

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.

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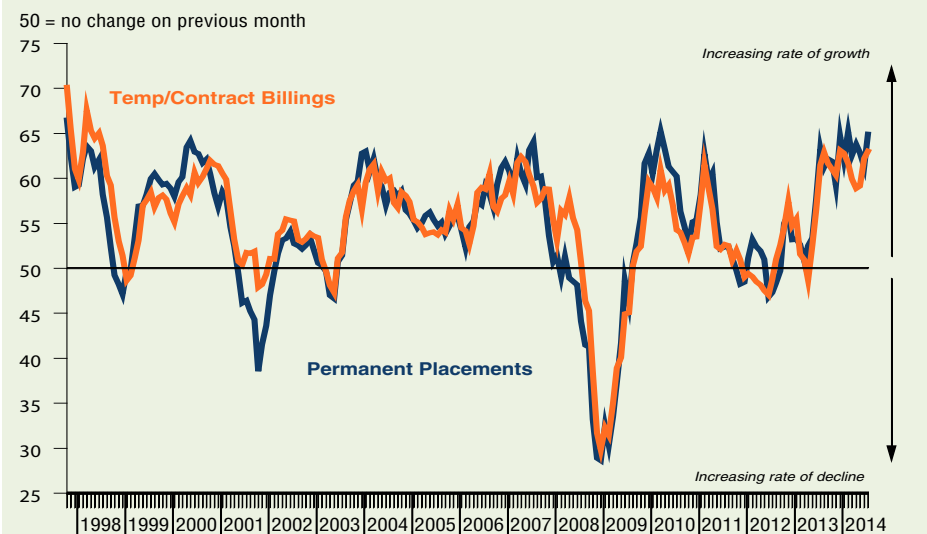
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Permanent placements rise at fastest rate in five months

Staff Appointments via Recruitment Consultancies



Key points from the July survey:

- Stronger growth of permanent and temporary staff appointments
- Record decline in availability of permanent candidates
- Starting salary growth close to June's survey-high

Commenting on the latest survey results, Bernard Brown, Partner and Head of Business Services at KPMG, said:

"For the first time in months we are witnessing churn in the labour market. It seems that employees are finally beginning to wake up to the opportunities available to them, with the rates of growth of both permanent and temporary placements accelerating simultaneously for the first time since the winter.

"Perhaps it's true that 'every person has their price' because the movement in labour is coinciding with another rise in starting salaries. Just a few months ago employers couldn't tempt staff to switch roles, but indications are that employees' caution over change is being replaced with hunger for something new. It's particularly prevalent in the Midlands; all the indications are that if you want a new job and want an improved salary offer, the central part of the UK is the place to be."

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 July are:

Acceleration in growth of staff appointments...

Recruitment consultancies placed greater numbers of people into permanent and temporary roles during July, with rates of expansion accelerating to five- and seven-month highs respectively.

...buoyed by strengthened demand from employers

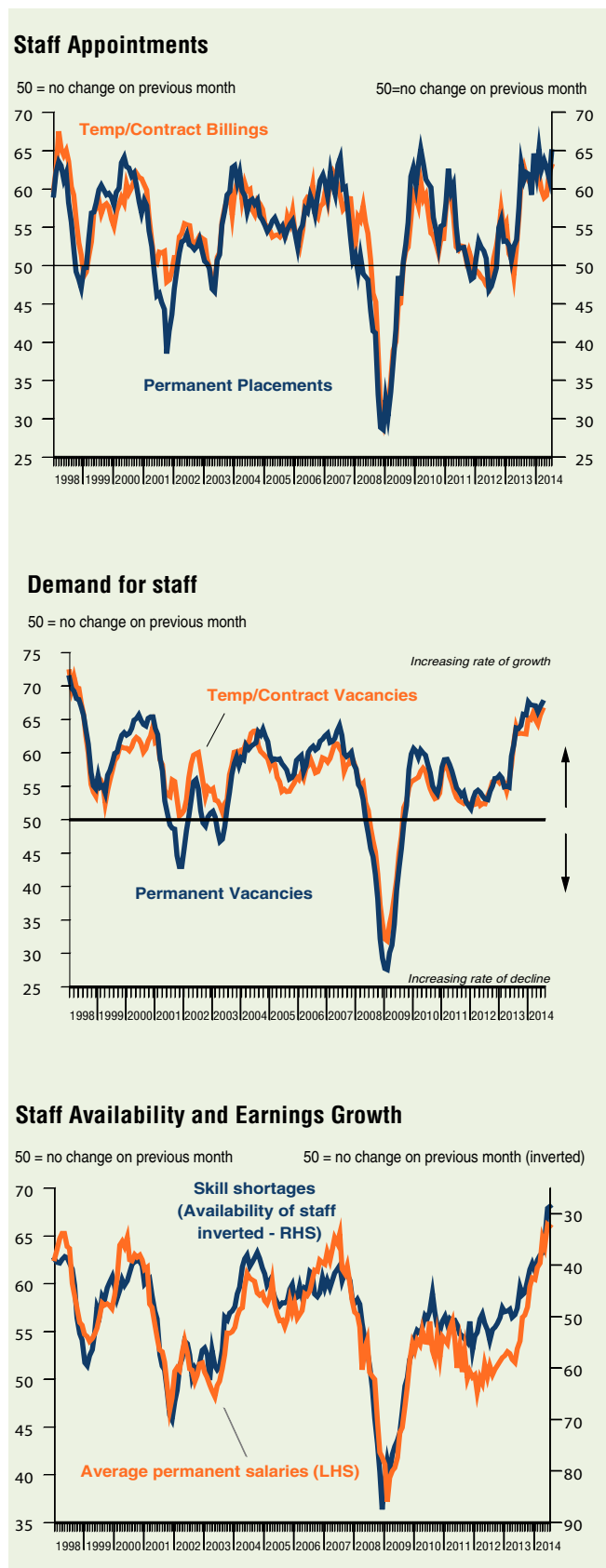
Latest data signalled that available job vacancies continued to rise apace in July, with growth quickening to the fastest since January. The private sector remained the principal engine of job creation, although the public sector recorded a solid increase in vacancies.

Record drop in availability of permanent candidates...

Permanent staff availability fell further in July, with the rate of decline accelerating to the sharpest in the survey history. Temporary/contract staff availability meanwhile decreased at the fastest pace since March 1998.

...fuels sharp increase in salaries

Average starting salaries for people placed in permanent jobs continued to rise strongly in July. The rate of increase was only fractionally below June's survey-record high. Temporary/contract staff pay growth was also marked, despite easing from the 79-month high recorded in June.



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.

Latest data from the survey of recruitment consultancies signalled further strong rises in permanent and temporary staff appointments, with both seeing faster growth than one month earlier.

Growth of permanent placements at five-month high

The number of people placed in permanent jobs rose for a twenty-second consecutive month in July. Moreover, the rate of expansion accelerated to the fastest since February. Close to half of all panellists reported an increase in placements, compared with around 13% signalling a decline.

Anecdotal evidence pointed to strong client demand, reflective of improved confidence in the general economic outlook.

Each of the four English regions covered by the survey registered higher permanent placements in July, with the sharpest growth signalled in the South.

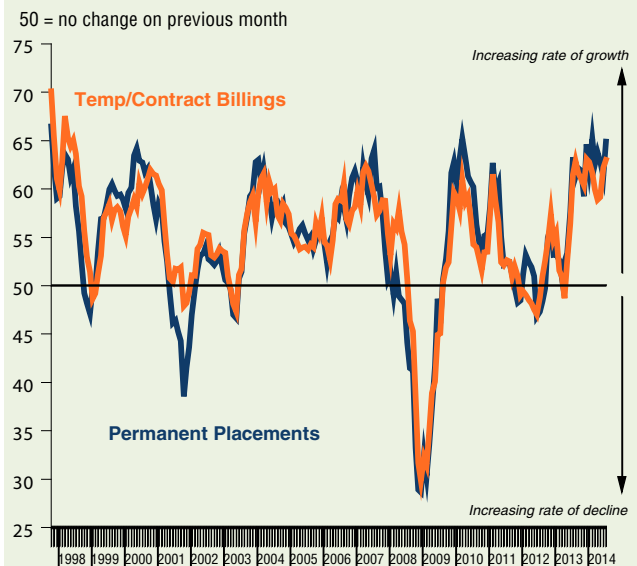
Fastest rise in temp billings in 2014 so far

Agencies' billings from the employment of temporary and contract staff continued to increase in July. The rate of growth was substantial, having quickened to a seven-month high. Panellists attributed higher revenues from short-term placements to rising business requirements at clients.

The Midlands posted the strongest expansion of temp billings during the latest survey period, with growth there considerably faster than in the other regions.

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	Feb	49.8	33.7	16.5	33.2	66.6	65.2
	Mar	49.7	32.7	17.6	32.1	66.0	62.6
	Apr	50.1	31.3	18.6	31.4	65.7	63.8
	May	43.4	38.0	18.6	24.9	62.4	62.8
	Jun	49.0	30.9	20.1	28.9	64.4	61.3
	Jul	48.4	38.3	13.3	35.1	67.5	64.9

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	Feb	42.2	37.8	20.0	22.2	61.1	61.7
	Mar	40.8	46.6	12.6	28.2	64.1	59.9
	Apr	37.8	41.9	20.3	17.4	58.7	58.9
	May	39.2	43.2	17.6	21.6	60.8	59.1
	Jun	48.1	38.4	13.5	34.6	67.3	62.2
	Jul	48.0	37.5	14.5	33.6	66.8	63.0

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 rises at fastest rate in six months

The Report on Jobs Vacancy Index posted 67.5 in July, up from 66.9 in June. The latest reading was the highest since January and signalled a strong rate of expansion in demand for staff.

Both permanent and temporary employees registered marked increases in demand, with the former posting the slightly sharper growth.

Public & private sector vacancies

Latest data indicated that private sector demand for staff remained considerably stronger than that in the public sector during July.

The strongest overall rise in demand was recorded for private sector permanent employees, where growth was at a five-month high.

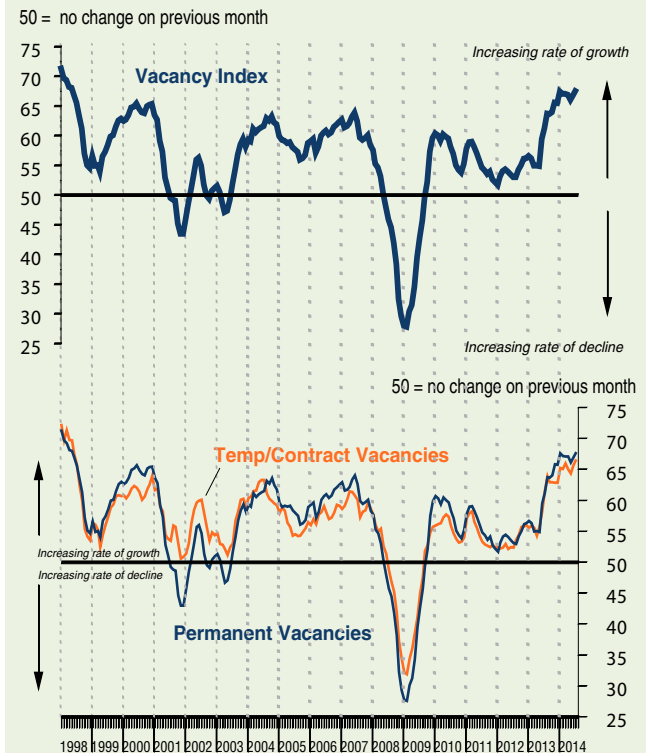
Other vacancy indicators

Latest official data from the Office for National Statistics (ONS) indicated continued strong growth of job vacancies in May, with a year-on-year rise of 22.0% recorded.

Meanwhile, internet-based recruitment spending continued to increase at a strong annual pace. Latest data showed a 7.8% rise in Q1 2014 from the corresponding period one year earlier.

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

	Mar'14	Apr	May	Jun	Jul
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	67.1	67.0	66.0	66.9	67.5
Permanent Staff	67.1	67.1	66.2	66.9	67.6
Temporary Staff	66.0	65.0	64.3	65.7	66.5

Public & private sector vacancies (not seasonally adjusted)

Public: perm	56.0	56.0	57.1	53.6	55.0
Public: temp	59.7	57.8	55.2	57.6	56.6
Private: perm	72.1	72.6	71.4	73.0	73.2
Private: temp	69.9	67.6	69.4	74.0	72.1

Other key vacancy data

Annual % change					
Job centre vacancies	23.8	23.6	22.0	n/a	n/a
Internet recruitment	7.8	--	--	--	--

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

Construction workers were the most in-demand type of permanent employee during the latest survey period, closely followed by Engineering staff. All categories recorded strong rates of growth.

	This year		(Last year)	
	Rank	Jul'14	Rank	Jul'13
Construction*	1	76.0	(4)	(60.1)
Engineering*	2	75.1	(4)	(60.1)
Nursing/Medical/Care	3	68.4	(3)	(61.3)
IT & Computing	4	68.1	(2)	(63.5)
Accounting/Financial	5	67.9	(6)	(59.9)
Executive/Professional	6	67.2	(1)	(63.8)
Secretarial/Clerical	7	65.4	(7)	(59.1)
Blue Collar	8	62.2	(9)	(55.5)
Hotel & Catering	9	61.4	(8)	(57.0)

Temporary/contract staff

All nine monitored temporary/contract staffing categories recorded higher demand during July. Mirroring the trend for permanent employees, Construction workers were the most sought-after.

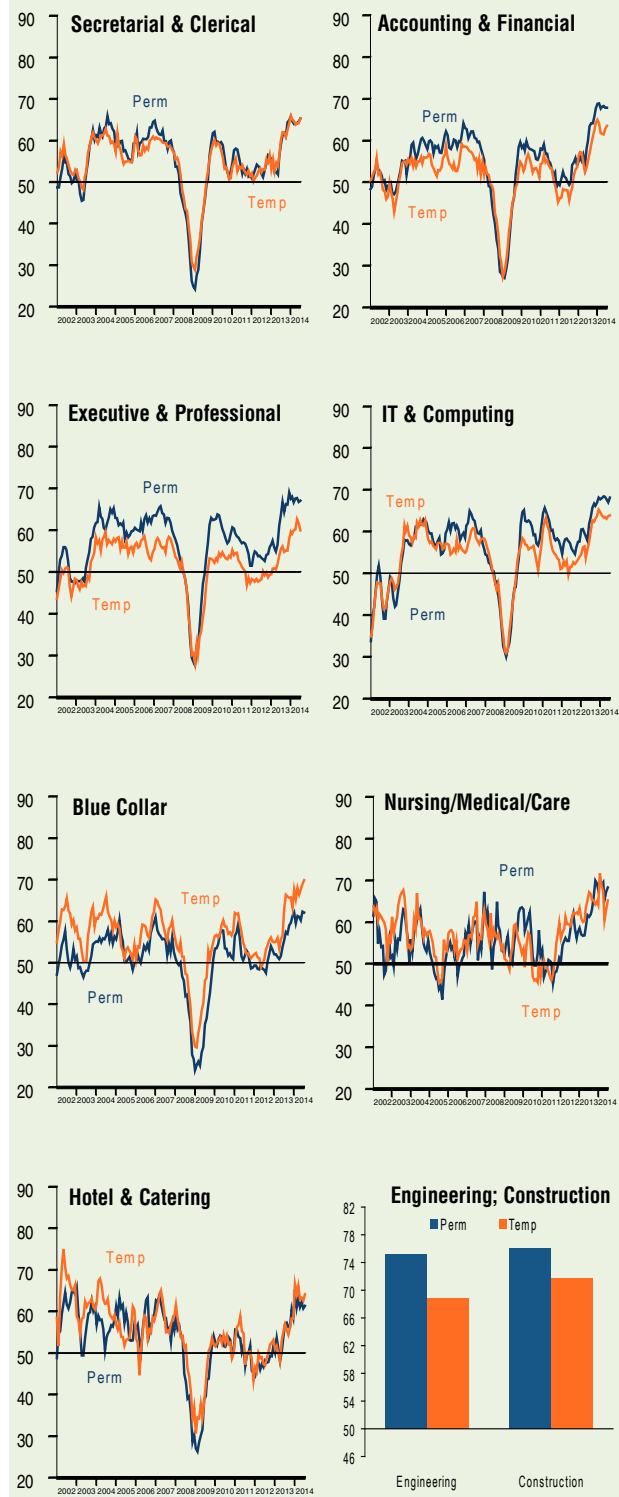
	This year		(Last year)	
	Rank	Jul'14	Rank	Jul'13
Construction*	1	71.8	(2)	(65.4)
Blue Collar	2	69.9	(3)	(63.1)
Engineering*	3	68.7	(6)	(60.1)
Secretarial/Clerical	4	65.3	(5)	(60.2)
Nursing/Medical/Care	5	65.2	(1)	(67.1)
Hotel & Catering	6	64.2	(7)	(56.9)
IT & Computing	7	63.9	(4)	(60.3)
Accounting/Financial	8	63.6	(9)	(55.0)
Executive/Professional	9	60.0	(8)	(55.6)

*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 rate of decline in permanent staff availability hit a new series record in July. More than half of panellists (around 54%) signalled a reduction in permanent candidate supply during the latest period, compared with just 8% that noted an improvement.

The Midlands led a broad-based decline in permanent staff availability during July.

Availability of temp/contract staff

Temporary/contract staff availability continued to fall in July, extending the current period of contraction to 13 months. Moreover, the rate of decline was the sharpest since March 1998.

The drop in temp availability was broad-based across the English regions, with the Midlands posting the steepest reduction.

Key permanent staff skills reported in short supply:*

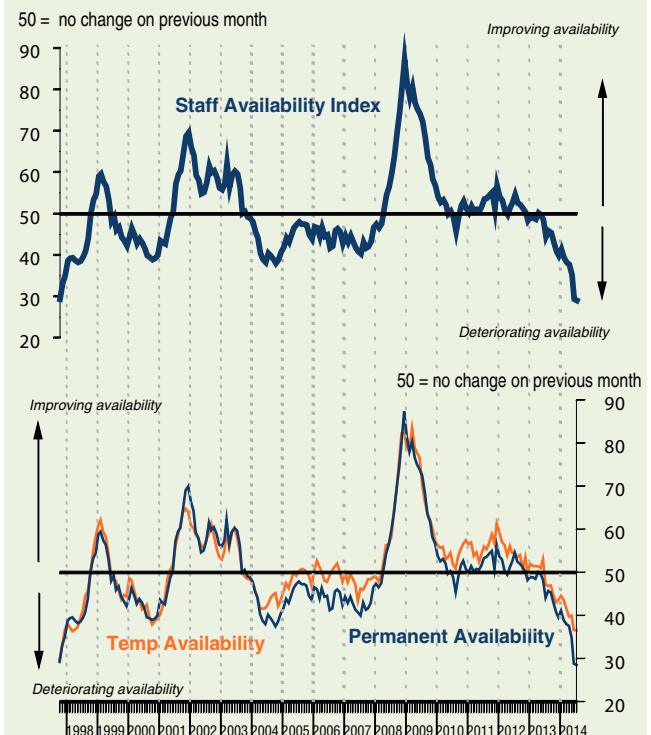
Accountancy/Financial: Accountants, Compliance, Financial Planners, Internal Audit, Payroll, Risk, Treasury.
Blue Collar: HGV/LGV Drivers. **Construction:** CAD, Estimators. **Engineering:** Engineers, Project Managers, Quantity Surveyors. **Executive/Professional:** Business Managers, Media, Legal. **Hotels/Catering:** Chefs. **Nursing/Medical/Care:** Care Workers, Nurses. **IT/Computing:** eCommerce, .Net, Java, SQL, PHP. **Secretarial/Clerical:** Administrators, HR. **Other:** Languages, Reprographics, Sales, Teachers, Trainers.

Key temp skills reported in short supply:*

Accountancy/Financial: Compliance, Finance, Internal Audit, Risk, Treasury. **Blue Collar:** HGV/LGV Drivers, Joiners, Mechanical Fitters, Painters, Welders. **Construction:** Planners, Project Controls, Site Managers. **Engineering:** Electrical, Engineers, Technicians. **IT/Computing:** Architects, Business Intelligence, Developers, Java, .Net, PHP, SQL. **Nursing/Medical/Care:** Care Workers, Medical Secretaries, Nurses. **Secretarial/Clerical:** Clerical Workers, Office Staff, Receptionists. **Other:** Locums, Reprographics, Sales, 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
2014 Feb	16.8	49.4	33.8	-17.0	41.5	39.0
Mar	13.8	47.9	38.3	-24.5	37.8	38.0
Apr	12.2	50.1	37.7	-25.5	37.2	37.6
May	7.8	51.6	40.5	-32.7	33.6	34.9
Jun	4.9	45.2	49.9	-45.0	27.5	28.9
Jul	8.0	38.6	53.5	-45.5	27.2	28.5

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 Feb	17.6	57.1	25.3	-7.7	46.1	43.6
Mar	10.6	60.2	29.1	-18.5	40.8	41.7
Apr	10.3	56.6	33.2	-22.9	38.6	39.8
May	9.8	57.6	32.6	-22.8	38.6	40.1
Jun	10.5	51.9	37.6	-27.2	36.4	36.6
Jul	13.0	44.2	42.8	-29.8	35.1	36.5

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

July data signalled a further strong increase in average starting salaries for candidates placed in permanent roles. The latest rise was only fractionally slower than June's survey record. Panellists commented that salaries were being driven higher by competition between employers for skilled candidates, who were frequently reported to be in short-supply.

Salaries rose in each of the four monitored English regions during the latest survey period, with the Midlands posting the sharpest increase.

Temp/contract pay rates

Hourly rates of pay for staff in temporary/contract employment continued to rise in July. Although easing from June's 79-month high, the rate of increase remained marked.

The Midlands posted comfortably the strongest rise in temp pay rates, with the other three English regions seeing solid increases.

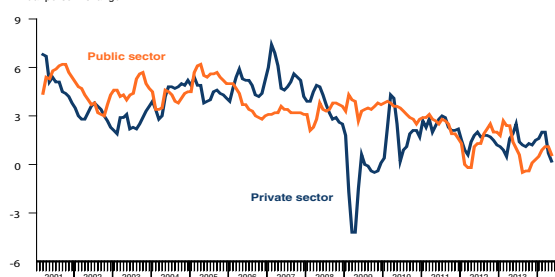
UK average weekly earnings

Data from the Office for National Statistics signalled that annual growth of employee earnings (including bonuses) slowed to just 0.3% during the three months to May. The service sector saw earnings growth ease to near-stagnation, while construction sector earnings were down on an annual basis.

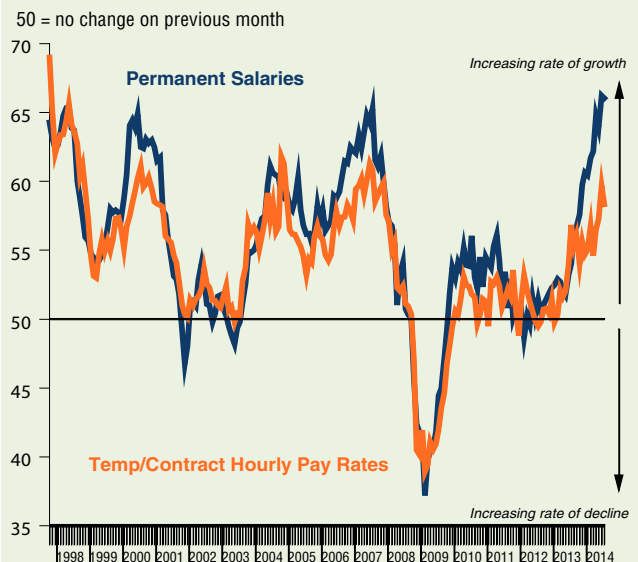
Yr/yr % chg in average weekly earnings (3mma)

	2011	2012	2013	Feb'14	Mar	Apr	May
Whole economy	2.4	1.4	1.2	1.7	1.9	0.8	0.3
Private sector	2.5	1.5	1.4	2.0	2.0	0.7	0.2
Public sector	2.5	1.3	1.0	0.9	1.1	1.1	0.6
Services	2.8	1.4	1.1	1.5	1.7	0.7	0.2
Manufacturing	1.6	1.8	2.2	3.2	3.1	2.1	1.7
Construction	0.9	0.9	0.0	3.2	3.1	-0.3	-1.3

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 Jan	23.8	70.3	5.8	18.0	59.0	60.5
Feb	25.5	71.7	2.8	22.7	61.4	61.7
Mar	29.0	67.4	3.6	25.3	62.7	62.2
Apr	32.1	65.8	2.1	30.1	65.0	64.7
May	33.3	62.4	4.3	29.0	64.5	63.9
Jun	38.3	58.2	3.5	34.8	67.4	66.2
Jul	35.9	62.6	1.5	34.4	67.2	66.0

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 Jan	14.9	81.6	3.5	11.4	55.7	55.0
Feb	15.4	82.1	2.5	13.0	56.5	56.7
Mar	12.9	83.9	3.2	9.7	54.8	54.6
Apr	13.3	85.4	1.3	12.0	56.0	56.5
May	18.6	76.9	4.5	14.2	57.1	57.2
Jun	22.4	74.1	3.5	18.8	59.4	59.7
Jul	18.9	78.2	2.9	16.0	58.0	58.3

7 Feature | Workplace activity levels

Household finance survey shows record growth of activity in the workplace

Strong job hiring trends are being supported by sharply rising workplace activity levels, data from the latest Markit Household Finance Index (HFI) survey suggest.

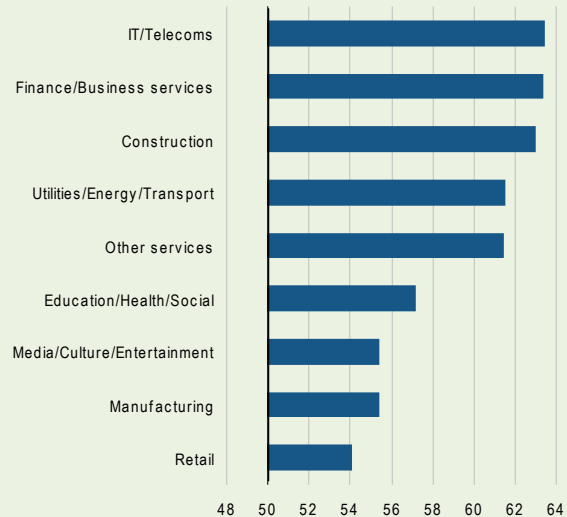
The level of business activity at respondents' places of work was reported to have increased at the strongest rate recorded since data were first available in February 2009.

Particularly strong trends were indicated in the IT/telecoms, finance/business services and construction categories, although expansions was recorded across all monitored industries. Activity growth was also broad-based across the private and public sectors.

The HFI survey is based on monthly responses from approximately 1,500 individuals in Great Britain, with data collected by Ipsos MORI from its representative panel of respondents aged 18-64.

Business activity at place of work

50 = no change on previous month



Source: Markit.



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The REC is the professional body representing the UK's £24.6 billion private recruitment and staffing industry with more than 8,000 recruitment agencies and 6,000 recruitment consultants in membership. There are over 1 million temporary workers registered with UK agencies who are deployed in industry, commerce and the public services every day.

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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 2010/11, some 1,049,333 people were employed in either temporary or contract work through consultancies and 604,193 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.

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