

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 Markit and sponsored by the Recruitment and Employment Confederation and KPMG LLP.

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.

1 Executive summary

2 Appointments

3 Vacancies

4 Sectoral demand

5 Staff availability

6 Pay pressures

7 Special feature

markit®

Markit

Henley on Thames
Oxon RG9 1HG, UK

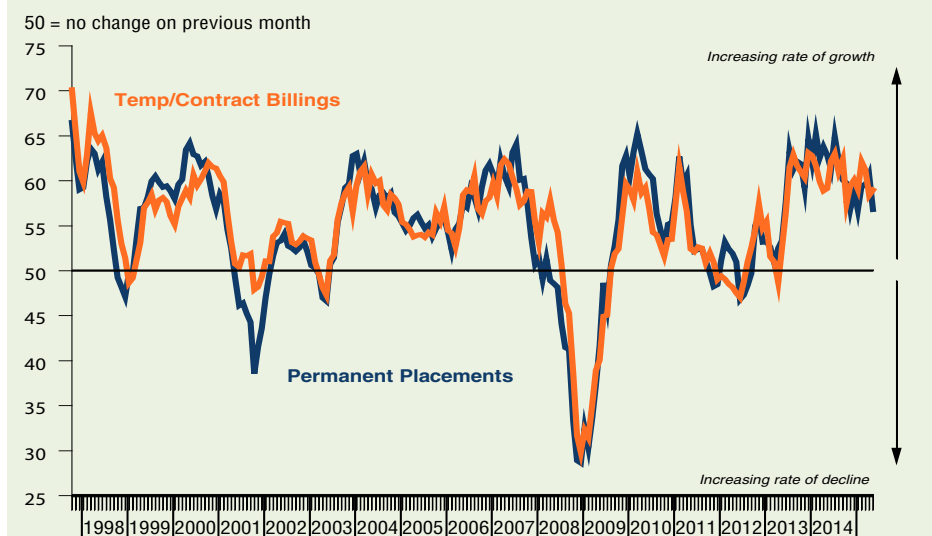
Tel: +44 1491 461000
Fax: +44 1491 461001
email: economics@markit.com

Copies of the report are available on annual subscription from Markit. For subscription details please contact:

economics@markit.com

Permanent placements rise further in May, albeit at slowest pace in four months

Staff Appointments via Recruitment Consultancies



Key points from the May survey:

- Growth of permanent placements eases, but remains marked overall
- Temp billings rise at faster pace
- Permanent salary growth remains strong

Commenting on the latest survey results, Bernard Brown, Partner at KPMG, said:

“The UK job market saw a slight slowdown in May, as those on boards took time to digest the election result and work out the ramifications for their business. This pause did not dampen temporary staff placements, and temp billings rose for a twenty-fifth consecutive month.

“Growth in the services sector continued to outpace that of Britain’s heavy industries, with the former seeing a significantly stronger appetite for new hires to keep up with the volume of new orders coming in. These statistics will add more weight to the fears that the economy is not rebalancing as hoped, and are a worrying reminder of the recovery’s reliance on the performance of the white collar service sector.

“While elements of the private sector are thriving, the public sector continues to suffer, with pay growth rising by just 0.2% in the last reported quarter. This stagnation is in stark contrast with the pay awards seen in Britain’s businesses, whose staff saw average rises of 2.4%, driven by the booming service sector. With the Government’s continued focus on austerity, this imbalance is unlikely to be readdressed in the near future.”

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 May are:

Permanent placements growth eases...

Permanent staff placements continued to rise in May. However, the rate of expansion moderated to a four-month low. This mirrored an easing in growth of available vacancies for permanent staff, with the latest increase the slowest in 2015 so far.

...but temp billings rise at faster pace

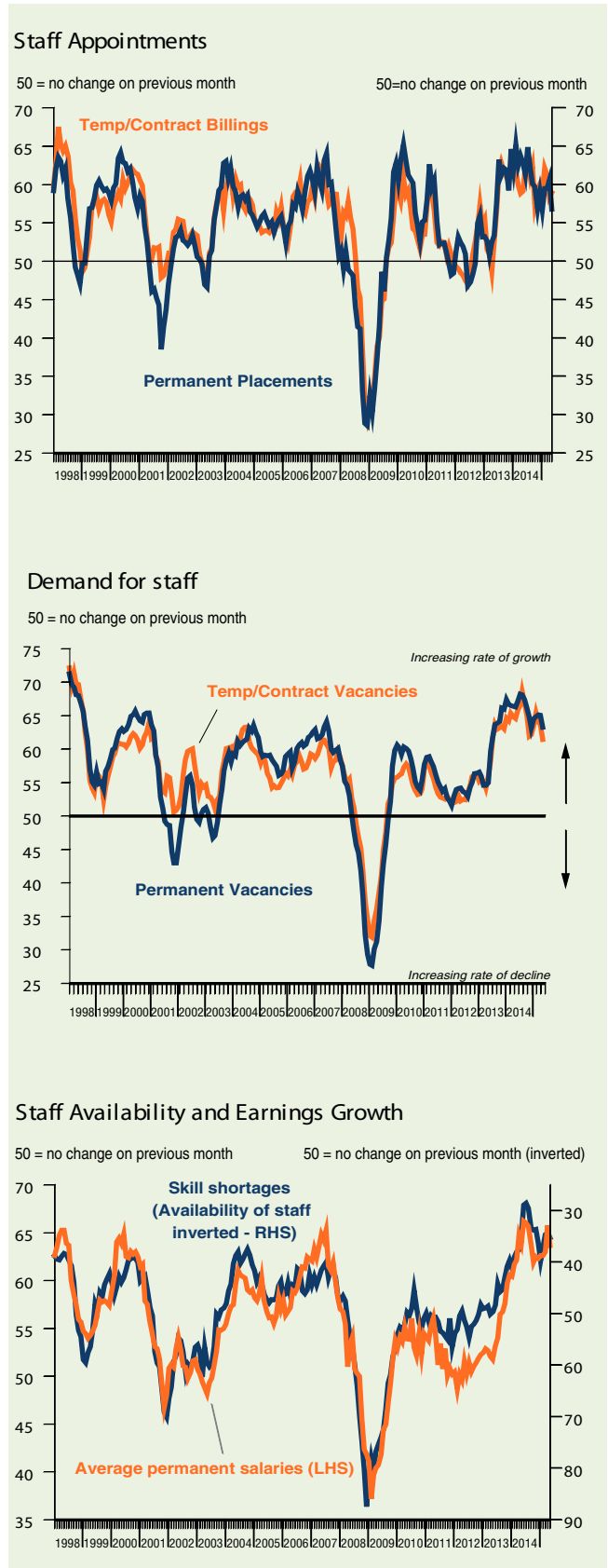
Agencies' billings from the employment of temporary/contract staff increased further in May. The rate of growth in short-term appointments was strong, having quickened since April.

Salary growth cools, but still strong...

Starting salaries for people placed into permanent jobs increased further in May. Although easing from April's nine-month high, the rate of growth remained strong overall. Temporary/contract staff hourly pay rates rose further, albeit at the slowest pace since January.

...as candidate availability remains tight

Recruitment consultants reported continued difficulties regarding the availability of suitable staff for permanent roles in May. Although easing slightly since April, the rate of deterioration in permanent staff availability remained marked. Temp availability also fell sharply, with the latest drop the fastest in seven months.



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 further increases in staff appointments during May. However, differing trends were indicated for permanent placements and temporary billings, with growth slowing for the former but accelerating for the latter.

Permanent placements rise at slowest pace in four months

The number of people placed in permanent jobs by recruitment consultancies continued to increase in May, in line with the trend observed since October 2012. That said, the latest rise was the least marked since January.

Permanent placements growth was broad-based across the English regions in May. The South registered the fastest rate of expansion, closely followed by the Midlands.

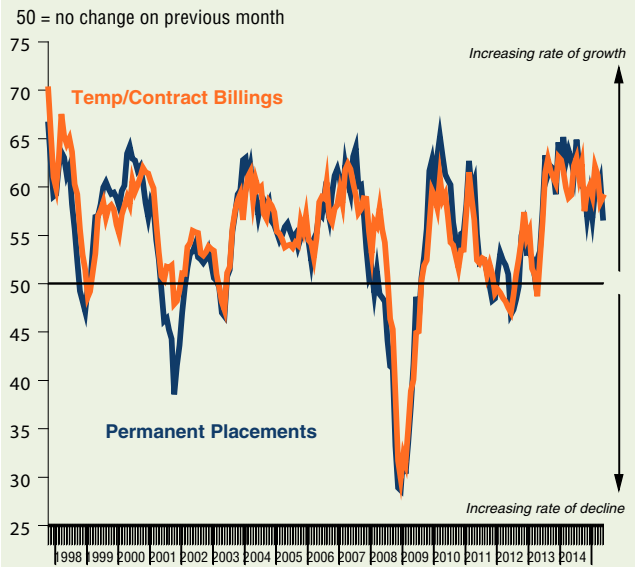
Temp billings growth quickens

Agencies' billings from the employment of temporary/contract staff rose further in May. The rate of growth was marked, having accelerated slightly since April. Anecdotal evidence linked higher temp billings to rising workloads at client companies.

The Midlands and London posted the sharpest growth of temporary/contract staff appointments during the latest survey period, while the slowest increase was signalled in the South.

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
2014 Dec	31.7	37.2	31.1	0.6	50.3	59.0
2015 Jan	42.6	28.9	28.5	14.1	57.0	56.8
Feb	46.0	31.1	22.9	23.1	61.5	59.5
Mar	48.0	30.1	21.9	26.0	63.0	59.5
Apr	46.5	34.2	19.3	27.2	63.6	60.6
May	36.9	36.5	26.6	10.3	55.1	56.8

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
2014 Dec	34.5	48.8	16.8	17.7	58.8	60.1
2015 Jan	26.7	42.1	31.2	-4.6	47.7	59.1
Feb	43.6	38.8	17.6	25.9	63.0	62.1
Mar	44.4	42.3	13.3	31.1	65.6	61.2
Apr	32.9	45.1	22.0	10.9	55.4	58.4
May	35.9	47.4	16.7	19.2	59.6	59.0

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.

Growth of demand remains strong, despite easing to five-month low

The Report on Jobs Vacancy Index slipped to 63.2 in May, from 65.0 in April. Although the lowest in 2015 so far, the latest index reading still pointed to a marked rate of expansion in demand for staff.

Permanent staff demand rose at the slowest pace in five months, while temporary/contract workers registered the least marked increase since June 2013.

Public & private sector vacancies

Private sector roles continued to register a higher rise than public sector vacancies in the latest survey period. Private sector permanent staff saw the fastest increase overall.

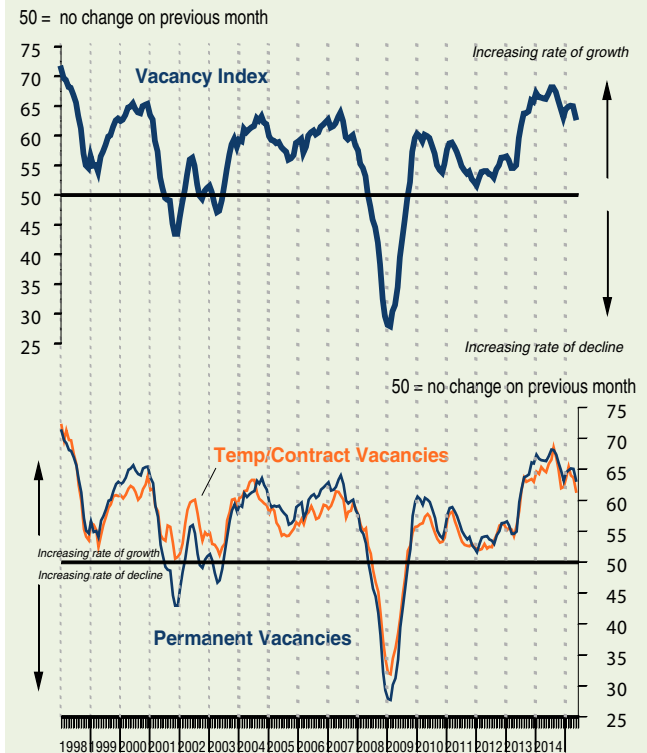
Other vacancy indicators

Latest official data from the Office for National Statistics (ONS) signalled that vacancies rose 14.9% on an annual basis in the three months to April. That was the slowest growth since October 2013.

Meanwhile, internet-based recruitment spending was up 4.5% on a year-on-year basis in the fourth quarter of 2014. This was the weakest rise since the first quarter of 2013.

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

	Jan'15	Feb	Mar	Apr	May
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	64.5	64.9	65.1	65.0	63.2
Permanent Staff	64.5	64.9	65.2	65.1	63.3
Temporary Staff	63.5	65.4	64.0	63.7	61.5

Public & private sector vacancies (not seasonally adjusted)

Public: perm	47.8	52.2	55.7	54.6	51.7
Public: temp	50.4	55.8	59.6	54.8	55.1
Private: perm	68.2	71.1	72.4	71.6	64.3
Private: temp	58.4	66.9	70.2	65.5	61.8

Other key vacancy data

	Annual % change				
Job centre vacancies	23.4	22.3	20.2	14.9	n/a
Internet recruitment	4.5	--	--	--	--

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

Demand rose for all monitored categories of permanent staff in May. Executive/Professional employees registered the sharpest expansion of demand, while the slowest growth was indicated for Construction workers.

	This year		(Last year)	
	Rank	May'15	Rank	May'14
Executive/Professional	1	66.4	(6)	(67.0)
Accounting/Financial	2	65.0	(5)	(67.6)
IT & Computing	3	64.4	(4)	(67.9)
Engineering*	4	64.1	(1)	(68.7)
Secretarial/Clerical	5	63.4	(7)	(63.3)
Nursing/Medical/Care	6	62.2	(3)	(68.0)
Blue Collar	7	56.9	(8)	(60.9)
Hotel & Catering	8	54.6	(9)	(60.0)
Construction*	9	53.0	(1)	(68.7)

Temporary/contract staff

Nursing/Medical/Care was the most in-demand category for temporary/contract employees during May. At the other end of the table, the weakest growth of demand was signalled for Construction staff.

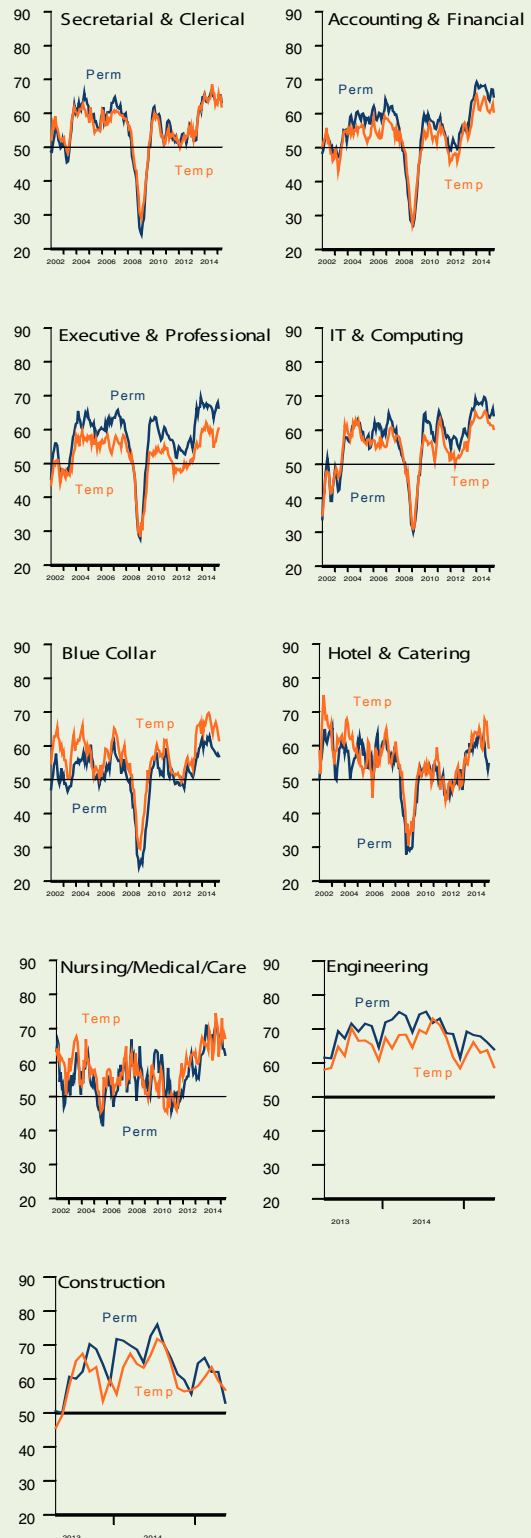
	This year		(Last year)	
	Rank	May'15	Rank	May'14
Nursing/Medical/Care	1	67.2	(2)	(66.8)
Secretarial/Clerical	2	62.1	(7)	(63.5)
Blue Collar	3	61.7	(3)	(66.4)
Accounting/Financial	4	60.6	(8)	(61.0)
Executive/Professional	5	60.4	(9)	(60.2)
IT & Computing	6	60.3	(6)	(63.5)
Hotel & Catering	7	59.5	(5)	(64.2)
Engineering*	8	58.8	(1)	(68.7)
Construction*	9	56.9	(4)	(64.5)

*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

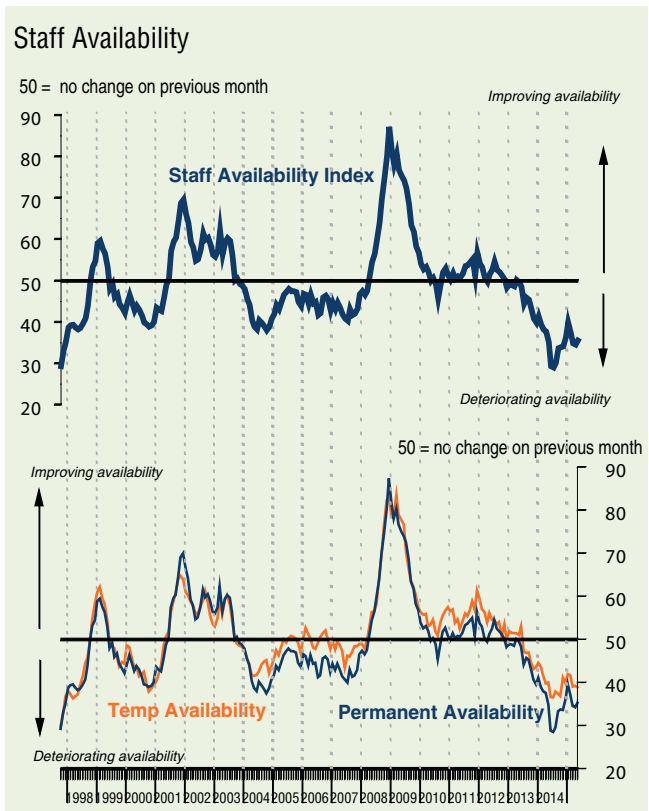
The availability of candidates to fill permanent roles continued to fall in May. The rate of decline remained marked, despite easing to the slowest in three months. Around 41% of survey respondents signalled lower availability, compared with just under 10% that noted a rise.

All four English regions saw reduced permanent staff availability during May. The South recorded the most marked decline.

Availability of temp/contract staff

Temporary/contract staff saw a further drop in demand for their services during May. Moreover, the rate of deterioration accelerated to the sharpest in seven months.

Temp availability was down across each of the four monitored English regions, with the fastest reduction signalled in London.



Key permanent staff skills reported in short supply:*

Accountancy/Financial: Accountants, Audit, Compliance, Credit, Finance, Risk. **Blue Collar:** Drivers, Manual Workers. **Construction:** Quantity Surveyors. **Engineering:** Automotive, CAD, Electrical, Engineers, Technicians, Toolmakers. **Executive/Professional:** Bid Writers, Executives, HR, Management, Marketing, Paralegals, PR. **Hotels/Catering:** Chefs. **IT/Computing:** Business Analysts, Cloud, Developers, Digital Marketing, Infrastructure, Java, .Net, Oracle, Software Engineers, Testers. **Nursing/Medical/Care:** Care Workers, Doctors, Nurses. **Secretarial/Clerical:** Office. **Other:** Creative Designers, Sales, Supply Chain, Teachers.

Key temp skills reported in short supply:*

Accountancy/Financial: Accounts. **Blue Collar:** Drivers, Manual Workers, Labourers. **Construction:** Construction Trades. **Engineering:** Automotive, Mechanical Engineers. **IT/Computing:** Developers, Java. **Nursing/Medical/Care:** Care Workers, Doctors, Nurses. **Secretarial/Clerical:** Office. **Other:** Caretakers, Research Chemists, Telesales.

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

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
2014 Dec	8.1	50.0	41.9	-33.8	33.1	36.2
2015 Jan	28.2	40.0	31.8	-3.6	48.2	39.7
Feb	13.9	50.7	35.4	-21.6	39.2	37.0
Mar	7.1	52.2	40.7	-33.6	33.2	34.6
Apr	8.8	50.2	41.0	-32.1	33.9	34.3
May	9.7	49.7	40.6	-31.0	34.5	35.3

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
2014 Dec	12.4	52.7	34.9	-22.6	38.7	39.8
2015 Jan	26.9	48.0	25.1	1.9	50.9	42.0
Feb	16.7	52.3	30.9	-14.2	42.9	41.7
Mar	8.6	57.8	33.6	-25.0	37.5	39.1
Apr	9.1	59.1	31.8	-22.6	38.7	39.2
May	10.5	54.9	34.6	-24.1	38.0	38.9

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 permanent staff increased further in May. The rate of inflation remained strong, despite easing from April's nine-month high. Around 32% of panellists reported a rise in salaries, compared with 3% that signalled a decline. Increased salaries were attributed by panellists to a combination of strong demand for staff and shortages of skilled candidates.

Salaries rose in all four English regions, with the Midlands posting the fastest growth.

Temp/contract pay rates

Hourly rates of pay for staff in short-term roles continued to rise in May. Although easing to a four-month low, the rate of growth remained marked overall.

Midlands-based agencies signalled the fastest growth of temp pay, while the slowest rise was indicated in the North.

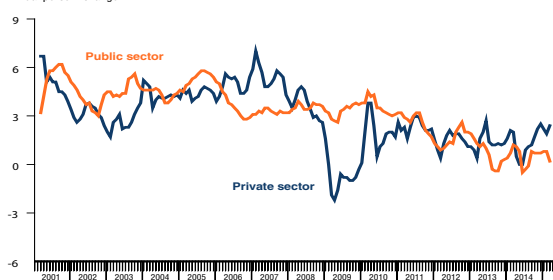
UK average weekly earnings

Data from the Office for National Statistics indicated that annual growth of employee earnings (including bonuses) quickened to 1.9% in the three months to March, from 1.7% in the three months to February. This was driven by stronger pay growth in the private sector, offsetting a slowdown to near-stagnation in the public sector.

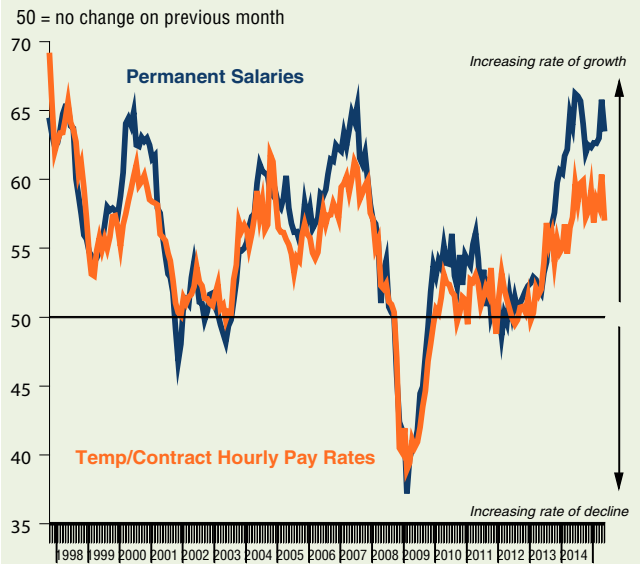
Yr/yr % chg in average weekly earnings (3mma)

	2012	2013	2014	Dec'14	Jan'15	Feb	Mar
Whole economy	1.4	1.2	1.1	2.1	1.9	1.7	1.9
Private sector	1.5	1.4	1.3	2.5	2.2	1.9	2.4
Public sector	1.6	0.7	0.5	0.7	0.8	0.8	0.2
Services	1.5	1.1	0.9	2.1	2.1	1.8	2.2
Manufacturing	1.8	2.2	2.2	1.6	1.1	0.8	0.4
Construction	0.9	0.0	1.7	3.1	1.5	0.9	1.8

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
2014 Nov	27.8	69.1	3.2	24.6	62.3	62.5
Dec	24.3	73.6	2.1	22.3	61.1	62.3
2015 Jan	26.2	69.9	3.8	22.4	61.2	62.6
Feb	29.2	65.7	5.0	24.2	62.1	62.6
Mar	31.1	63.8	5.1	26.0	63.0	63.0
Apr	36.8	61.2	2.0	34.9	67.4	65.8
May	31.8	64.9	3.3	28.6	64.3	63.7

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
2014 Nov	19.4	77.1	3.4	16.0	58.0	57.7
Dec	18.1	78.6	3.3	14.9	57.4	59.2
2015 Jan	16.1	79.9	4.0	12.0	56.0	56.9
Feb	20.7	75.6	3.7	17.1	58.5	58.5
Mar	21.4	73.3	5.3	16.0	58.0	58.0
Apr	22.4	74.7	2.9	19.6	59.8	60.4
May	16.3	78.1	5.6	10.7	55.4	57.2

7 Feature | Regional unemployment

South East and South West record joint-lowest claimant count rates.

Latest data from the Office for National Statistics showed a further decrease in the number of people claiming Jobseeker's Allowance in April. Down 12,600 in since March, the claimant count registered 763,800. The number of claimants has fallen every month over the past two-and-half years, although the latest reduction was the smallest since March 2013. The corresponding claimant count rate* was 2.3%, unchanged from that in March.

At the regional level, the South East and South West of England recorded the lowest claimant count rates (1.3%), followed by the East of England (1.6%). The highest overall rate was in Northern Ireland, at 5.0%.

Region	Claimant count (Apr'15)		
	'000s	Rate (%)*	Rank
South East	60	1.3	(1)
South West	37	1.3	(1)
East of England	48	1.6	(3)
NW & Merseyside	75	2.1	(4)
London	115	2.1	(4)
East Midlands	49	2.2	(6)
Scotland	78	2.8	(7)
West Midlands	82	2.9	(8)
Wales	44	3.1	(9)
Yorks & Humberside	85	3.2	(10)
North East	47	3.9	(11)
Northern Ireland	44	5.0	(12)
United Kingdom	764	2.3	

Source: Department for Work & Pensions and National Statistics.
* As a percentage of Claimant Count + Workforce Jobs.



KPMG LLP, a UK limited liability partnership, operates from 22 offices across the UK with approximately 12,000 partners and staff. The UK firm recorded a turnover of £1.9 billion in the year ended September 2014. KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. It operates in 155 countries and has 162,000 professionals working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.



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.

markit® is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund administrators and insurance companies. Founded in 2003, we employ over 3,500 people in 10 countries. Markit shares are listed on Nasdaq under the symbol MRKT. For more information, please see www.markit.com.

Recruitment Industry Survey

The monthly survey features original research data collected via questionnaire by Markit from a panel of 400 UK recruitment and employment consultancies. In 2013/14, 1,155,932 people were employed in either temporary or contract work through consultancies and 634,608 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. 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.

The intellectual property rights to these data are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. The publication or release of any of these data prior to the general release time is an infringement of Markit Economics Limited's intellectual property rights. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*® and *PMI*® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.