

Latest jobs data: Jobs growth but pipelines uncertain

Submitted by: BlueSky Public Relations Ltd

Thursday, 27 July 2017

- Permanent vacancies increase 2% year-on-year
- Demand for contractors slips by 13%
- Both permanent and temporary placements up 4% year-on-year
- Demand for engineers up 7%
- Average salaries hold steady

Permanent vacancies and placements up

Professional recruitment firms reported that overall vacancy numbers for permanent roles increased by 2% year-on-year in June 2017, while placements increased by 4% during the same period, according to new survey data from the Association of Professional Staffing Companies (APSCo (<http://www.apsco.org>)).

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 vacancies across both finance and engineering, for example, have increased (by 8% and 4% respectively) permanent vacancies within IT slipped by 5%.

Vacancies for professional contractors decreased by 13% across the board year-on-year, with demand falling across every core sector group.

Placements outpace new vacancies

While demand for non-permanent staff dipped by 13% year-on-year in June, the number of contractors on assignment increased by 4% during the same period. This suggests that while the market is currently strong, there may be a slowdown on the horizon.

An increase in permanent placements in June (up 4% year-on-year) also outpaced new vacancies (up 2% year-on-year), further indicating future uncertainty.

Boost for engineering

Permanent placements within the engineering sector increased by 4% year-on-year in June 2017 while the number of contractors on assignment rose by 20% during the same period. Future demand also remains strong, with the number of permanent vacancies increasing by 4% year-on-year.

High levels of hiring activity in this area can be attributed to a boom in major infrastructure projects across the UK, with research (<https://www.theengineer.co.uk/skills-shortage-means-engineering-companies-must-think-out-of-the-box/>) by Engineering UK recently finding that the country will need an additional 1.8m engineers and technically qualified people by 2025. This perhaps explains why the sector reported a 2.4% increase in average salaries year-on-year.

Average salaries hold steady

APSCo's figures also reveal that median salaries across all professional sectors increased by 0.1% in June 2017. This figure is characterised by notable fluctuations in terms of sector, with engineering, financial services, and IT all recording uplifts (of 2.4%, 3.5% and 0.2% respectively).

Ann Swain, Chief Executive of APSCo comments:

"Our data shows that permanent and flexible placements for professional talent continued to strengthen in June, however the forward trajectory is much less certain. This is unsurprising when you consider that the UK is currently going through an unprecedented level of unpredictability, with both employers and candidates becoming more hesitant to make big employment decisions against the current landscape."

"Looking at activity in the contractor market specifically, it seems that although organisations are currently making full use of flexible workforces, many have put the brakes on bringing on board additional interims as summer approaches. However, as heightened levels of activity in the engineering sector demonstrates, the strength of the contractor market lies in its ability to flex with rapid changes in demand and, as such, the market can change in an instant."

John Nurthen for Staffing Industry Analysts, which compiles the report for APSCo, says:

"Recruitment trends are difficult to read at the moment. While, on the face of it, growing numbers of permanent and temporary job placements suggest a healthy business environment, staffing firms are seeing weakness in terms of new vacancies received from employers, especially for flexible workers/contractors where demand slipped by 13% year-on-year. Notably, professional IT vacancies have been in gradual decline for the past two years and staffing firms report slow client-decision making and increasing time-to-hire."

"Even in sectors where there is jobs growth, given the uncertainty surrounding Brexit, it's possible we might be witnessing proactive hiring before the access to skilled overseas talent is turned off."

- 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>)).

Staffing Industry Analysts is the global advisor on staffing and workforce solutions. The company's proprietary research covers all categories of employed and non-employed work including temporary staffing, independent contracting and other types of contingent labour. SIA's independent and objective analysis provides insights into the services and suppliers operating in the workforce solutions ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services.

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