

Professional hiring strong despite Brexit uncertainty

Submitted by: BlueSky Public Relations Ltd

Tuesday, 29 March 2016

Contract vacancies within financial services booming

- Permanent opportunities increase 2% year-on-year
- Financial services vacancies up 13%
- Contract vacancies rise by 7% year-on-year
- Average salaries up 5.1%

Professional recruitment firms now have 2% more vacancies on their books than this time last year according to new survey data from the Association of Professional Staffing Companies (APSCo). This continued strength in the jobs market comes despite the fact that the UK's economic growth forecast has been cut by the BCC amid EU uncertainty.

The annual increase recorded by APSCo is in line with the latest figures from the Office of National Statistics (ONS) which show that the number of people in work increased by 478,000 year-on-year in January, driving UK employment to 31.42 million.

Financial Services leading boom in roles

The latest data from APSCo reveals notable variations between the trade association's core sector groups in terms of hiring activity. While permanent vacancies across both financial services and marketing, for example, have increased (13% and 10% respectively), IT and engineering have both recorded dips (4% and 12% respectively).

The ongoing growth of the financial services sector, which APSCo has reported in recent months, is in line with data from specialist recruiter Morgan McKinley, which found that the number of financial services jobs on offer in London has grown by eight per cent in the year to February 2016. This is despite high profile investment banking job losses, an impending merger of the London and Frankfurt stock exchanges, and fears that the UK banking sector could suffer if Britain votes to leave the EU in June.

Average salaries up

APSCo's figures also reveal that median salaries across all professional sectors continue to climb steadily, increasing by 5.1% year-on-year. This figure is characterised by notable fluctuations in terms of sector, with accounting and banking, for example, recording uplifts of 8.9% and 5.7% respectively. This rise in remuneration within the professional arena exceeds the national increase in salaries as reported by the ONS which found that average earnings grew at an annual rate of 2.2% in the year to January 2016.

Ann Swain, Chief Executive of APSCo comments:

"Despite highly publicised job losses within the investment banking arms of Credit Suisse and RBS, and fears that an EU exit could cost up to one million jobs, our data shows that demand for permanent talent in the sector remains strong despite Brexit uncertainty."

"While the current regulatory environment has resulted in traditionally high-risk areas such as

investment banking shedding UK-based staff as they become less profitable, it has simultaneously created opportunities for compliance, analytical and change management specialists to work across other areas of the banking sector. This new landscape, coupled with year-end deadline pressures have resulted in consistently strong demand.”

“Furthermore, with research from both the Association for Financial Markets in Europe (AFME) and Moody’s finding there is unlikely to be an exodus of bankers departing the UK if Britain leaves the EU, hiring activity in this area is unlikely to be materially affected regardless of the outcome.”

Contract vacancies remain resilient

Temporary and contract vacancies remain resilient across the professional staffing market with opportunities up by 7% across the board year-on-year. Vacancies across financial services, however, are particularly strong, rising by 85%.

John Nurthen, Executive Director, Global Research for Staffing Industry Analysts, which compiles the report for APSCo, comments:

“Given how sensitive temporary demand is to the state of the economy, the decent increase in professional temporary and contract vacancies suggests that the UK economy is still relatively stable despite the ‘cocktail of threats’ George Osborne warned about in his latest budget. It should be noted, however, that our data suggests staffing firms have had more difficulty in filling these vacancies since the last quarter of 2015. While temporary/contractor placements are up 4% over the prior year, growth has been easing and failing to keep pace with the volume of vacancies received – rather indicative of a market experiencing skills shortages.”

Swain continues;

“While an increase in contract jobs is often linked to uncertainty, the phenomenal growth in the financial services contract market is likely indicative of a cocktail of factors which have conspired to drive up short-term professional staffing needs.”

“The offshoring of investment banking operations, and other structural changes related to a focus on personal banking, mean that change management specialists are in high demand along with contractors to cover workload during transitional periods.”

“Furthermore, ongoing changes in legislation mean that compliance specialists are being drafted in to oversee not only the implementation of ring-fencing, but a myriad of other regulatory amendments such as updates to MiFID II and AIFMD.”

“Add to this project work surrounding the digitisation of retail banking and the fact that year-end deadlines are looming, and it’s unsurprising that firms are scrambling to get their hands on talent.”

Ends

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>).

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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