

KPMG and REC, UK Report on Jobs: Midlands

Permanent placements fall at slowest pace in five months in April

48.8

PERMANENT PLACEMENTS INDEX
APR '24

51.2

TEMPORARY BILLINGS INDEX
APR '24

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.

Softer decrease in permanent placements, as temp billings rise

Permanent and temp pay growth quickens

Supply of permanent staff expands rapidly

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

"Of note this month is the uptick in both permanent and temporary vacancies in the Midlands, outperforming the other three monitored English regions. This suggests that there are green shoots in the region's job market, particularly for candidates in more technical industries like Engineering or IT."

Neil Carberry, REC Chief Executive, said:

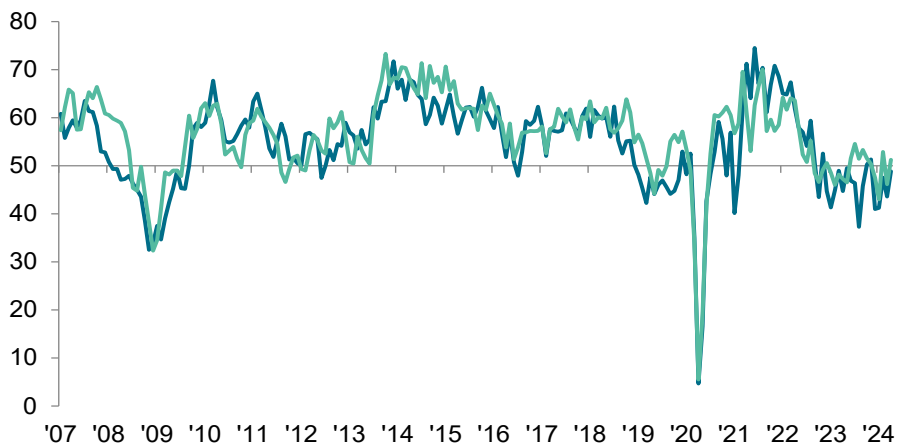
"The critical moment in any labour market slowdown is the point at which demand starts to turn around. Today's hiring data suggests that point is close in the UK, with fewer recruitment firms reporting a drop in demand. We have the slowest fall in permanent placements for five months in the Midlands. And temp billings across the Midlands returned to growth. Firms have told us all year that they will be willing to hire and invest in their business when confidence returns to the wider economy – and there is a glimmer of lower inflation and the prospect of lower interest rates starting to drive that now."

"Pay continues to rise, with a bump up this month likely to have been driven by the April peak in employer pay rises and the recent Minimum Wage rise. With substantial wage rises attracting people to work, and low unemployment, businesses and government alike will need new approaches to developing and engaging our labour force – alongside new technology – if the UK is going to grow in the way it needs to."

"Our flexible labour market is at the heart of this. It is one of the big success stories of the UK economy, with millions of workers and companies building their futures in ways that would not be possible in the one-size-fits-all approach of the past. It's why, for instance, nurses choose to work via agencies so they can get control over their working lives. Any government needs to work hard to understand what workers and companies need now – a more nuanced debate than is often centre stage in Whitehall and Westminster. A partnership approach with businesses is essential."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month



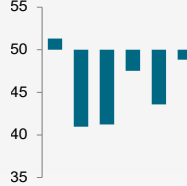
1 Staff appointments

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

Nov '23 - Apr '24

sa, >50 = growth



Slowest fall in permanent placements for five months

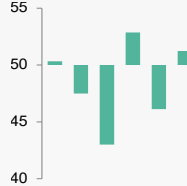
April data signalled a further decline in the number of permanent placements made by recruitment agencies in the Midlands. Staff appointments were reportedly curtailed by hesitancy among firms due to challenging economic conditions. That said, the pace of contraction eased to the slowest in the current five-month sequence of decrease, and was only slight overall.

At the UK level, the Midlands saw the weakest drop in permanent placements.

Temporary Billings Index

Nov '23 - Apr '24

sa, >50 = growth

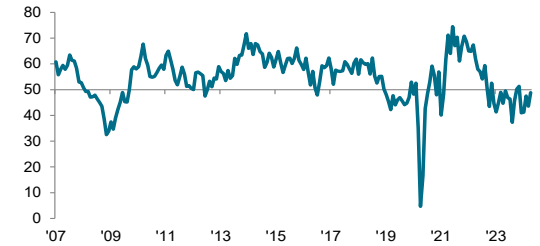


Renewed rise in temp billings in April

Temp billings across the Midlands returned to growth at the start of the second quarter, following a solid fall in March. The rise in temporary staff placements contrasted with the UK average which signalled a solid decrease. Panellists noted that the increase was due to a shift away from permanent hires amid economic uncertainty.

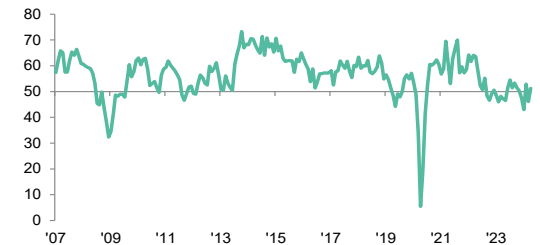
Permanent Placements Index

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
Nov-23	41.6	51.3	48.0	50.3
Dec-23	45.6	41.0	48.8	47.5
Jan-24	43.4	41.2	48.9	43.0
Feb-24	43.6	47.5	46.0	52.9
Mar-24	43.3	43.6	45.7	46.1
Apr-24	46.4	48.8	46.9	51.2

Job vacancies

In contrast to the trend seen across the UK as a whole, permanent vacancies in the Midlands increased in April. Of the four monitored English regions, the Midlands saw the greatest uptick in demand for permanent staff, despite the rate of growth easing from March.

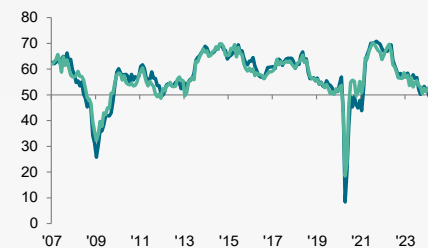
With regards to temporary vacancies, the Midlands saw the fastest rise of the English regions. Moreover, the increase was the second-fastest seen in the region since last July.

Vacancies Index

■ Permanent

■ Temporary

sa, >50 = growth since previous month

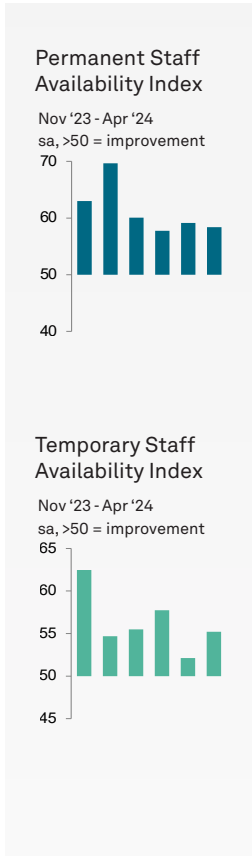


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Nov-23	49.0	53.3	51.7	52.6
Dec-23	49.2	52.1	50.8	51.3
Jan-24	49.3	51.0	50.7	52.1
Feb-24	46.8	48.9	49.4	53.4
Mar-24	47.0	51.8	49.1	56.0
Apr-24	48.2	51.2	49.8	54.5

2 Staff availability

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



Softer rise in permanent staff availability

The supply of permanent staff rose further in April, thereby extending the current sequence of growth to 13 months. The pace of growth slowed from March but remained sharp overall. Of the four monitored regions, the Midlands saw the slowest rise, however. Anecdotal evidence suggested that redundancies in the market boosted the supply of candidates.

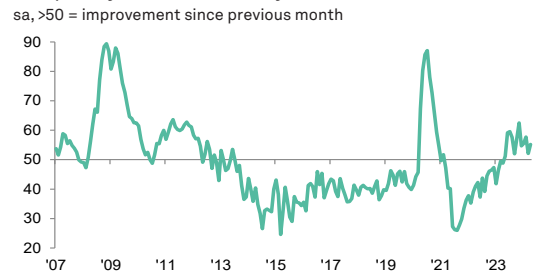
Strong uptick in temporary candidates in April

Temporary candidate availability in the Midlands increased for the twelfth successive month in April. The rate of growth in candidate supply picked up from March to a strong rate. Panellists stated that redundancies had led to increased availability of staff. The pace of the upturn was, however, slower than the UK average for the second successive month.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Nov-23	62.0	63.0	59.8	62.5
Dec-23	59.7	69.7	58.3	54.7
Jan-24	57.6	60.1	56.2	55.5
Feb-24	57.3	57.8	56.7	57.7
Mar-24	60.2	59.1	59.6	52.1
Apr-24	60.4	58.4	60.1	55.2

3 Demand for skills

Skills in short supply: Permanent staff

- Accounting/Financial**
 - ACA Qualified Accountants
 - Accountants
 - Accounts Payable
 - Auditors
 - Book Keepers
 - Credit Controllers
 - Finance
 - Management Accountants
 - Payroll
- Blue Collar**
 - Automotive
 - HVAC

- Industrial Operatives
- Semi-skilled
- Industrial
- Construction**
 - Architectural Tech
- Engineering**
 - Electrical Engineers
 - Engineers
 - Gas Engineers
 - Mechanical
 - Engineers

- IT & Computing**
 - Data Engineers
 - Developers
 - IT
 - Software Architects
 - Technical Roles
- Other**
 - Account Directors
 - Account Managers
 - Entry Level
 - Sales

Skills in short supply: Temporary staff

- Accounting/Financial**
 - Accountants
 - Auditors
 - Book Keepers
 - Credit Controllers
 - Finance
 - Payroll
- Blue Collar**
 - Blue Collar
 - Drivers
 - Security Guards

- Construction**
 - Architectural Tech
- Engineering**
 - Engineers
 - Engineering General
 - Industrial Engineers
- Hotels & Catering**
 - Chefs
- IT & Computing**
 - Automation Testers
 - Data Engineers

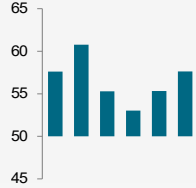
- Developers
- IT
- Nursing/Medical/Care**
 - Dentists
- Secretarial/Clerical**
 - Office Support Staff

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 Salaries Index

Nov '23 - Apr '24
sa, >50 = inflation



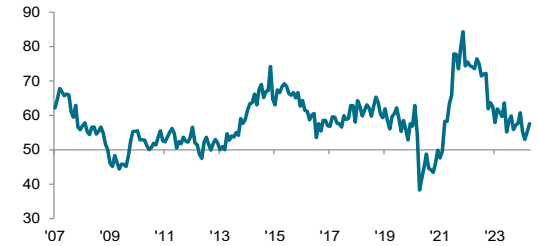
Permanent salaries rise at sharpest pace in year-to-date

Permanent starting salaries in the Midlands increased again in April, thereby extending the current sequence of inflation that began in March 2021. The rate of salary inflation accelerated for the second month running to the fastest since December 2023. The rise in salaries for permanent new joiners was linked to an uptick in demand for candidates.

The pace of salary inflation was the quickest of the four monitored regions.

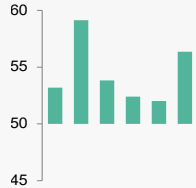
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Nov '23 - Apr '24
sa, >50 = inflation



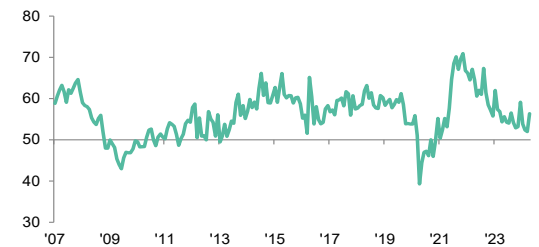
Temp wages rise at sharper pace

Midlands recruitment firms registered a faster increase in temp pay rates at the start of the second quarter. The pace of wage inflation picked up to the quickest in four months and was steep overall. Survey respondents noted that greater temp wage rates were due to some additional cost-of-living payments and demand for temporary workers.

The rate of temp wage inflation was broadly in line with the UK average.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Nov-23	56.0	57.6	52.2	53.2
Dec-23	56.5	60.8	54.6	59.1
Jan-24	55.8	55.3	54.8	53.8
Feb-24	55.2	53.0	54.3	52.4
Mar-24	53.3	55.3	53.7	52.0
Apr-24	55.9	57.6	56.2	56.4

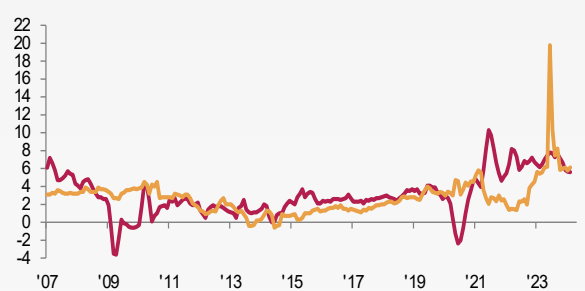
Official data: UK average weekly earnings

Latest figures from the Office for National Statistics (ONS) indicated that total employee earnings (including bonuses) continued to rise on an annual basis during the three months to February. The rate of inflation was, however, unchanged from January's 18-month low of 5.6%.

There was some divergence between the performance of the private and public sectors in the latest period. On the one hand, public sector earnings rose at a faster rate (6.1%, compared to 5.8%). However, private sector pay growth softened a little, dropping to 5.6%. That was the lowest level since the start of 2022.

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

Permanent staff hiring across the UK continued to decrease at the start of the second quarter, thereby extending the current sequence of decline that began in October 2022. That said, the pace of contraction eased to the joint-weakest in just over a year. All four monitored English regions noted a slowdown in the fall in permanent staff appointments, with the softest downturn seen in the Midlands. The sharpest decrease was seen in the South.

Meanwhile, temp billings also fell further across the UK in April, albeit at a softer pace. The overall decline was the weakest in three months, as the Midlands recorded a renewed rise in temp billings. Elsewhere, London continued to register the sharpest drop, with the North and South of England seeing further but slower contractions in temporary staff billings.

Candidate availability

Permanent staff availability increased across the UK at a marked pace during April, with the rate of growth quickening to the fastest since last November. The expansion in the supply of permanent workers was driven by substantial and faster upticks in the South of England and London. Upturns in staff availability remained apparent in the North and Midlands, however, the pace of growth softened in each.

Concurrently, temporary staff availability rose across the UK at the sharpest rate since December 2020. With the exception of the North, all monitored English regions saw a quicker rise in the supply of temporary workers, with the fastest uptick seen in London.

Pay Pressures

Permanent starting salaries across the UK increased at a faster pace in April, as the rate of inflation accelerated to the quickest in four months. The Midlands saw the steepest rise in staff starting salaries. That said, wage pressures intensified across all four monitored regions.

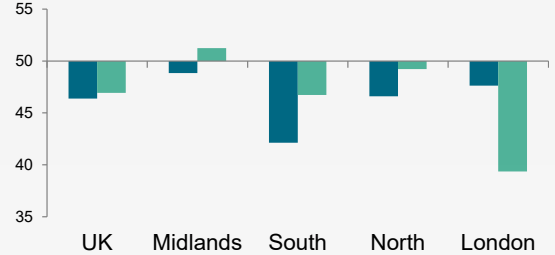
At the same time, hourly pay rates for temporary staff at the UK level rose at the quickest pace since June 2023. All four monitored regions recorded accelerated increases in temp pay rates, with the North indicating the steepest uptick. London registered the slowest rise, although it was nonetheless the fastest seen in the region since last September.

April 2024

■ Permanent
■ Temporary

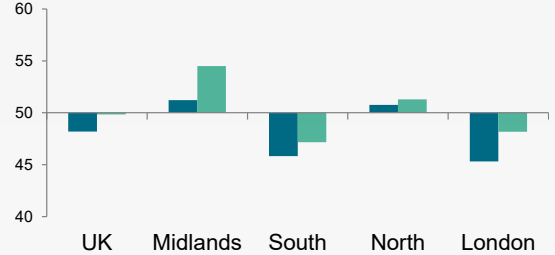
Staff Appointments

sa, >50 = growth since previous month



Vacancies

sa, >50 = growth since previous month



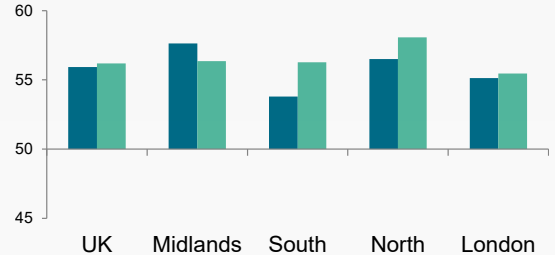
Staff Availability

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

Siân Jones
Principal Economist
S&P Global Market Intelligence
T: +44 1491 461 017
sian.jones@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 11-24 April 2024.

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 18,000 partners and staff. The UK firm recorded a revenue of £2.96 billion in the year ended 30 September 2023.

KPMG is a global organisation of independent professional services firms providing Audit, Legal, Tax and Advisory services. It operates in 143 countries and territories with more than 273,000 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.