

UK Jobs Market Review

March 2024



Recruitment activity continues to decline in March

Permanent



Permanent staff appointments in the UK continued to fall in March. Moreover, the rate of contraction was again marked and the steepest seen since last November. There was a drop in the number of available positions, amid recruitment freezes at companies due to an uncertain economic outlook. That said, there is also a shortage of available candidates to fill positions still!



Temporary

March data revealed a further contraction in temp billings. Overall it was the fifth successive month in which a reduction in billings from the employment of short-term staff has been registered, and the latest fall was also the most marked since July 2020. Amid evidence of budget restrictions at clients, there were reports of a lack of demand for temp workers.

Demand for staff continues to decline



Permanent staff demand declines at a slightly softer rate than February's 37-month record, but the fall was still solid and quicker than seen for temporary workers. Overall, demand for temp staff was down for a second month running, though again only marginally.

According to the most recent data from the ONS, and in line with the recent trend, the number of overall vacancies in the UK continued to fall into the three months to February. Overall, the number of available job opportunities was 908,000 down by 43,000 compared to the three months to November 2023.

Overall candidate supply increases at a steep pace

Permanent staff availability increased again in March, marking a thirteenth successive monthly increase. Moreover, the rate of growth picked up quite noticeably, reaching its highest level since last November. These were reports of increase redundancies, company restructuring and reduced vacancies. These factors led to an increase in the supply of people looking for a permanent positions.



Temporary candidate availability also rose for a thirteenth successive month in March. The rate of growth also accelerated, reaching its highest level since last November. There was evidence of an increased number of redundancies as firms engaged in cost cutting against an uncertain backdrop.

Starting salaries rise at slowest rate for over three years

Permanent



Latest data showed that permanent staff salaries continued to rise in March. However, the rate of increase was the lowest in the current sequence. Where pay was reported to have increased, it appears that companies were willing to bolster pay to attract and secure better quality candidates. An increase in the availability of workers did however serve to weigh on pay growth.



Temporary

Typical average pay rates for temp workers continued to rise in March, although the rate of inflation sank to its lowest level for four months. Temp pay was reported to have risen in line with greater demand for higher quality candidates and their limited supply. The strongest increase was again seen in the North of England.