

Latest jobs data: boom in financial services contract roles as permanent placements slip

Submitted by: BlueSky Public Relations Ltd

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- Permanent placements show 1% decline year-on-year
- Contract placements increase by 2%
- Contractor placements in Finance increase by 24%
- Average salaries dip by 1.3%

Permanent placements dip

Professional recruitment firms reported that overall placement numbers for permanent roles dipped by 1% in January 2017, while contractor placements simultaneously increased by 2% year-on-year, according to new survey data from the Association of Professional Staffing Companies (APSCo).

APSCo's data, which focuses on professional recruitment, reveals notable variations between the trade association's core sector groups in terms of hiring activity. While permanent placements across both IT and engineering, for example, have increased (18% and 2% respectively), permanent placements within financial services slipped by 6%.

Financial services sector scrambles for contractors

Recruitment of professional contractors increased by 2% across the board year-on-year, with much of this activity attributed to a surge in the number of roles within financial services.

Despite the fact that permanent placements dipped by 6% year-on-year in this sector, contract placements increased by almost a quarter (24%) during the same period as uncertainty

(<http://www.constructionenquirer.com/2017/02/23/56bn-hs2-phase-one-gains-royal-assent/>) around the City's future post-Brexit deters decision makers from committing to permanent hires. Engineering was the only other sector which enjoyed modest growth in temporary hiring, with contract placements increasing by 3%. This is likely to be attributed to the number of large-scale infrastructure projects (<http://www.constructionenquirer.com/2017/02/23/56bn-hs2-phase-one-gains-royal-assent/>) currently underway across the UK, coupled with acute skills shortages in the sector as reported (<https://www.theengineer.co.uk/annual-state-of-the-industry-report-raises-familiar-skills-fears/>) by industry body, Engineering UK, this month in its annual State of the Nation report.

Average salaries down

APSCo's figures also reveal that median salaries across all professional sectors dipped by 1.4% year-on-year. This figure is characterised by notable fluctuations in terms of sector, with IT, for example, recording an uplift of 1.8% while in banking average salaries were down 4.7% year-on-year.

Ann Swain, Chief Executive of APSCo comments:

“This data suggests that as the as next month’s deadline approaches for the UK to start its formal withdrawal from the EU, organisations are slightly more hesitant to commit to bringing on board permanent staff. Thankfully, the strength of the UK staffing market lies in its flexibility, and it seems that organisations are bridging gaps with contractors to keep the wheels in motion.”

“The fact that financial services firms are scrambling for contractors – while cutting back on permanent hiring - is unsurprising given the uncertain future of the City post-Brexit. While few companies in this area have publicly commented on their future workforce plans, of the 222 firms studied by EY for its financial services Brexit tracker (<http://www.telegraph.co.uk/business/2017/02/13/finance-firms-keen-keep-staff-britain-post-brexit/>), 15% said they expect to move some staff and 10% are actively committed to the UK. The presumption is the remaining companies are turning to contingent workforces until they have the information they need to make logical and reasoned decisions on where their futures lie geographically.”

- Ends

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Notes to editors:

Professional Recruitment Trends is the only monthly publication providing original data and analysis on the professional staffing market. It is produced jointly by APSCo and Staffing Industry Analysts.

APSCo is the membership body that is dedicated to representing professional recruitment in the UK. It was formed to give all firms involved in the recruitment of professional talent who have a commitment to excellence, the specialist support and distinctive voice they need to be successful. It gives candidates and employers a trusted badge of quality whilst providing member firms with an innovative range of services designed for them by recruitment experts. These services, combined with its growing international profile, commitment to Corporate Social Responsibility and opportunities for professional networking give APSCo members a unique opportunity to develop their businesses and gain competitive advantage (<http://www.apsco.org> (<http://www.apsco.org>)).