

# Permanent placements continue to rise as IT contractor use plummets

Submitted by: BlueSky Public Relations Ltd

Monday, 26 March 2018

---

- Permanent placements increase by 10%
- Number of contractors out on assignment down 17%
- Number of IT contractors out on assignment down 38%
- Permanent vacancies down 1%
- Contract vacancies slip 8%

## Permanent placements up

Professional recruitment firms reported that the number of candidates securing permanent roles in February 2018 increased by 10% year-on-year, 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 placements within finance, for example, increased by 24% over the 12 month period, the number of marketing professionals securing permanent roles during this time slipped by 6%.

While vacancies for permanent staff remained largely stable across the board, dipping by just 1% in February 2018, demand was strongest within the finance sector, where vacancies increased by 14% year-on-year.

## IT contractor use plummets

Demand for contractors decreased across many of the trade association's core sector groups. Vacancies within engineering, for example, slipped by just 6%, while demand within IT and marketing fell more significantly (by 7% and 18% respectively). Finance was the only sector where vacancies for non-permanent roles increased, with demand for contractors up by 11%.

The overall number of contractors out on assignment, meanwhile, dipped by 17% during the same period. This can largely be attributed to a significant 38% year-on-year fall in IT professionals working on a contract basis during this time.

This is likely to be a result of significant changes around off-payroll working within the public sector which has created a climate where, according to previous APSCo research (<http://www.contractorweekly.com/tax-a-ir35-news/recruitment-industry-reveals-effects-public-sector-ir35-reform/>) and other sources, former contractors are turning their backs on working through their own PSCs.

## Average salaries stable

APSCo's figures also reveal that median salaries across all professional sectors dipped by 2% year-on-year. This figure is characterised by notable fluctuations in terms of sector, with IT and engineering, for example, recording uplifts of 4.1% and 3.8% respectively.

Ann Swain, Chief Executive of APSCo comments:

“We continue to see strong performance in the numbers of permanent placements which can primarily be attributed to two key factors: businesses are vying to secure rare skills in an increasingly competitive market, and uncertainty around the future status of more flexible working options.”

“While changes to IR35 legislation in the public sector have clearly taken a chunk out of the contract market, a proposed consultation on extending reforms into the private sector means that employers are increasingly weighing up if the perceived complexity associated with managing a contingent workforce is worth it.”

“Add to this the present BEIS consultation on Employment Status coupled with widespread skills shortages and it’s no wonder that businesses are keen to lock in talent long-term.”

John Nurthen, Staffing Industry Analysts’ Executive Director of Global Research commented:

“This month is a continuation of previous trends with the employment market showing growth in permanent vacancies but declines in temporary and contract positions. In an increasingly tight labour market, there is plenty of appetite among employers to hire people with the right skills. IT jobs have notably picked up since the decline we saw in spring 2017.”

- Ends

Carly Smith  
BlueSky PR  
T: +44 (0)1582 790 708  
E: [carly@bluesky-pr.com](mailto:carly@bluesky-pr.com)  
W: [www.bluesky-pr.com](http://www.bluesky-pr.com) (<http://www.bluesky-pr.com>)

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>)).