

KPMG and REC, UK Report on Jobs: Midlands

Hiring activity in the Midlands restricted by economic uncertainty

41.0

PERMANENT PLACEMENTS INDEX
DEC '23

47.5

TEMPORARY BILLINGS INDEX
DEC '23

The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands.

Permanent placements fall for first time in three months

Strongest rise in permanent staff supply in just over three years

Permanent and temporary pay pressures strengthen

Commenting on the latest survey results, Kate Holt, People Consulting Partner for KPMG in the Midlands said:

"In keeping with the ebbs and flows of 2023, the Midlands jobs market saw hiring activity restricted due to ongoing economic uncertainty."

"After three months of strong and consecutive growth, December saw a dip when it came to new jobs on offer – an unwanted end of year for those in the jobs market – as well as an unusual dip in temporary roles."

"However, those who did find employment enjoyed a seven-month high in terms of starting salary and temporary workers also benefitted with the highest level of wages since January 2023."

"While the jobs news may not have been the end of year we wanted to see, it can only be hoped that this was a blip and 2024 will, from now on, be a shining light for employment and growth across the Midlands."

Neil Carberry, REC Chief Executive, said:

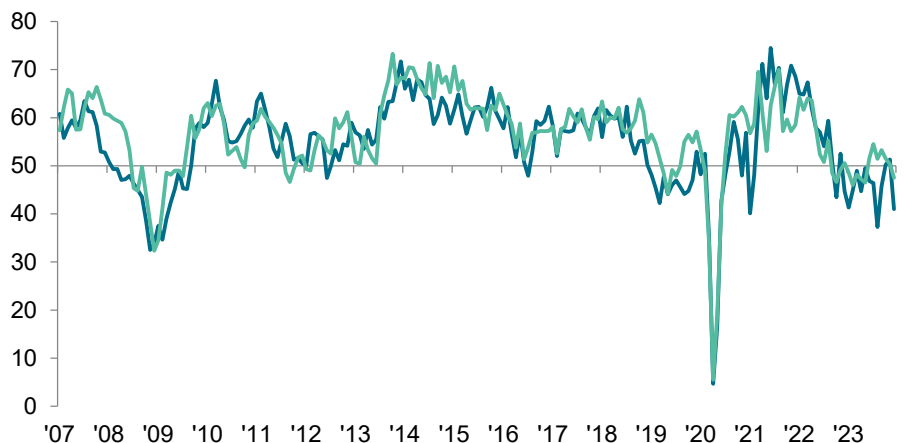
"Given ongoing economic uncertainty, employers have generally postponed activity into the new year, and the fall in permanent appointments in Midlands is likely a blip and the broader signs are generally positive that the region's labour market is weathering the current economic storm."

"Recruiters went into 2024 with hope that an upturn is coming, based on feedback from clients. Driving this economic growth would be a huge benefit for us all, leading to more successful firms, higher pay, and the ability to cut taxes and fund public services. But the growth must come first. The Chancellor has already set a date for the Budget – he should use it to set out steps that set firms free to grow the economy, from skills reform to regulatory change, including a more balanced debate on immigration for work and its impact on growth."

"Rising demand for healthcare staff emphasises again the importance of supporting NHS performance. Recruiters can see the impact on long NHS waiting lists in the supply of candidates looking for work – addressing this will be a key way to tackle inactivity. But the plan for NHS staffing needs to deal with 21st Century labour market realities. Medical staff have choices in and power over their careers – working with unions, agencies and other stakeholders on a plan will get the NHS farther than diktat from Whitehall."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

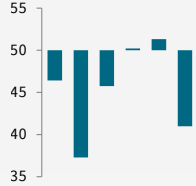


1 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

Permanent Placements Index

Jul - Dec '23
sa, >50 = growth



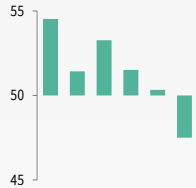
Permanent staff appointments fall markedly

Recruitment consultancies based in the Midlands signalled a reduction in the number of people placed in permanent roles for the first time since September at the end of 2023. The rate of contraction was marked and one of the strongest recorded since the outbreak of the COVID-19 pandemic in early-2020. Moreover, the drop in the Midlands was the sharpest of the four monitored English regions.

Anecdotal evidence indicated that permanent appointments fell due to economic uncertainty.

Temporary Billings Index

Jul - Dec '23
sa, >50 = growth

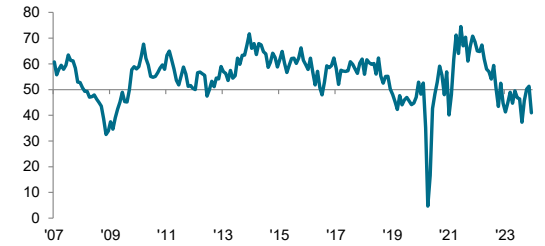


Temp billings fall for first time since May

December survey data signalled a moderate reduction in temporary billings in the Midlands for the first time in seven months. Only the South of England saw a sharper contraction than that seen in the Midlands, as recruiters mentioned that some candidates had transitioned to permanent roles.

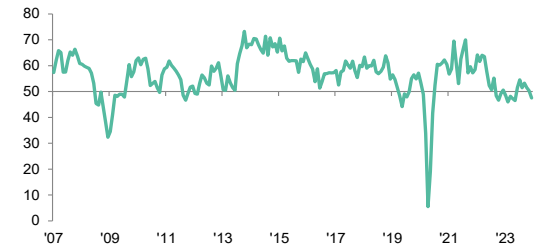
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jul-23	42.4	46.4	50.2	54.5
Aug-23	38.9	37.3	49.5	51.4
Sep-23	45.1	45.7	51.6	53.3
Oct-23	45.8	50.2	50.9	51.5
Nov-23	41.6	51.3	48.0	50.3
Dec-23	45.6	41.0	48.8	47.5

Job vacancies

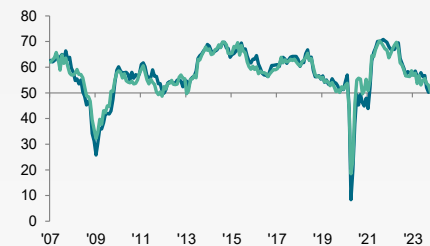
Midlands-based recruiters signalled slower permanent vacancy growth at the end of the fourth quarter. The rate of expansion was modest and below the average seen across 2023 as a whole. That said, growth of demand for permanent staff in the Midlands was the strongest of the four English regions.

Temp vacancies also rose at a slower pace during December. The increase was modest, yet the second-strongest of the monitored regions behind London.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

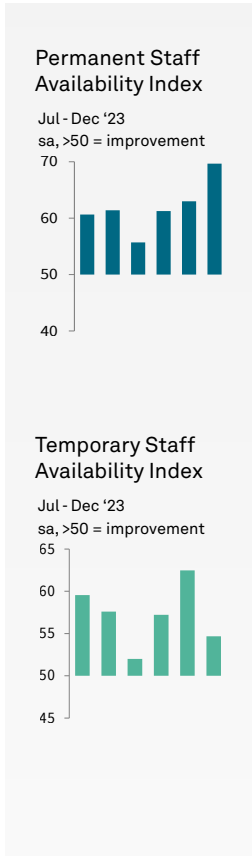


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jul-23	52.3	56.7	53.1	55.5
Aug-23	50.2	52.1	53.1	53.7
Sep-23	49.1	50.2	52.0	53.0
Oct-23	49.9	51.8	51.7	50.5
Nov-23	49.0	53.3	51.7	52.6
Dec-23	49.2	52.1	50.8	51.3

2 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month.



Permanent staff supply expands at fastest pace for 37 months

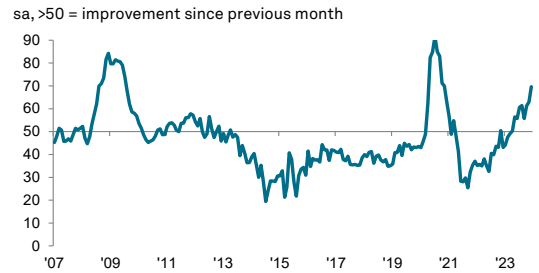
Adjusted for seasonal variance, the Permanent Staff Availability Index posted well above the neutral 50.0 threshold to indicate an increase in permanent candidate numbers in the Midlands. The rate of growth was substantial, the strongest seen since November 2020, and the steepest of the four English regions.

Higher staff supply was mainly linked by recruiters to redundancies.

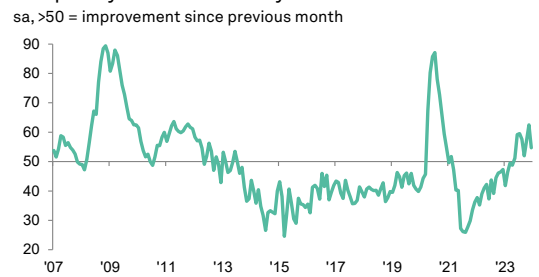
Softer rise in temp candidate numbers

The supply of short-term workers in the Midlands increased again at the end of 2023, thereby stretching the current sequence of accumulation to eight months. The rate of growth slowed sharply from November however, and was the softest since September. The rise in the Midlands was the softest of the four monitored English regions.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jul-23	61.6	60.7	58.8	59.5
Aug-23	60.3	61.4	59.1	57.6
Sep-23	55.3	55.7	58.2	52.0
Oct-23	59.1	61.3	57.8	57.2
Nov-23	62.0	63.0	59.8	62.5
Dec-23	59.7	69.7	58.3	54.7

3 Demand for skills

Skills in short supply: Permanent staff

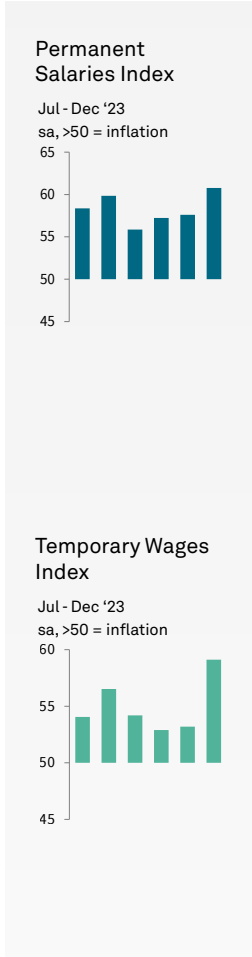
Accounting/Financial Accountants Auditors Book Keepers Credit Controllers Finance Finance Directors Finance Manager Management Accountants Part Qualified Finance Payroll	Blue Collar Industrial Operatives Construction Planning Surveyors Engineering Engineers Maintenance Engineers IT & Computing Data Engineers	Developers Software Architects Technical Leaders Secretarial/Clerical Office Support Staff Other All Sectors Overseas Candidates
--	--	---

Skills in short supply: Temporary staff

Accounting/Financial Accountants Auditors Book Keepers Credit Controllers Finance Payroll Blue Collar Blue Collar Manufacturing Security Guards Construction Architectural Tech	Engineering Engineers Executive/Professional Legal Secretarial Hotels & Catering Chefs IT & Computing Automation Testers Data Engineers Developers	Nursing/Medical/Care Hearing Aid Dispensers Nurses Optometrists Pharmacists Social Workers Secretarial/Clerical Office Support Staff Other Unskilled
--	---	--

4 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.



Permanent starting salary inflation rises to seven-month high

Salaries awarded to new permanent joiners in the Midlands increased again in December. The rate of pay growth accelerated to the highest since May and was faster than the average for the year as a whole. Recruiters often mentioned that salaries had risen in order to attract staff.

Recruiters in the Midlands saw the strongest rise in starting salaries across the four monitored regions in England.

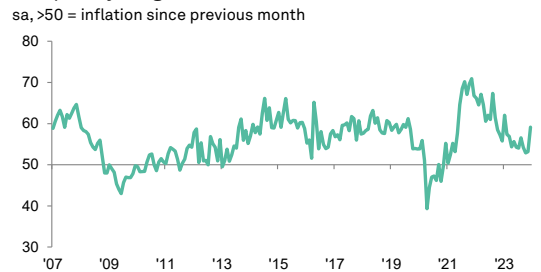
Strongest increase in temp wages since January

Average hourly wages for temp staff in the Midlands increased for the thirty-seventh consecutive month in December. There were a number of reports that greater competition for staff had pushed up wages. The rate of pay inflation was robust and the strongest recorded since the start of the year. Temp pay growth in the Midlands was also the strongest of the monitored regions.

Permanent Salaries Index



Temporary Wages Index



sa, >50 = inflation since previous month

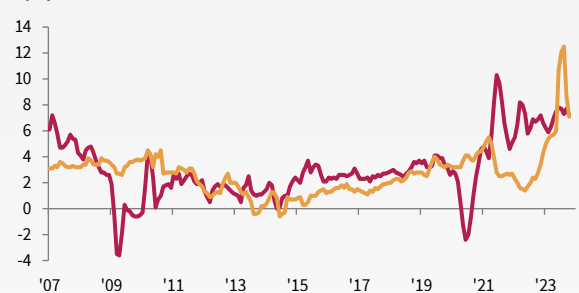
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jul-23	58.3	58.4	54.6	54.1
Aug-23	58.2	59.9	55.9	56.5
Sep-23	57.6	55.9	52.9	54.2
Oct-23	57.4	57.2	53.5	52.9
Nov-23	56.0	57.6	52.2	53.2
Dec-23	56.5	60.8	54.6	59.1

Official data: UK average weekly earnings

UK employee earnings (including bonuses) rose +7.2% year-on-year over the three months to October 2023, according to latest data from the Office for National Statistics (ONS). Although not as strong as the rates seen over the summer, the latest figure indicated that pay growth remained historically sharp overall.

Average earnings expanded at similarly marked rates across both the private and public sectors in the latest three-month period (+7.2% and +7.1%, respectively). The slowdown in pay growth in recent months was more pronounced in the public sector, largely due to one-off payments across the NHS and civil service over the summer, according to the ONS.

UK average weekly earnings %yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

5 Regional comparison

The KPMG and REC, UK Report on Jobs: Midlands is one of four regional reports tracking labour market trends across England. Reports are also available for London, the South of England and the North of England.

Staff appointments

The number of people placed in permanent job roles across the UK fell for the fifteenth month running in December. The rate of decline softened from that seen in November yet remained sharp overall. Permanent staff appointments fell across all four monitored English regions, with the Midlands seeing the strongest reduction. The softest contraction meanwhile was seen in London, where the pace of decrease was the slowest in the current 15-month sequence.

Temp billings fell across the UK for the second successive month in the latest survey period. The downturn softened from that seen in November and was modest overall. The reduction was led by moderate falls in the South of England and the Midlands. Recruiters in the North of England meanwhile recorded the steepest increase since April.

Candidate availability

The supply of permanent workers across the UK rose for the tenth consecutive month in December. The rate of improvement eased slightly from that seen in November, yet remained marked overall. Data broken down by English region indicated that the upturn was broad-based and led by the Midlands. Meanwhile, the North of England was the only region to see a dip in permanent staff availability, albeit one that was only marginal.

The supply of temporary labour also expanded robustly again in December, with the rate of growth softening only slightly from that seen in the previous survey period. All four monitored English regions saw rises in temp staff supply, led again by London, while the softest increase was signalled by recruiters in the Midlands.

Pay Pressures

Starting salaries awarded to new permanent starters in the UK increased in December, extending the current sequence of salary inflation to 34 months. The rise was steep overall and quickened from that seen in November. While all four English regions recorded increases in permanent pay, London and the North of England saw the rate of salary inflation ease, but there were accelerations in salary growth in the Midlands and South of England.

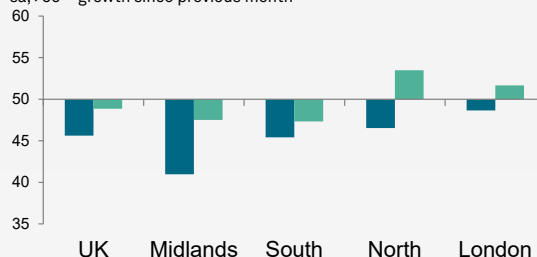
Average rates of pay for temporary workers across the UK also rose again during December. Notably, the rate of wage growth picked up from the previous survey period and was the steepest seen since August. Regional data highlighted strengthening momentum in temp pay in all monitored regions with the exception of London.

December 2023

■ Permanent
■ Temporary

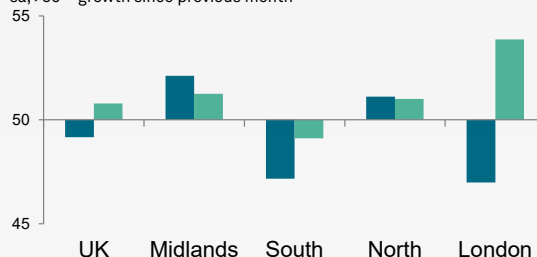
Staff Appointments

sa, >50 = growth since previous month



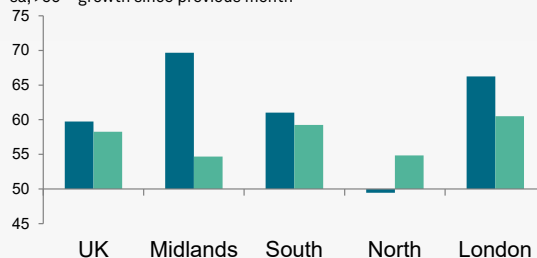
Vacancies

sa, >50 = growth since previous month



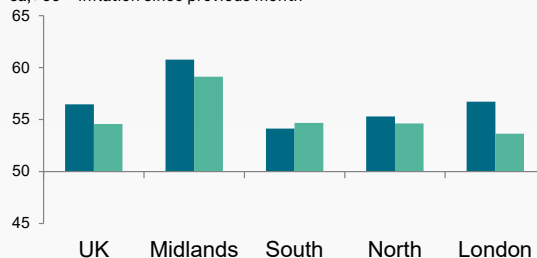
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



Contact

KPMG

Tanya Holden
Deputy Head of Media Relations
M: +44 (0) 7874 888656
tanya.holden@kpmg.co.uk

REC

Hamant Verma
Communications Manager
T: +44 (0)20 7009 2129
hamant.verma@rec.uk.com

S&P Global

Usamah Bhatti
Economist
S&P Global Market Intelligence
T: +44 1344 328 370
usamah.bhatti@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
T: +44 7967 447 030
sabrina.mayeen@spglobal.com

Methodology

The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands (defined as NUTS1 regions West Midlands and East Midlands).

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.

Survey Dates

Data were collected 06-18 December 2023.

About S&P Global

S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

About KPMG UK

KPMG LLP, a UK limited liability partnership, operates from 20 offices across the UK with approximately 17,000 partners and staff. The UK firm recorded a revenue of £2.72 billion in the year ended 30 September 2022.

KPMG is a global organization of independent professional services firms providing Audit, Legal, Tax and Advisory services. It operates in 143 countries and territories with more than 265,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

About REC

The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.