

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



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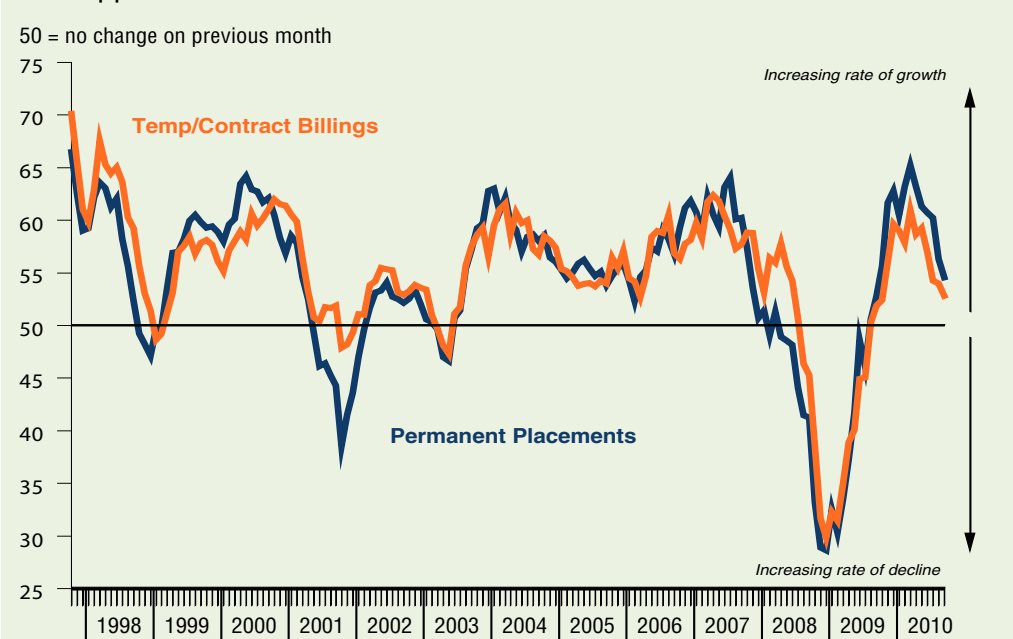
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Slowdown in growth of recruitment activity continued in September.

Staff Appointments via Recruitment Consultancies



Key points from September survey:

- Permanent staff placements rose at weakest rate for a year.
- Temp billings growth at eleven-month low.
- Slower fall in permanent staff availability; temp availability rose.
- Permanent staff salary growth eased to ten-month low.
- Temp pay decreased slightly for first time in nine months.

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

“September has seen a further slowdown of the UK jobs market with permanent job appointments rising at the weakest rate for a year. As in previous months engineering, construction and executive staff have been most in demand, an indication of the continuing recovery in the private and manufacturing sector. This is in sharp contrast to the situation in the public sector where many organisations have started redundancy programmes or have at least imposed hiring freezes. For example, the sharp decline in the demand for healthcare professionals comes as a direct result of government cutbacks and efforts to reform the NHS and may be only a sign of things to come.”

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 September are:

Further easing in growth of staff appointments...

Permanent staff placements and temporary/contract staff billings both rose at weaker rates in September. The latest increase in permanent appointments was the slowest for a year, while growth of temp billings eased to an eleven-month low.

...as vacancies rose at slower rate

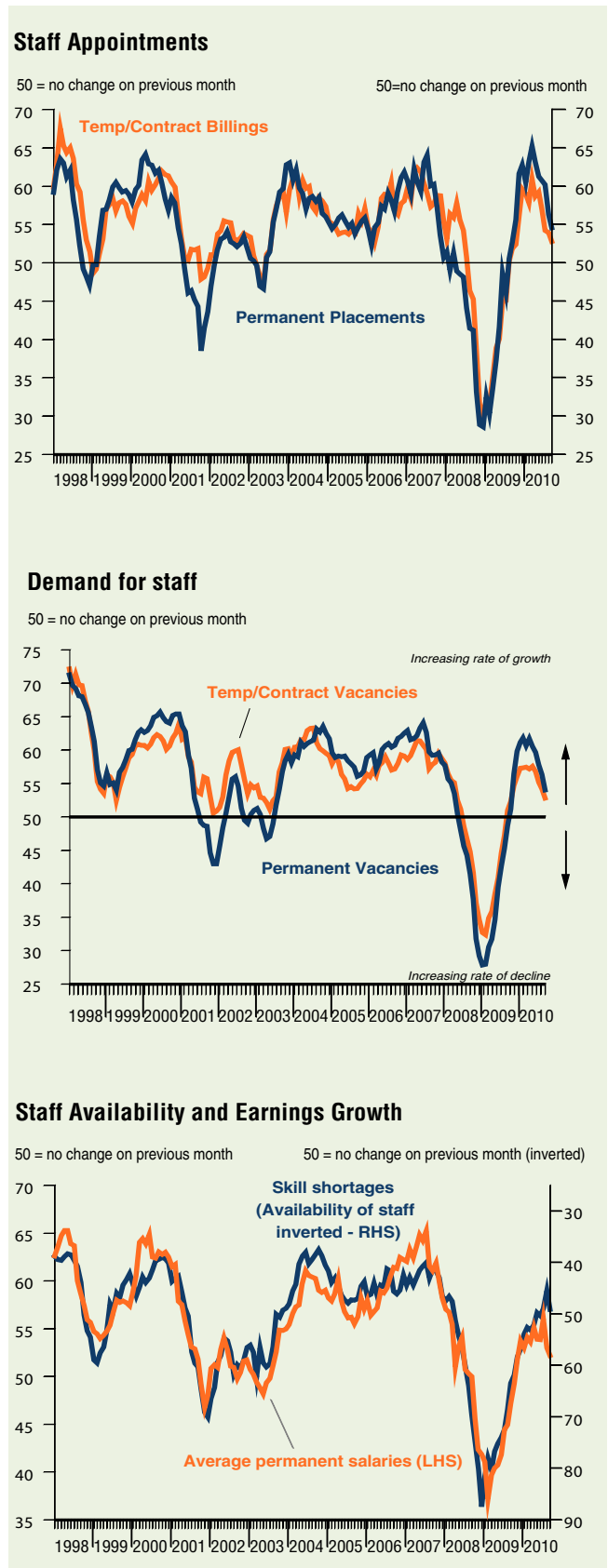
Overall demand for staff increased again in September, but the rate of growth was the weakest since October 2009. Slower rises in both permanent and temporary vacancies were recorded.

Weaker trend in staff pay...

Although permanent staff salaries continued to rise in September, the rate of inflation eased to a ten-month low. Temporary/contract staff hourly pay decreased marginally for the first time in nine months.

...as candidate availability showed signs of improvement

September data signalled a reduction in the availability of permanent staff for the fourth time in the past five months. However, the latest fall was only slight. The availability of temporary/contract staff rose at the fastest pace for three 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.

The recent slowdown in growth of staff appointments continued in September. The number of people placed in permanent and temporary jobs rose at the weakest rates for twelve and eleven months respectively.

Permanent placements rose at the weakest rate for a year...

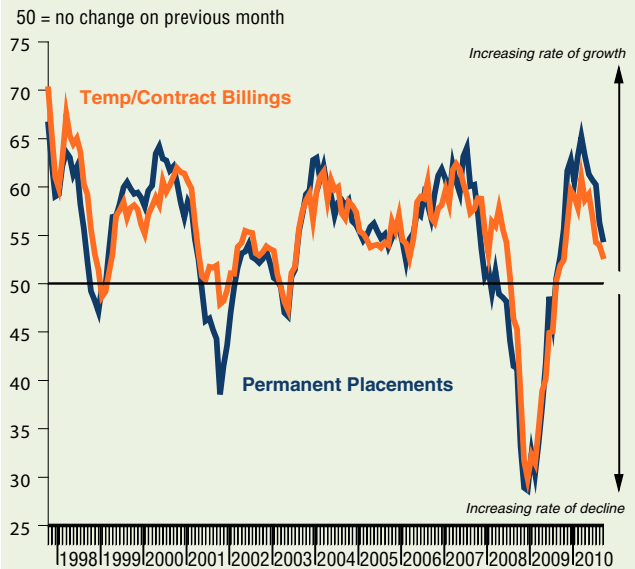
Recruitment consultants reported another increase in permanent placements during September, which they mainly attributed to higher activity levels at clients. However, the rate of expansion eased for the sixth month running to its slowest for a year.

...while growth of temp billings was the slowest since October 2009

Agencies' billings from the employment of temporary/contract staff continued to rise in September, extending the current period of expansion to fourteen months. However, the rate of growth eased to the weakest for almost a year.

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
2010 Apr	43.7	39.2	17.1	26.6	63.3	63.2
May	43.9	33.5	22.6	21.2	60.6	61.3
Jun	45.8	37.4	16.8	28.9	64.5	60.7
Jul	42.7	38.9	18.3	24.4	62.2	60.2
Aug	37.4	30.1	32.5	4.8	52.4	56.3
Sep	44.8	29.9	25.3	19.5	59.8	54.6

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
2010 Apr	34.8	46.7	18.5	16.4	58.2	58.7
May	42.9	37.1	20.0	22.9	61.4	59.2
Jun	41.7	39.2	19.1	22.6	61.3	57.0
Jul	37.3	39.5	23.3	14.0	57.0	54.3
Aug	35.4	34.8	29.7	5.7	52.8	54.0
Sep	34.6	42.8	22.6	12.0	56.0	52.8

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.

Weakest rise in demand for staff for eleven months

The Report on Jobs Vacancies Index remained above the 50.0 no-change mark in September to signal continued growth of demand for staff. However, at 54.0 the index was down from 56.2 in August and at its lowest level since October 2009.

Permanent staff vacancies

Growth of demand for permanent staff eased to an eleven-month low in September. The Permanent Staff Vacancies Index dropped to 54.1 from 56.4 in August.

Temp/contract vacancies

Demand for short-term workers rose for a thirteenth consecutive month in September. However, the latest increase was the slowest since October 2009. This was signalled by a fall in the Temporary Staff Vacancy Index from 54.2 to 52.8.

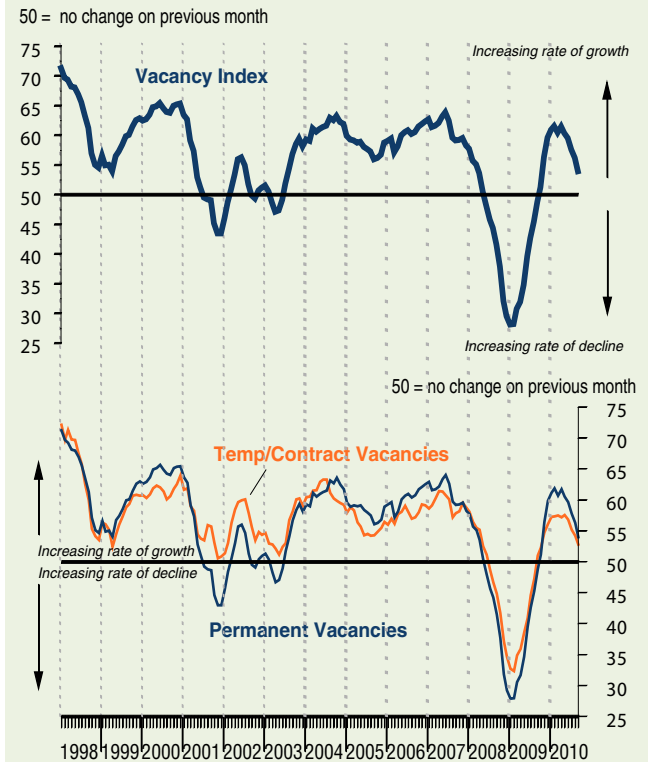
Other vacancy indicators

Government data on job centre vacancies signalled a year-on-year rise for the seventh consecutive month in August. However, the rate of growth eased from 12.1% to 7.1%, the slowest since April.

Latest available data signalled that internet-based recruitment spending rose 18.5% on an annual basis during Q2 2010. That was the fastest growth for two years.

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

	May '10	Jun	Jul	Aug	Sep
Job Vacancy Index (recruitment industry survey)					
50 = no change on previous month					
Total	60.4	59.5	57.7	56.2	54.0
Permanent Staff	60.6	59.7	57.8	56.4	54.1
Temporary Staff	57.6	56.8	55.2	54.2	52.8

Other key vacancy data

Annual % change					
Job centre vacancies	8.1	12.7	12.1	7.1	n/a
Internet recruitment	18.5	--	--	--	--

Sources: Job centre vacancies provided by Office for National Statistics
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

Higher levels of demand were recorded for all eight categories of permanent staff in September. The most sought-after type of worker was Executive/Professional. Engineering/Construction and Accounting/Financial also posted marked improvements. The weakest rise in demand was signalled for Blue Collar staff.

	This year		(Last year)	
	Rank	Sep'10	Rank	Sep'09
Executive/Professional	1	57.3	(2)	(53.0)
Engineer'g/Construction	2	56.4	(6)	(47.0)
Accounting/Financial	3	56.1	(3)	(51.1)
Hotel & Catering	4	54.5	(7)	(44.4)
IT & Computing	5	54.4	(4)	(49.1)
Secretarial/Clerical	6	52.7	(5)	(48.8)
Nursing/Medical/Care	7	51.2	(1)	(59.2)
Blue Collar	8	50.6	(8)	(39.4)

Temporary/contract staff

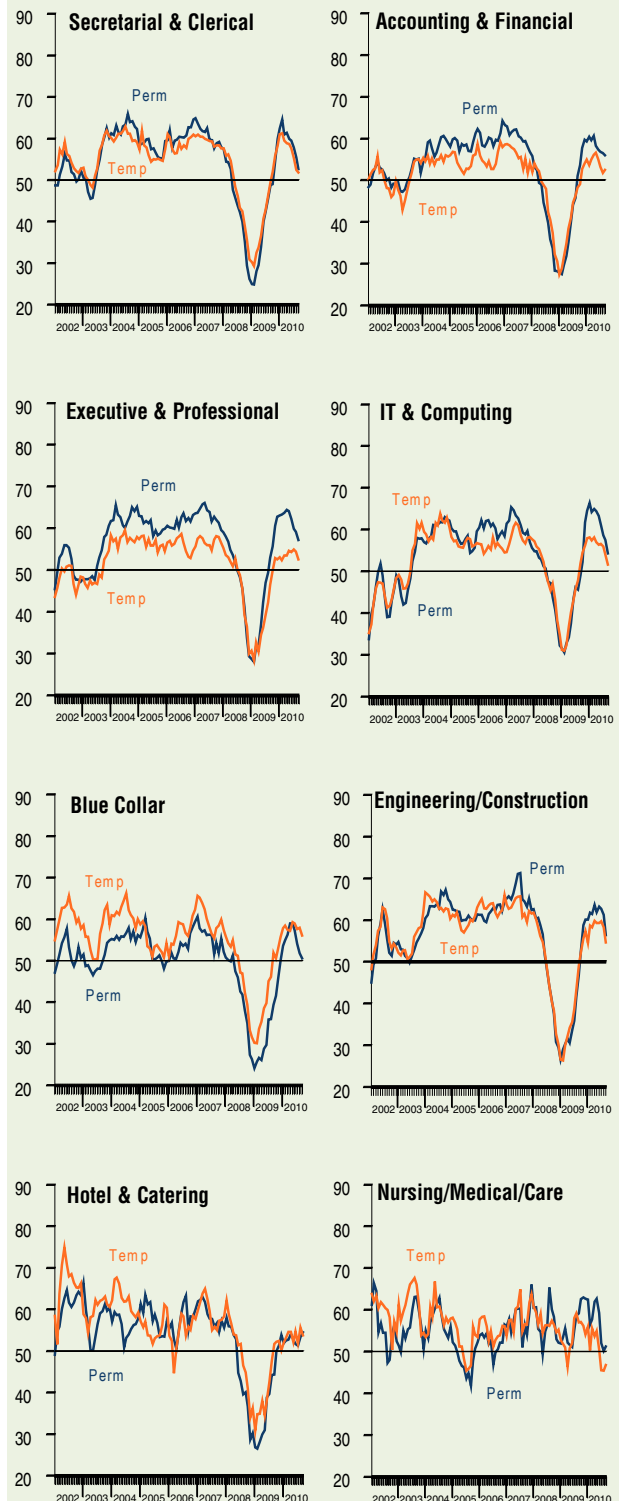
Growth of demand was signalled for seven of the eight types of short-term staff covered by the survey in September. In contrast to the situation for permanent employees, the strongest rise in demand was signalled for Blue Collar workers. Nursing/Medical/Care was the only category where a decline was recorded.

	This year		(Last year)	
	Rank	Sep'10	Rank	Sep'09
Blue Collar	1	56.1	(2)	(52.0)
Engineer'g/Construction	2	54.7	(6)	(49.2)
Hotel & Catering	3	53.8	(4)	(51.8)
Executive/Professional	4	52.6	(8)	(46.5)
Accounting/Financial	5	52.5	(7)	(48.3)
Secretarial/Clerical	6	51.9	(5)	(49.6)
IT & Computing	7	51.7	(3)	(51.9)
Nursing/Medical/Care	8	46.8	(1)	(57.1)

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.

Slower fall in permanent staff availability; temp availability rose

Recruitment consultants noted a weaker decline in permanent staff availability in September. Meanwhile, the availability of temporary/contract workers rose at the sharpest rate for three months.

Availability of permanent staff

The availability of candidates to fill permanent jobs decreased for the fourth time in the past five months during September. However, the rate of deterioration eased to only a marginal pace.

Availability of temp/contract staff

Short-term staff availability continued to rise in September, in line with the trend since April 2008. The latest improvement was the strongest in three months.

Key permanent staff skills reported in short supply:*

Accounts/Financial: IFAs, Finance, Actuarial, Insurance underwriting, Collections.

Blue Collar: Drivers.

Engineering/Construction: Tunnelling engineers.

Executive/Professional: PR, HR, Property, Purchasing.

IT/Computing: Enterprise software sales, IT security sales, Cloud computing sales, Net developers, Business analysts.

Hotel/Catering: Chefs.

Nursing/Medical/Care: Nurses, Care workers.

Secretarial/Clerical: PAs, Customer service.

Other: Sales.

Key temp skills reported in short supply:*

Accounts/Financial: Compliance, Actuarial, Newly qualified accountants.

Blue Collar: Drivers.

Engineering/Construction: Engineering design.

IT/Computing: Net developers, Business analysts.

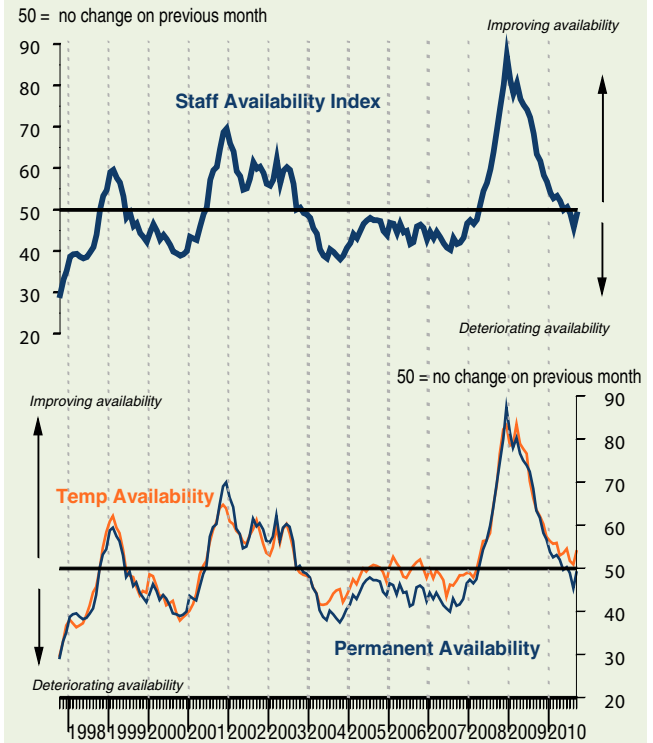
Hotel/Catering: Chefs.

Nursing/Medical/Care: Nurses, Medical engineers, Care assistants.

Secretarial/Clerical: Receptionists.

*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?

		Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010	Apr	18.3	66.2	15.5	2.9	51.4	52.1
	May	18.5	60.7	20.8	-2.3	48.8	49.7
	Jun	18.2	59.0	22.8	-4.6	47.7	50.3
	Jul	16.1	61.7	22.2	-6.1	47.0	48.9
	Aug	11.3	62.0	26.7	-15.4	42.3	45.4
Sep	17.9	61.7	20.4	-2.5	48.7	49.1	

Availability of temporary/contract staff

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

		Higher %	Same %	Lower %	Net +/-	Index	S.Adj. Index
2010	Apr	19.8	66.6	13.6	6.2	53.1	53.0
	May	24.5	57.2	18.3	6.2	53.1	53.5
	Jun	25.1	57.8	17.1	8.1	54.0	54.5
	Jul	24.0	55.6	20.4	3.6	51.8	51.8
	Aug	21.4	54.4	24.1	-2.7	48.6	50.9
Sep	20.4	64.8	14.7	5.7	52.9	54.0	

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 people placed in permanent jobs by recruitment consultancies continued to increase in September. However, the rate of inflation eased to a ten-month low.

Temp/contract pay rates

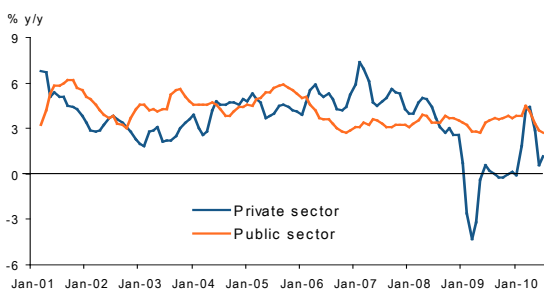
Hourly rates of pay for staff in temporary/contract employment fell for the first time in nine months during September, albeit only marginally. Where a drop in temp pay was reported, this was generally attributed to the improved availability of short-term staff.

UK average weekly earnings

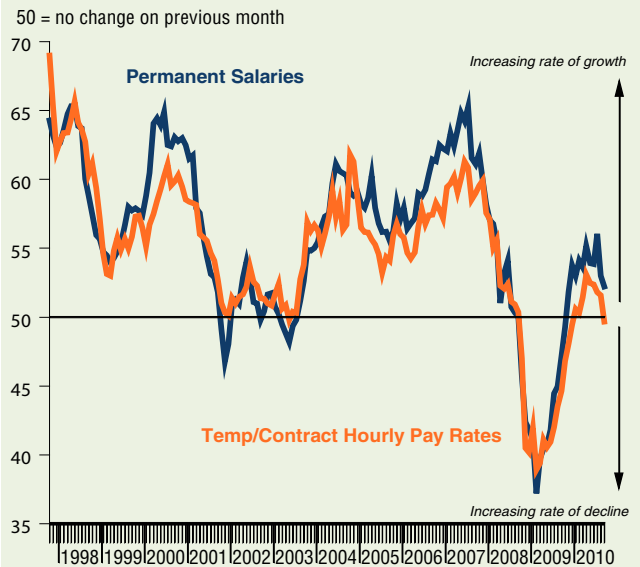
Data from the Office for National Statistics signalled that annual growth of employee earnings (including bonuses) quickened from 1.1% in June to 1.5% in July. Earnings growth accelerated in the private sector but slowed in the public sector.

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

	2007	2008	2009	Apr'10	May	Jun	Jul
Whole economy	5.0	3.7	0.1	4.1	2.7	1.1	1.5
Private sector	5.5	3.7	-0.8	4.4	2.9	0.6	1.2
Public sector	3.3	3.5	3.4	4.1	3.3	2.9	2.7
Services	5.2	3.8	-0.1	4.4	2.9	1.1	1.6
Manufacturing	3.8	3.4	1.2	5.6	4.9	2.9	3.3
Construction	6.5	3.0	1.2	2.4	2.0	0.4	0.4



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
2010 Mar	13.1	79.7	7.2	5.8	52.9	53.6
Apr	18.9	75.0	6.1	12.7	56.4	55.2
May	17.5	74.2	8.3	9.3	54.6	53.9
Jun	15.8	78.4	5.9	9.9	55.0	53.9
Jul	16.5	79.8	3.7	12.8	56.4	56.1
Aug	14.0	77.9	8.1	5.9	52.9	53.0
Sep	12.2	83.0	4.7	7.5	53.8	52.2

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
2010 Mar	8.9	85.2	5.9	3.1	51.5	51.4
Apr	10.1	84.2	5.8	4.3	52.1	53.1
May	11.5	81.0	7.6	3.9	51.9	52.5
Jun	11.1	81.9	7.0	4.1	52.0	52.4
Jul	6.2	90.2	3.7	2.5	51.3	51.8
Aug	9.5	83.0	7.6	1.9	50.9	51.6
Sep	6.0	86.5	7.4	-1.4	49.3	49.7

7 Feature | vacancies

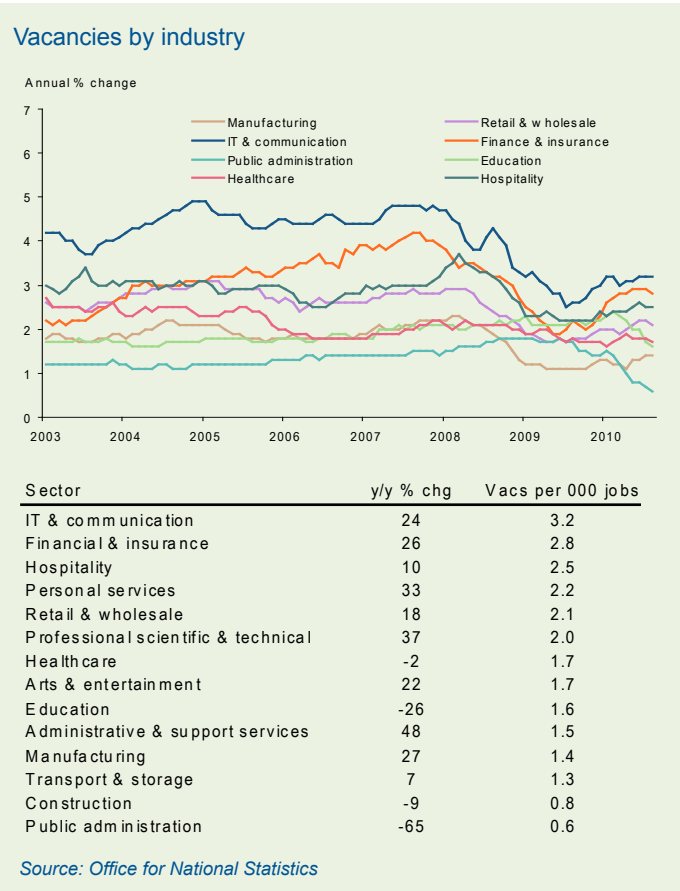
Growing disparity in sector vacancy trends

Latest data from the Office for National Statistics highlight a notable divergence in vacancy trends between industries. On the one hand, a number of private sector categories which saw sharp downturns in the recession have since posted strong recoveries.

These include IT & communication and finance & insurance, which had the highest vacancy levels per thousand jobs in the three months to August. Hospitality, personal services, retail and professional vacancies have also recovered well and are among the fastest-growing sectors.

In contrast, those job categories most exposed to government spending cuts have seen deteriorating vacancy trends. By far the hardest hit so far has been public administration, which saw a 65% year-on-year drop in vacancies in the three months to August and the lowest ratio of available positions to existing jobs of all categories.

Education and healthcare vacancies also showed negative year-on-year changes, although in the case of the latter the fall was only slight. Meanwhile, the construction sector is a notably weak performer, reflecting its exposure to squeezed public sector budgets and still fragile commercial development activity.



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The REC is the association for the UK's £22.5 billion private recruitment and staffing industry with more than 8,000 recruitment agencies and 6,000 recruitment consultants in membership. There are more than 1 million temporary workers registered with UK agencies who are deployed in industry, commerce and the public services every day.



Markit is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index™(PMI™) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. For more information e-mail economic@markit.com or call +44 1491 461000.

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 2003/4, some 1,516,000 people were employed in either temporary or contract work through consultancies and over 565,500 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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