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

Report on Jobs: Midlands

The *Report on Jobs: Midlands* 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 Midlands.

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

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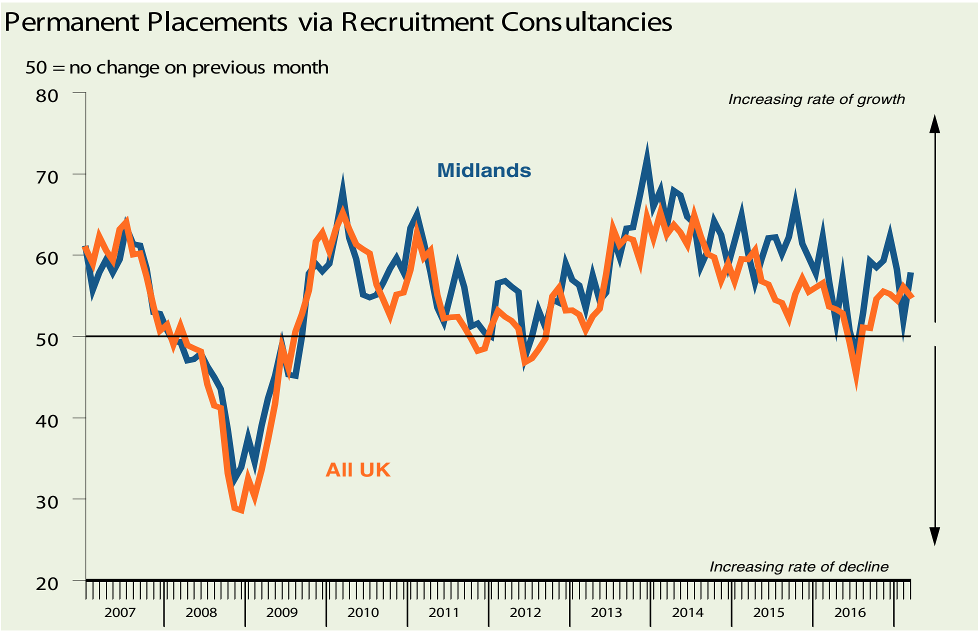
Permanent placements and temporary billings rise at faster rates



Key points from March survey:

- Sharp increase in staff appointments
- Permanent starting salaries continue to rise markedly...
- ... as demand for permanent staff reaches 13-month record

REC Chief Executive Kevin Green says:

“Finding people to do the jobs on offer is rapidly becoming employers’ biggest headache and many are reporting an increasing number of white collar jobs as hard to fill, including in the IT and financial sectors.

“Shortages of appropriately skilled, willing and able candidates was a problem before the referendum. Our concern is that Brexit will make the problem worse, particularly if onerous restrictions are imposed on people coming from the EU to work.

“Also, economic uncertainty about future prospects is having a detrimental effect on employees’ willingness to risk a career move at this time, which seems to be driving down candidate availability. Our data shows London and the South, where financial services jobs are concentrated, as particularly suffering from low candidate availability for permanent job vacancies.

“This shrinking talent pool of available candidates means that businesses are boosting the starting salaries and hourly rates they are prepared to offer to the right candidate. So for job hunters willing to move roles at the moment, there are financial rewards on offer – especially it seems in finance, IT and other management and office-based professional roles.”

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.

Growth in permanent placements strengthens

After easing to a seven-month low in February, growth in permanent placements in the Midlands accelerated to a sharp pace in March. Notably, the latest increase was stronger than the long-run series average and faster than that seen for the UK as a whole.

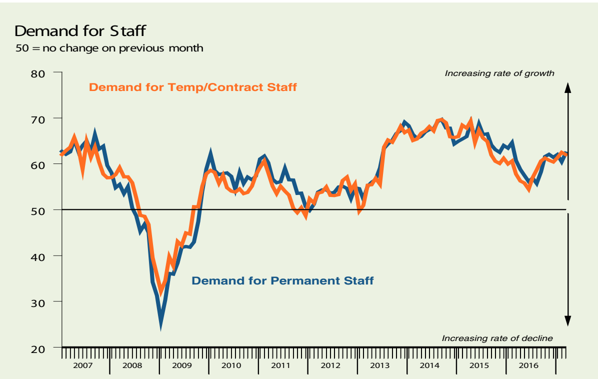
Temp billings rise at second-quickest rate in ten months

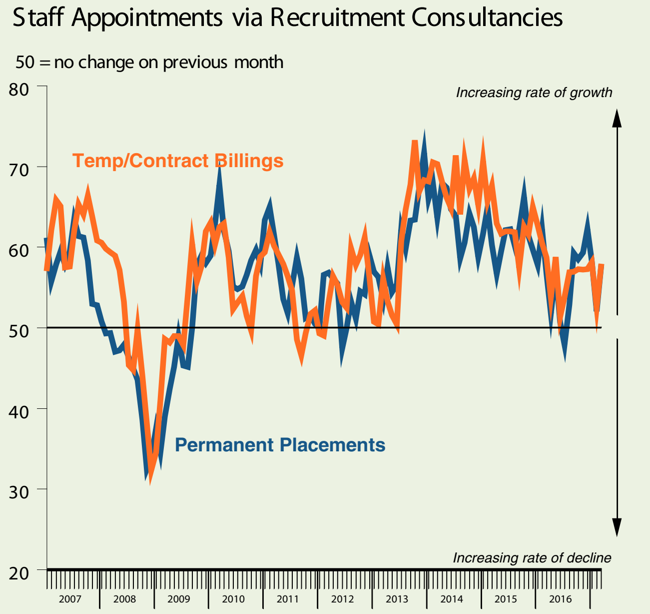
Temp billings received by recruitment agencies in the Midlands continued to increase in March. Furthermore, the rate of expansion picked up markedly from February's recent low and was the second-steepest in ten months. Growth in temp billings also gathered pace across the UK as a whole, but was weaker than that seen for the Midlands.

Job vacancies

Growth of demand for staff in the Midlands remained robust in March. The number of permanent vacancies increased at the sharpest rate in 13 months. Demand for short-term staff also rose markedly in the region, despite the rate of expansion weakening slightly from February's 18-month record. In both cases, demand increased at similar rates to those seen for the UK as a whole.

		Perm		Temp	
		Midlands	UK	Midlands	UK
2016	Oct	61.6	59.8	61.2	58.8
	Nov	62.1	60.9	60.8	59.2
	Dec	61.4	59.9	60.4	58.5
2017	Jan	62.0	62.5	61.3	60.0
	Feb	60.4	62.8	62.5	61.9
	Mar	62.3	62.6	62.0	61.9





Permanent Staff Placements

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

	Midlands					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Oct	42.9	34.3	22.9	60.0	**58.5**	**54.6**
Nov	42.7	34.7	22.7	60.0	**59.3**	**55.6**
Dec	29.7	44.6	25.7	52.0	**62.3**	**55.2**
2017 Jan	54.5	20.8	24.7	64.9	**58.2**	**54.5**
Feb	32.4	35.1	32.4	50.0	**52.0**	**56.1**
Mar	43.4	35.5	21.1	61.2	**57.6**	**55.0**

Temporary/Contract Staff Billings

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

	Midlands					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Oct	36.7	46.7	16.7	60.0	**57.3**	**55.2**
Nov	40.9	34.8	24.2	58.3	**57.2**	**56.8**
Dec	40.6	32.8	26.6	57.0	**57.3**	**58.4**
2017 Jan	24.3	30.0	45.7	39.3	**58.1**	**57.7**
Feb	30.3	40.9	28.8	50.8	**52.6**	**55.8**
Mar	47.1	30.0	22.9	62.1	**57.6**	**56.2**

2 Staff availability

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

Softest fall in permanent candidate availability since July 2016

The supply of permanent candidates in the Midlands continued to decline in March, thereby extending the current trend to 47 months. Although the rate of reduction eased to the weakest since last July, it remained sharp overall. Candidate numbers also declined across the UK as a whole, and at a faster pace than that seen in the Midlands.

Temp labour supply drops at fastest rate in five months

Agencies based in the Midlands reported a further steep reduction in temporary/contract staff availability in March. Furthermore, the rate of deterioration was the quickest seen in five months and faster than the UK average.

Key permanent staff skills reported in short supply:*

Accounting/Financial : ACA Qualified.

Blue Collar: Blue Collar Workers**.**

Engineering: Engineers.

Executive/Professional: Managers.

Nursing/Medical/Care: Nursery Nurses.

Other: Call Centre, Customer Service, Sales.

Key temp skills reported in short supply:*

Engineering: Engineers.

Blue Collar: Drivers, Fork Lift Drivers, Industrial Workers.

IT/Computing: All Areas.

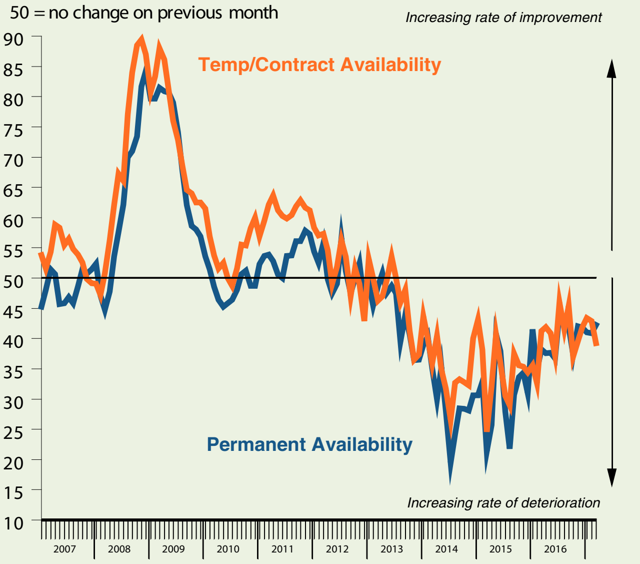
Nursing/Medical/Care: Care Workers.

Secretarial/Clerical: Administration.

Other: Customer Service, Telesales.

**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?

	Midlands					All UK
	Better %	Same %	Worse %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Oct	8.5	56.3	35.2	36.6	**37.4**	**40.9**
Nov	13.2	52.6	34.2	39.5	**42.0**	**40.3**
Dec	9.6	57.5	32.9	38.4	**41.8**	**42.9**
2017 Jan	26.9	55.1	17.9	54.5	**41.0**	**42.3**
Feb	21.3	49.3	29.3	46.0	**40.8**	**39.0**
Mar	16.0	53.3	30.7	42.7	**42.3**	**39.9**

Availability of temporary/contract staff

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

	Midlands					All UK
	Better %	Same %	Worse %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Oct	5.1	57.6	37.3	33.9	**37.0**	**45.5**
Nov	7.5	56.7	35.8	35.8	**39.6**	**44.7**
Dec	10.9	59.4	29.7	40.6	**41.9**	**44.3**
2017 Jan	28.6	52.9	18.6	55.0	**43.4**	**45.2**
Feb	19.4	55.2	25.4	47.0	**42.9**	**42.8**
Mar	11.3	54.9	33.8	38.7	**39.3**	**42.0**

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

Permanent starting salaries in the Midlands continued to rise in March. Salaries have now increased for four successive years. Furthermore, the rate of inflation was little-changed from February's eight-month high and slightly stronger than the UK average.

Temp/contract pay rates

Contract pay in the Midlands continued on an upward trend at the end of the first quarter. The rate of pay growth was sharp, despite softening to the weakest in five months. Moreover, the rate of wage inflation in the region was stronger than that seen for the UK as a whole.

UK average weekly earnings

Data from the Office for National Statistics indicated that average weekly earnings across the UK rose +0.8% year-on-year to £585 in the final quarter of 2016.

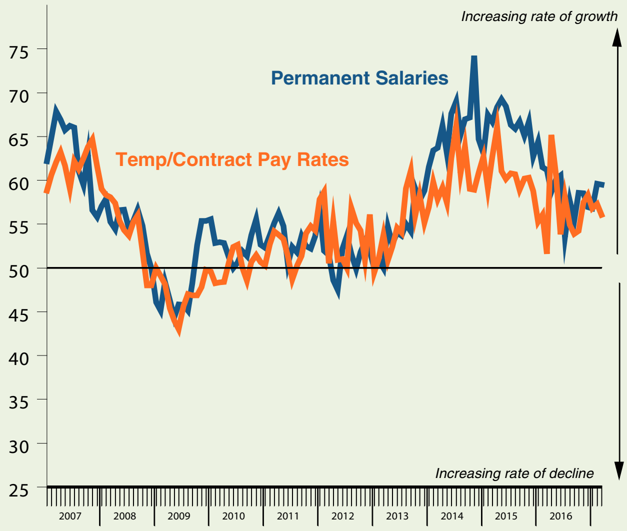
The East of England saw the strongest annual rise, up +7.7% to £622. Meanwhile, London posted the sharpest fall, with average weekly earnings down -5.9% on the year to stand at £700.

Average weekly earnings in Q4 2016

	£	Change on year	Change %
All UK	**585**	**+5**	**0.8**
East of England	622	+45	7.7
North West	543	+32	6.3
West Midlands	536	+13	2.4
Scotland	571	+12	2.2
North East	508	+10	2.1
East Midlands	536	+10	1.9
South West	562	+9	1.7
Yorks & Humber	519	+8	1.6
Wales	521	+7	1.4
South East	648	-8	-1.1
Northern Ireland	477	-28	-5.5
London	700	-44	-5.9

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?

	Midlands					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Sep	16.2	78.4	5.4	55.4	**55.4**	**55.4**
Oct	22.9	77.1	0.0	61.4	**58.6**	**57.6**
Nov	21.3	74.7	4.0	58.7	**58.5**	**57.8**
Dec	11.1	86.1	2.8	54.2	**56.9**	**55.2**
2017 Jan	18.2	72.7	9.1	54.5	**56.8**	**58.6**
Feb	25.0	69.7	5.3	59.9	**59.6**	**59.5**
Mar	23.7	72.4	3.9	59.9	**59.5**	**59.0**

Temporary/Contract Pay Rates

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

	Midlands					All UK
	Higher %	Same %	Lower %	Index 50 = no chg	S.Adj. Index	S.Adj. Index
2016 Sep	12.5	82.8	4.7	53.9	**53.9**	**52.2**
Oct	27.1	69.5	3.4	61.9	**54.2**	**52.6**
Nov	21.2	75.8	3.0	59.1	**57.5**	**54.0**
Dec	22.2	77.8	0.0	61.1	**58.3**	**57.8**
2017 Jan	8.6	88.6	2.9	52.9	**56.8**	**56.0**
Feb	13.4	82.1	4.5	54.5	**57.3**	**56.2**
Mar	12.9	84.3	2.9	55.0	**56.1**	**54.9**

4 Regional comparisons

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

Staff appointments

March data pointed to a widespread rise in permanent staff appointments, with growth registered in each of the five tracked regions. The upturn was led by the South, while the weakest increase was noted in London.

Temp billings expanded at quicker rates in four out of the five monitored regions, the exception being the South where a softer rise was noted. The strongest increase was recorded in Scotland.

Candidate availability

Permanent staff availability continued to deteriorate across the five surveyed regions in March. Rates of contraction gathered speed in London and the North, but slowed in Scotland, the Midlands and the South. Nonetheless, the latter posted the steepest drop.

The supply of labour for temporary positions was down in each of the five UK regions, with rates of deterioration accelerating in London, the North and the Midlands. At the national level, temp availability worsened to the greatest extent since January 2016.

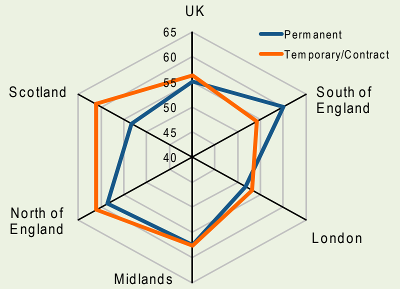
Pay Pressures

Starting salaries awarded to staff placed in permanent jobs across the UK increased further in March. The upturn remained broad-based by region, with the strongest rate of salary inflation again seen in the South. The weakest rise was noted in London.

Temp pay rates also rose across the five regions. Rates of wage inflation softened in London, the North, the South and the Midlands, but accelerated in Scotland (three-month high). At the UK level, temp pay rose at the weakest pace since November 2016.

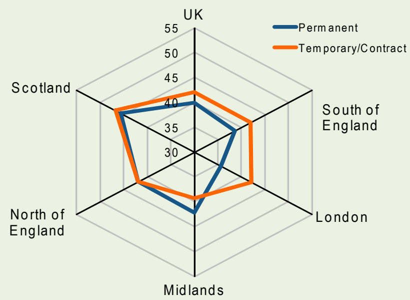
Staff Appointments

50.0 = no change on previous month



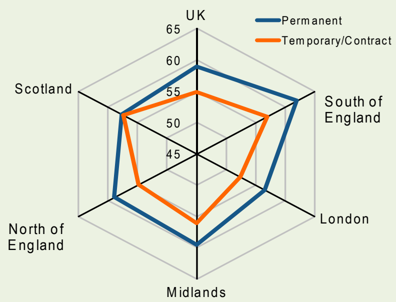
Candidate Availability

50.0 = no change on previous month



Wages and Salaries

50.0 = no change on previous month



Recruitment Industry Survey: Midlands

The Report on Jobs: Midlands is based on data compiled from monthly replies to questionnaires sent to around 100 recruitment and employment consultancies across the East Midlands and West Midlands 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. 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.