

# UK Jobs Market Review

## September 2022



### Permanent placements increase modestly and temps slow



#### Permanent

There was a notably softer rise in permanent staff appointments at the end of the third quarter. Higher placements are linked to a strong demand for staff and clients' efforts to increase capacity. However, candidate shortages and increased caution around the outlook has dampened hiring activity.



#### Temporary

Though marked, September saw the softest rate of expansion seen in 18 months. Greater demand for staff, new projects and efforts to fill roles quickly due to the shortage of permanent workers is supporting upturn. But, weaker economic conditions and low candidate numbers have constrained growth.

### Total vacancies increase at slower rate



There were softer rises in demand for both permanent and temporary staff at the end of the third quarter. Temporary vacancies expanded at a slightly quicker rate than that seen for permanent roles, though both hit their lowest levels for 19 months.

At 1,266,000, the overall number of vacant roles was 20% higher than a year ago, but this marked the slowest annual rate of growth since the three months to April 2021. Furthermore, vacancies fell slightly compared to the prior three-month period when they hit an all-time high of 1,300,000.

### Availability of staff continues to fall sharply

The overall supply of labour across the UK declined for the 19th successive month in September. Though sharp and much quicker than what we have seen previously, the rate of contraction was the least severe since April 2021. A key factor weighing on candidate availability was increased market uncertainty, which often meant people were more hesitant to apply for new roles.



Fewer foreign workers due to Brexit, skills shortages and a preference for permanent work has driven the latest reduction in temporary labour supply.

### Stronger rise in temp pay rates in August

#### Permanent

Starting salaries increased for the 19th month running in September. The upturn is linked to greater competition for staff and the higher cost of living. London saw the steepest increase in permanent pay, though rates of inflation remained sharp elsewhere.



#### Temporary

Candidate shortages and the rising cost of living also drove a further increase in pay for temps in September. Average hourly rates have now increased in each of the past 19 months. This has been recorded across all regions, with the South noting the steepest rate of inflation.