

# UK Jobs Market Review

## May 2024



### May sees weaker decline in placements

#### Permanent



Permanent placements in the UK fell again in May. That said, the rate of contraction was modest and the softest in over a year. Few job openings, amid a lack of available roles, delayed hiring decisions and a lack of suitable candidates for some positions were all factors. However, there was a return to marginal growth in the Midlands.



#### Temporary

May saw a more modest fall in temp billings. Where there was a decline, this was linked to a mixture of reduced demand and candidate shortages for specific roles. Whilst London and the South recorded a drop in temp billings, in contrast, solid growth was seen in the Midlands and the North of England.

### Staff vacancies down only slightly



Latest data showed that permanent staff vacancies continued to fall in May, extending the current downturn to nine months. However the rate of contraction was marginal, and the weakest recorded since last October. Meanwhile, temp worker demand was unchanged in May following a three-month period of falling temp vacancies.

The latest figures from the ONS, indicated a drop in the number of vacancies in the three months to April 2024. According to the official statistics body, vacancies fell 26,000 compared to the three months to January, with the overall vacancies dropping to 898,000. This is still higher than just prior to the pandemic.

### Staff availability rises to greatest degree since end of 2020

Permanent staff availability continued to improve during May, extending the current period of expansion to 15 months. Moreover, the rate of growth was the highest seen since the end of 2020. A mixture of redundancies, reduced demand and less vacancies had led to the latest rise in candidate availability.



The availability of temporary staff increased again in May in line with the trend since March 2023. The rate of expansion was steep, though softened a little since April's recent high. Redundancies and higher unemployment, alongside a general drop in demand for candidates, had driven growth in temp candidate supply.

### Further uplift in pay rates

#### Permanent



Permanent starting salaries increased again in May, marking a thirty-ninth successive monthly upturn. The degree to which salaries rose was little changed on April's four-month high. Wages continued to rise in line with broader inflationary pressures and the high cost of living. That plus the increase in national minimum wage.



#### Temporary

Temporary pay continued to rise at a similarly marked pace to starting salaries during May. Wage inflation has now been registered in each month since March 2021. The inflationary impact of April's national minimum wage, plus bolstering pay to attract high quality candidates were the main drivers for the growth.