



Report On Recruitment

July 2020

The Report on Recruitment captures original survey data which provides the most up-to-date monthly picture of recruitment, employment, staff availability and employee earnings trends available.

There are three reports, one covering the UK as a whole, one focused specifically on the North of England and one on the South.

The Report on Jobs is a monthly publication produced by **IHS Markit** and sponsored by **KPMG** and **REC**.

“The data is showing a good sign that recruitment activity is starting to stabilise, with both permanent placements and temporary billings declining at much softer rates in July.

As the furlough scheme unwinds, we are starting to see a rise in unemployment, with recent redundancies creating a near-record rise in candidate supply.

Due to this rise in candidate supply there has been a real downward pressure on starting salaries. The good news is that even though salaries have fallen since June, data is now showing us that this decline is slowing.

With the rise in candidate supply and downward pressure on pay, recruiters will continue to play a key part in helping people build confidence and find work as the economy rebuilds.”

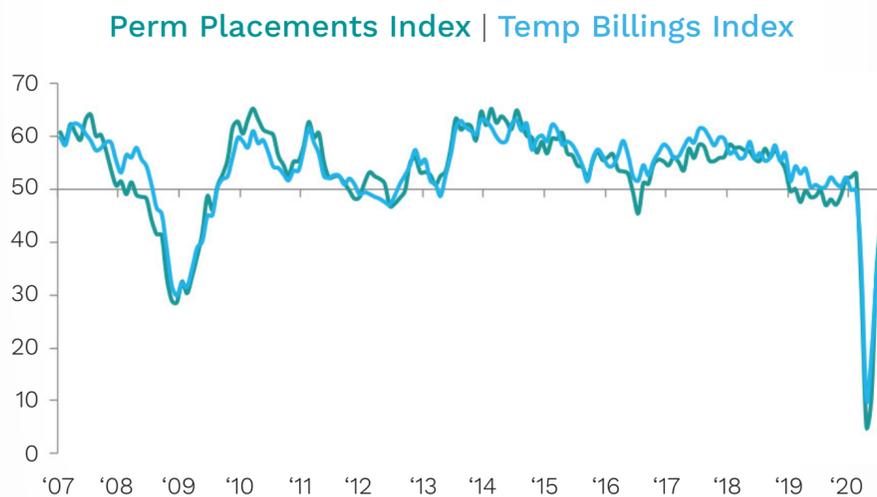
John Dyson | Founder, FJR Group



UK | Report On Recruitment

An insight into the UK labour market, drawing on original survey data provided by recruitment consultancies and employers.

Placements & Billings Index



Monthly index score of 50 means no change since previous month. Index of less than 50 means reduction since previous month. Index of more than 50 means growth since previous month.

Executive Highlights

Hiring Activity Declines at a Slower Rate

Recruitment activity moved closer to stabilisation in July with perm placements and temp billings falling at slower rates than in the prior four months.

A Sharper Rise in Candidate Supply

Candidate availability has increased sharply, driven largely by redundancies deriving from the Covid-19 pandemic.

Starting Pay Continues To Fall

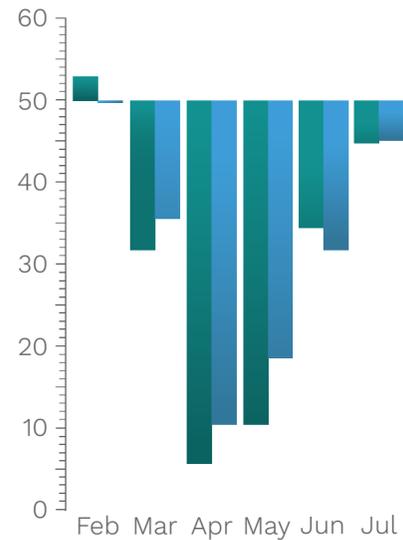
Starting salaries and temp pay both fell markedly in July, stemming from a combination of rising staff supply and subdued demand for workers added further downward pressure.

Vacancies Contract at a Softer Rate

Vacancies fell for the fifth month running, with marked falls signalled for both perm and temp positions. The contraction was notably slower than those recorded in the prior three months.

Appointments | Last 6 Months

■ Perm Placements Index
■ Temp Billings Index

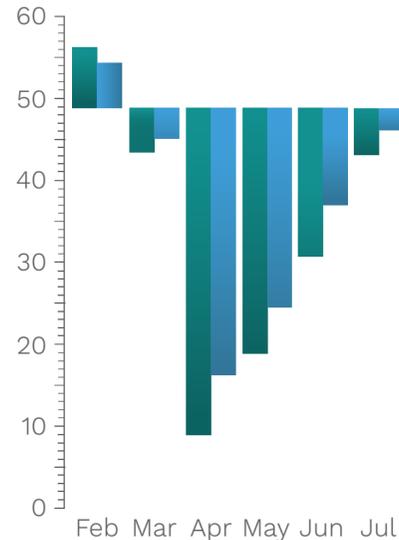


July survey data pointed to a much weaker fall in **permanent** staff appointments across the UK at the start of the third quarter. Yet, the rate of contraction was the slowest in the current five-month sequence of decline.

Temporary Billings fell again in July, thereby stretching the current sequence of reduction to seven months. The pandemic and lingering economic uncertainty continues to weigh on temp hiring, with many clients cutting back or delaying projects.

Vacancies | Last 6 Months

■ Perm Vacancies
■ Temp Vacancies

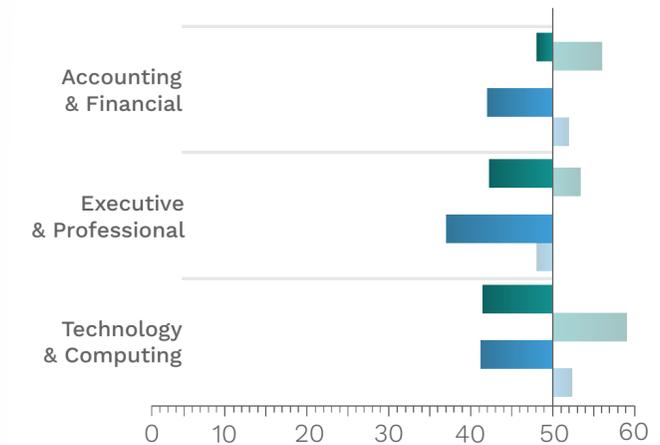


Data from July highlighted softer, but nevertheless, marked falls in both **permanent** and **temporary** vacancies. The demand for perm staff dropped at a faster rate than for temp workers, which has been a reoccurring theme for the past five months.

For Total Vacancies the rate of contraction was the slowest for four months and much weaker than April's series record.

Vacancies By Sector

■ Perm Vacancies '20 ■ Perm Vacancies '19
■ Temp Vacancies '20 ■ Temp Vacancies '19



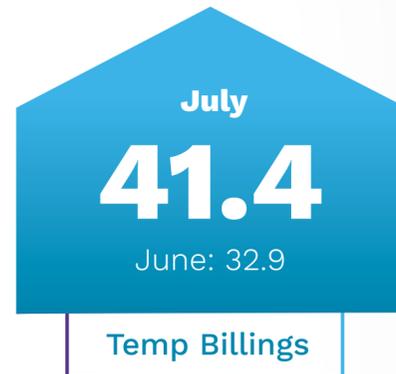
Permanent staff vacancies declined across each of the 3 monitored job categories in July. The steepest reductions were seen in the Executive & Professional sectors. The weakest drop in demand was meanwhile seen for Accounting & Financial roles.

Of the three **Temporary** Sector categories, the steepest decline in vacancies was seen in Executive & Professional roles.

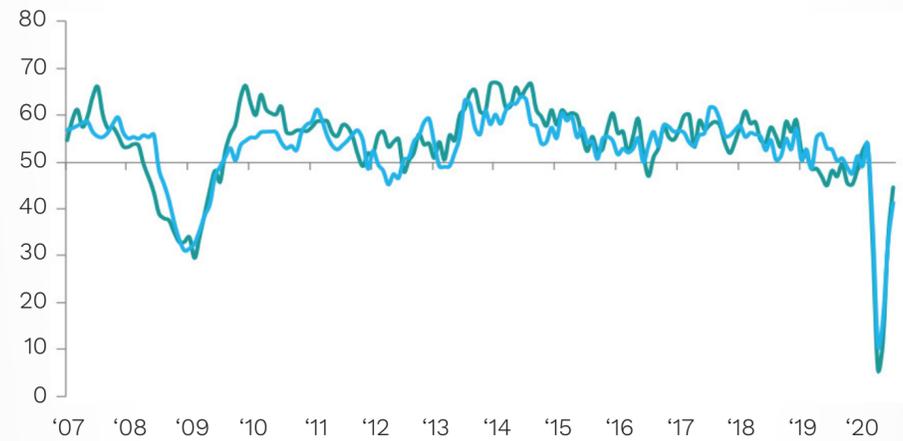
South | Report On Recruitment

An insight into the Southern labour market, drawing on original survey data provided by recruitment consultancies and employers.

Placements & Billings Index



Perm Placements Index | Temp Billings Index



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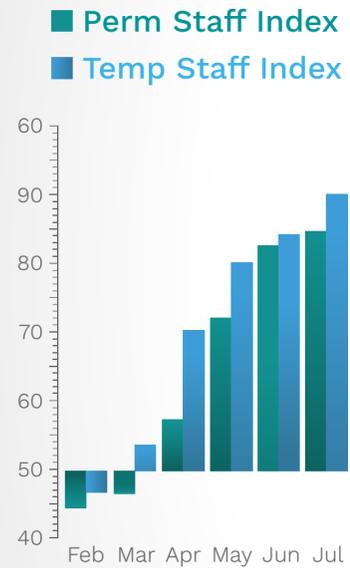


Neil Owen | Managing Partner - South

“While perm and temp vacancies are far from plentiful, the pace of decline in placements and billings has slowed as the economy starts to get to grips with the current situation. Specifically within Finance and Technology markets in London, we are just starting to see a very slight increase in vacancies either in play or in the early stages of being planned.

Similar to the wider UK market, there are still far fewer vacancies than before March, with both permanent and temporary job hunters competing for fewer jobs. This supply and demand situation is naturally putting a downward pressure on starting salaries. Employers are being advised to not undervalue candidates that have found themselves on the market, as it is likely that these could be the candidates that are first out of the door when the pandemic eases and the economy gets back on an even footing.”

Staff Availability



Permanent Staff Availability Index signalled a sharp and accelerated rise in the availability of permanent workers in the South of England during July.

The supply of short-term staff also rose considerably at the UK level, though the rate of growth remained slower than that seen in the South of England.

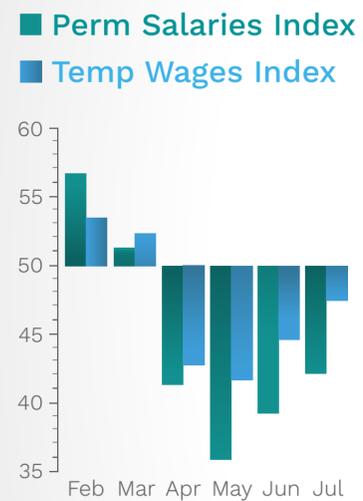


Neil Owen | Managing Partner - South

“The supply of permanent candidates at the UK level rose further in July, extending the current sequence of expansion to four months. After such a prolonged “War for Talent” many smaller companies are taking advantage of the talent available.

In Technology we have seen this across the EdTech, HealthTech and FinTech sectors, within Financial Services this has been across Regulatory Reporting, Fund Accounting and Technical IFRS accounting.”

Pay Pressures



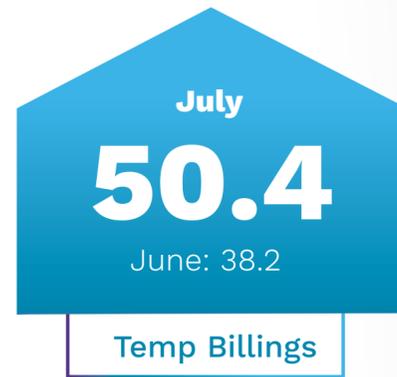
As has been the case since April, salaries awarded to new permanent joiners across the South of England fell in July. The rate of reduction remained historically sharp, despite easing further from the record drop seen in May.

For temp wages, the rate of decline was the slowest seen in the current four-month sequence of reduction. The pace of deflation was also weaker than that seen at the national level.

North | Report On Recruitment

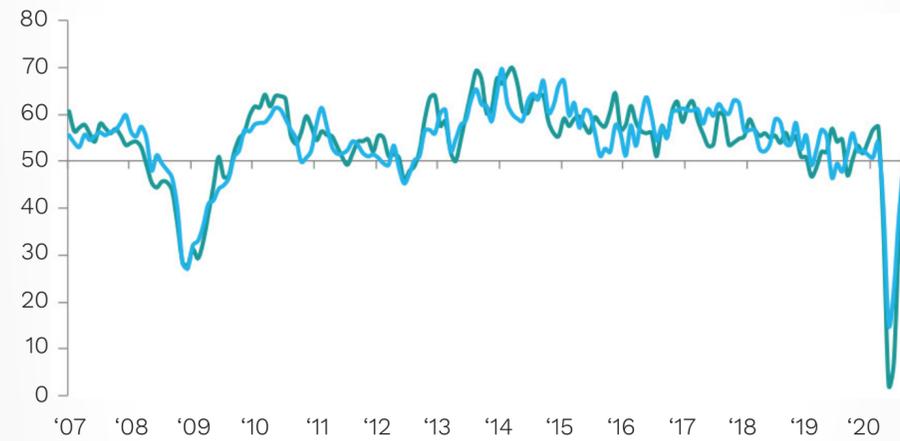
An insight into the Northern labour market, drawing on original survey data provided by recruitment consultancies and employers.

Placements & Billings Index



Perm Placements Index | Temp Billings Index

sa, >50 = growth since previous month



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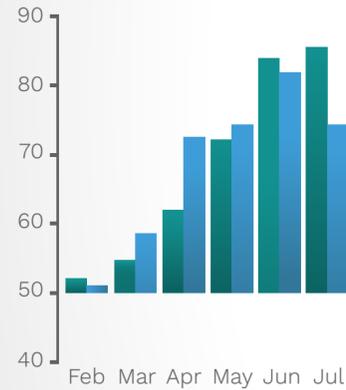
Max Learmonth | Managing Partner - North

“It is good to see the decline in recruitment slowing across the North throughout July, with several sectors being proactive on the hiring front.

With the economy opening up through the last few months and organisations starting to un-furlough & phase back to offices, we would expect an improving trend in the coming months as businesses recover from the worst of the crisis.”

Staff Availability

■ Perm Staff Index
■ Temp Staff Index

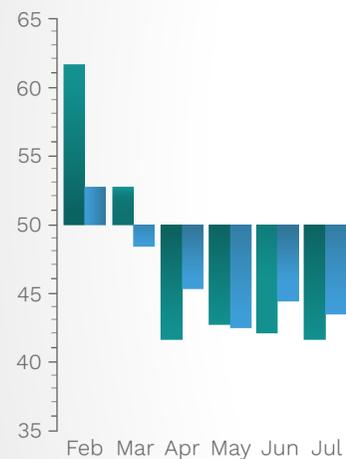


Permanent staff availability in the North of England continued to rise sharply during July. The increase in labour supply related to redundancies made due to the pandemic.

As has been the case in each of the past six months, temporary labour supply in the North of England increased during July. The rate of growth eased to the softest for three months and was slower than the UK average.

Pay Pressures

■ Perm Salaries Index
■ Temp Wages Index



July data pointed to another marked reduction in permanent starting salaries across the North of England, extending the current sequence to four months.

A combination of increased supply and weaker demand for temporary staff saw their remuneration fall further at the start of the third quarter.

Max Learmonth | Managing Partner - North



“Demand for both permanent and temporary staff in the North of England started its recovery in July. We are still a long way off from pre-covid levels but there are positive signs.

In some sectors there has been a reduction in permanent vacancies but on the whole we have seen a rise from a Finance perspective with the appointments of Finance Business Partners, Technical Accountants and FP&A professionals. Within our Technology brand we have partnered with businesses in hiring .Net Developers, Infrastructure partners and Heads of Technology.”



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