a whole, the latest increase in temp pay was the quickest since April.

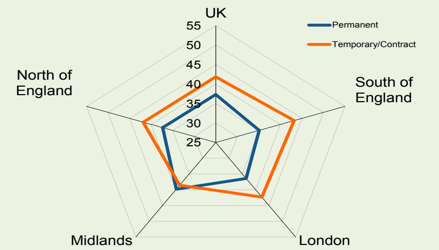
Staff Appointments

50.0 = no change on previous month



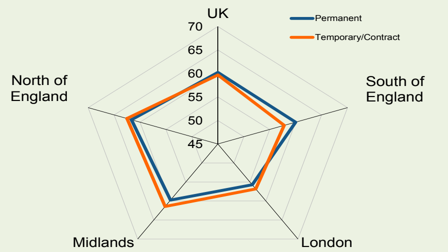
Candidate Availability

50.0 = no change on previous month



Wages and Salaries

50.0 = no change on previous month



Recruitment Industry Survey: North of England

The Report on Jobs: North is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the North East, North West and Yorkshire & Humber regions (NUTS 1 definition).

Monthly survey data were first collected in October 1997 and are collected in the latter half of each month, with respondents asked to specify the direction of change in a number of survey variables. Data are presented in the form of diffusion indices whereby 50 = no change on the previous month. Readings above 50 signal an increase; readings below 50 signal a decline. IHS Markit does 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.