

# UK Jobs Market Review

## October 2022



### Fresh fall in permanent staff appointments



#### Permanent

Last month signalled a fresh fall in permanent placements for the first time since February 2021. Increased market uncertainty - which led some businesses to pause or scale back recruitment - and candidate shortages dampened staff hiring. London saw the steepest rate of reduction.



#### Temporary

After rising sharply through much of the past two years, the employment of temps broadly stagnated last month. Increased demand was generally attributed to strong demand for short-term workers and efforts to boost capacity. However, increased economic uncertainty has weighed on the upturn.

### Vacancy growth eases



Last month saw slower increases in both permanent and temporary vacancies. The rate of expansion in both areas was the softest seen for 20 months and notably slower than the first part of this year.

Data from ONS showed that overall vacancies fell slightly, but remained high by historical standards. At 1,246,000 the number of open roles was 10.4% higher than that seen over the same period last year.

### Availability of staff continues to drop sharply

Last month saw a further sharp reduction in the overall availability of candidates, albeit one that was the softest seen since April 2021. Permanent candidate shortages remained more widespread than that seen for temps.

Weaker economic conditions and increased uncertainty over the outlook has led people to become more hesitant to seek out or switch to new roles. A generally low unemployment rate also restricted the pool of available workers. The North of England saw the quickest deterioration in the supply of permanent staff.



### Starting salary inflation dips to 18-month low

#### Permanent

Last month saw a further rise in salaries awarded to new permanent joiners. Salaries were increased due to efforts to attract and secure scarce workers as well as the rising cost of living. Data split by English region shows that the quickest increase in permanent pay was seen in

London.



#### Temporary

The rate of temp pay inflation softened for the second month in a row. Nevertheless, the rate of pay growth remained sharp overall. Candidate shortages were the key driver of higher wages, while cost-of-living pressures also pushed up rates of pay. London registered the fastest rise.

