

UK Jobs Market Review

January 2024



January sees sharper drop in permanent placements

Permanent



As has been the case since October 2022, the number of people placed into permanent job roles across the UK declined at the start of the year. Companies had often paused hiring decisions amid caution around the economic outlook. Whilst the rate of contraction was broad-based across the UK, with the steepest contraction being seen in the Midlands.



Temporary

January signalled a decline in temp hours for the third straight month. That said, the pace of reduction was the softest seen over this period and only marginal. However, some companies are preferring to use temp workers when filling roles. Higher billings were seen in North and South with declines in Midlands and London.

Vacancies fall for fourth time in past five months



Permanent staff demand fell for the fifth straight month at the start of 2024, albeit slightly. At the same time, temp vacancies expanded at a marginal pace that was the slowest since November 2020.

Vacancies continued to decline over the final quarter of 2023, according to latest data from the Office for National Statistics (ONS). The number of open roles fell by 49,000 over the three months to December to reach 934,000 overall. This marked the lowest level of vacancies for two-and-a-half years. Nevertheless, the number of unfilled job roles was still over 100,000 higher than that seen just prior to the pandemic.

Availability of candidates rises at softest pace for four months

January saw a softer rise in permanent candidate availability at the start of the year. Though sharp, the latest upturn was the least pronounced in four months. Where candidates numbers were higher, this was often linked to redundancies and a showdown in hiring activity.

January saw a sustained rise in temporary worker availability in January, thereby stretching the current period of expansion to 11 months. Whilst marked, the rate of growth was the softest seen since last May. Improvement in temp staff availability was due to company layoffs and relatively subdued demand for workers.



Perm salary growth dips whilst temp wages at five-month high

Permanent

Average salaries awarded to new permanent joiners continued to increase across the UK at the start of 2024. Whilst sharp, the rate of pay growth slipped to the softest since March 2021. The higher cost of living and competition for skilled workers had placed further pressure on starting salaries.



Temporary

There was an increase in average pay rates for short-term staff for the thirty-fifth month in a row in January. Wages increased in order to attract and secure suitably-skilled workers amid the higher cost of living. Whilst solid, the rate of pay growth was slower than seen on average over the current period of rising wages.

