



Report On Recruitment

August 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 shows permanent and temp billings picked up in August across the UK, following the relaxation of lockdown rules.

There was a particularly positive spike in hiring activity for temporary staff, with the uncertainty around the pandemic and the possibility of a second lockdown leading to the slower growth in permanent staff appointments.

Candidate availability continues to rise at near-record pace putting downward pressure on starting salaries. In this challenging environment, recruiters will play a key role in helping the unemployed find work.”

John Dyson | Founder, FJR Group



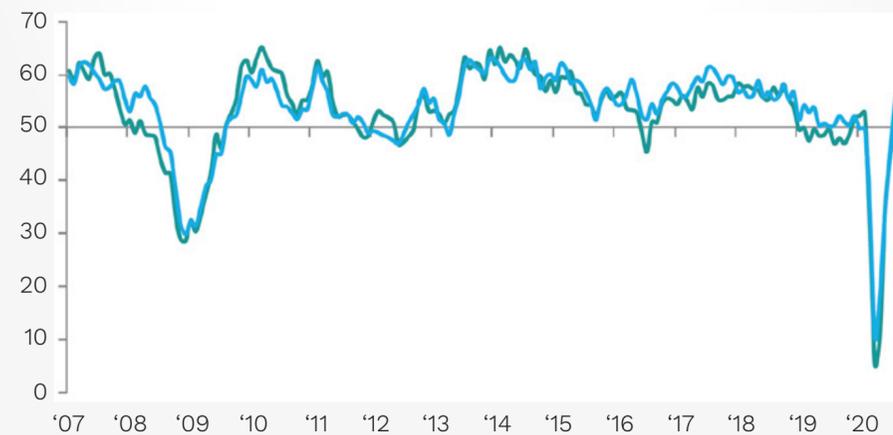
UK | Report On Recruitment

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

Placements & Billings Index



Perm Placements Index | Temp 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

Recruitment Activity Picks Up In August

August's data showed an increase in hiring activity following the relaxation of public health measures and the COVID-19 lockdown. Permanent placements increased only marginally, but temp billings expanded at the sharpest rate since December 2018.

A Sharper Rise in Candidate Supply

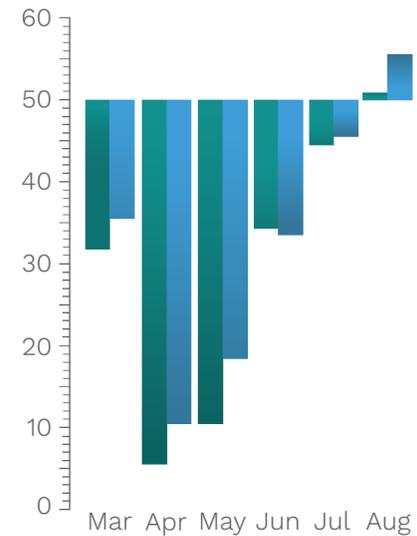
The overall availability of candidate supply continued to expand at a historically sharp rate in August. This was the second sharpest on record (after December 2008).

Overall Demand For Staff Remains Weak

Overall vacancies fell for the sixth month running in August, with the rate of decrease accelerating slightly since July. Underlying data highlighted that permanent staff demand is deteriorating sharply, while short-term vacancies stabilised.

Appointments | Last 6 Months

■ Perm Placements Index
■ Temp Billings Index

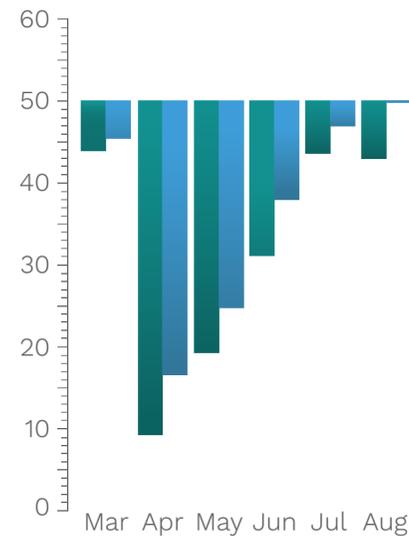


UK recruitment consultancies signalled the first increase in permanent staff appointments for six months in August. Though only slight, the upturn was a marked improvement on the severe drops seen in prior months when the COVID-19 outbreak led many firms to cancel or delay staff hiring.

Latest data signalled that billings received from the employment of temporary workers increased during August, thereby ending a seven-month period of decline.

Vancancies | Last 6 Months

■ Perm Vacancies
■ Temp Vacancies

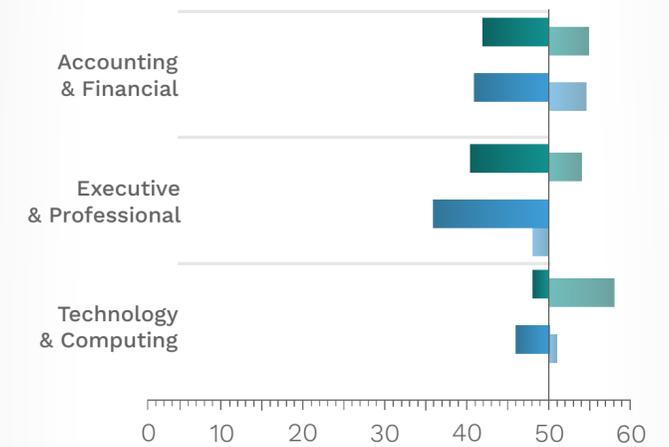


Latest vacancies data showed a marked drop in demand for permanent staff during August, with the rate of decline accelerating slightly since July.

Temporary vacancies meanwhile stabilised midway through the third quarter, which ended a five-month sequence of contraction.

Vacancies By Sector

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



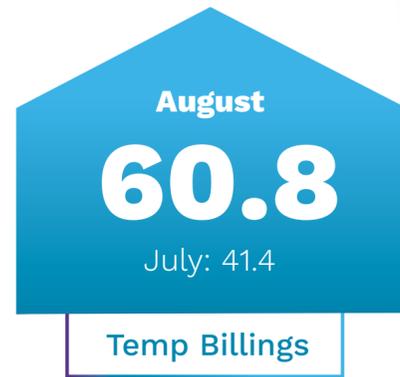
Permanent staff vacancies increased across the Accounting/Financial and Executive/Professional sectors. A reduction was seen in the Technology & Computing sector this month.

Similar to July, of the three temporary sector categories, the steepest decline in vacancies was seen in Executive & Professional roles.

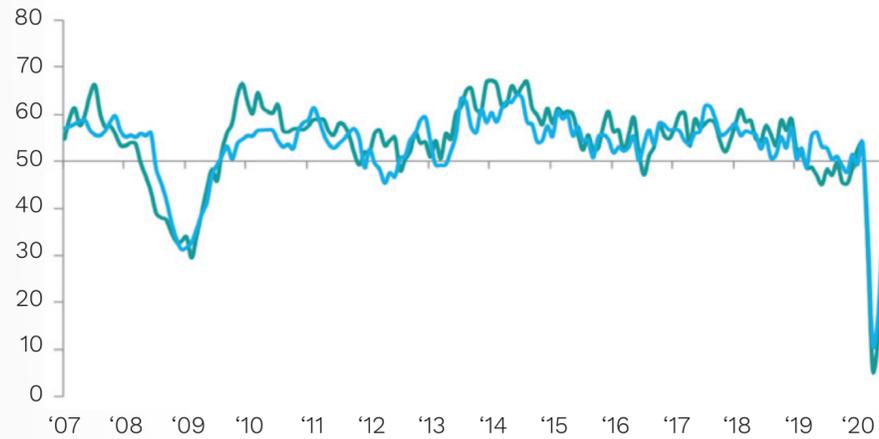
South | Report On Recruitment

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

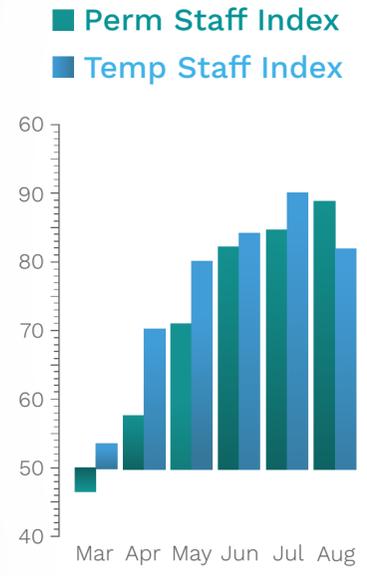


The last few years have typically seen August as a quiet month for both Technology and Finance recruitment. These numbers show that the south has seen the sharpest increase in both temporary and permanent placements compared to the rest of the country. This is positive to see during a time when businesses are continuing to face uncertainty about what will happen over the coming months with the pandemic and Brexit.

Redundancies continue to affect the supply and demand situation, which is naturally putting downward pressure on starting salaries. However, in August, we have seen a softer drop-in starting salaries and temp wages.

With vacancies still declining, and candidate supply continuing to rise, the unemployed are facing serious competition for each role.

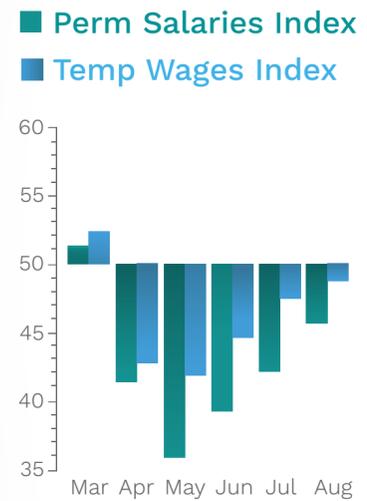
Staff Availability



The South of England registered a further substantial increase in the number of permanent candidates during August.

The seasonally adjusted Temporary Staff Availability Index remained well above the neutral 50.0 level in August to signal a further sharp rise in temp candidate availability.

Pay Pressures



August data signalled that permanent starters' salaries in the South of England fell for the fifth month running. The rate of decline was solid, although it eased further from May's record pace and was the softest seen over this period.

The downturn in average hourly pay for short term staff eased further in August, with the latest drop in wages the least marked for five months.

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Neil Owen | Managing Partner - South



The supply of permanent candidates at the UK level rose further in August, extending the current sequence of expansion to five months.

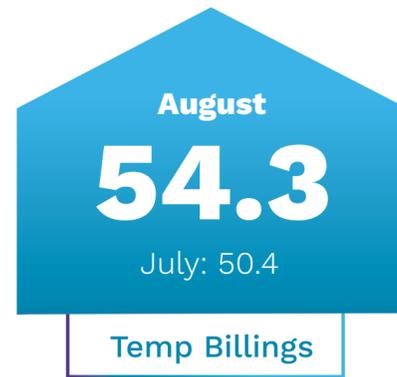
In Technology we have seen demand for this talent across the EdTech, HealthTech and FinTech sectors, within Financial Services this has been across Regulatory Reporting, Fund Accounting and Technical IFRS accounting.

The good news for job seekers is that the majority of roles that are on the market are critical hires. Where companies are committed to the hiring process we are seeing roles move at a good pace, allowing candidates to secure good opportunities.”

North | Report On Recruitment

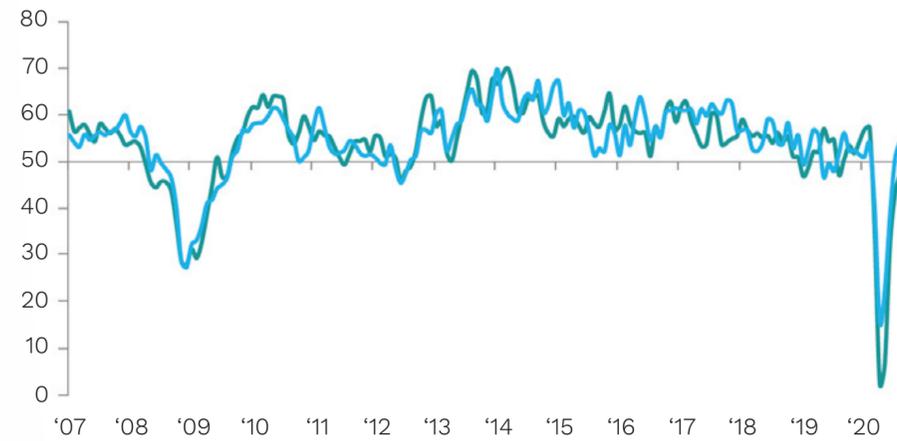
An insight into the Northern labour market, drawing on original survey data provided by recruitment consultancies and employers.

Placements & Billings Index



Perm Placements Index | Temp Billings Index

sa, >50 = growth since previous month



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Max Learmonth | Managing Partner - North

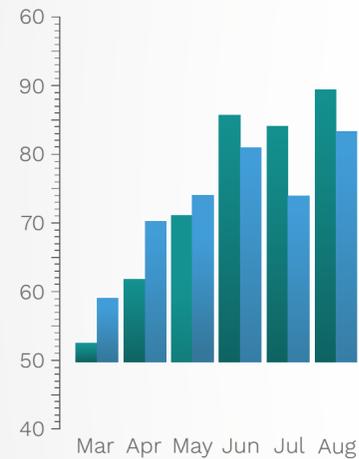


It is good to see a notable softer fall in both perm placements and temp billings across the North last month. August has also shown the highest amount of permanent appointments in the last six months.

We are still a long way from seeing pre-COVID levels of recruitment, but there has been an uptick in new positions being created across several sectors, with demand for Finance & Technology professionals looking on the up.

Staff Availability

■ Perm Staff Index
■ Temp Staff Index

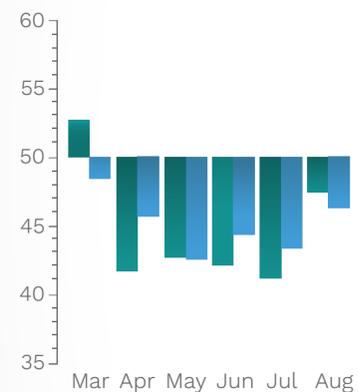


Perm staff availability rose at the quickest pace in almost 23 years of data collection during August.

In line with the trend for permanent availability, temporary labour supply expanded at a quicker pace in August. The latest increase in availability was the sharpest since the height of the global financial crisis in April 2009.

Pay Pressures

■ Perm Salaries Index
■ Temp Wages Index



Starting salaries awarded to permanent staff across the North of England continued to fall during August. However, the rate of reduction eased to the softest in the current five-month sequence of decline.

August data pointed to a further reduction in remuneration awarded to temporary staff across the North of England. The result extended the current run of decline that began in March.

Max Learmonth | Managing Partner - North



Data has shown us that a combination of weaker demand and an increased supply of labour added downward pressure on permanent salaries. Which will continue to be a challenge throughout the remainder of 2020.

One positive we can take from August is that the rate of decrease eased across the North to the softest for five months and was slower than the UK average.



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