

UK Jobs Market Review

June 2024



Permanent staff appointments fall again, but rise in temps

Permanent



Permanent staff appointments in the UK continued to decline in June, stretching the current downturn to 21 months. Moreover, the rate of contraction accelerated since May to the steepest for three months. There has been a lack of demand, driven part by general election uncertainty which has reported to have acted as a brake on recruitment activity.



Temporary

A return to growth of temp billings was signalled in June. Although only marginal, it was the first increase registered since last October. This is due to additional staff being taken on in line with higher activity requirements at companies. Growth was seen in the Midlands and North.

Demand for staff declines modestly



The primary source of the overall fall in vacancies in June were permanent staff. According to the latest data, permanent staff vacancies fell for a tenth successive month but nonetheless at a modest pace. In contrast, the demand for temporary workers was broadly unchanged.

Vacancies in the UK declined again in the three months to May, with underlying data from the ONS showing a decline of 12,000 compared to the three months to February. Overall, the number of vacancies were 904,000, the lowest number since the three months to June 2021. On the year, vacancies were 156,000 lower. However, they are still 108,000 higher than the pre-pandemic level of 796,000 in March 2020.

Second-fastest rise in staff availability since last November

Permanent staff availability rose for the sixteenth successive month in June, with the rate of growth strong again. Redundancies are becoming more common, although in some instances, higher candidate supply reflected greater confidence amongst candidates to secure new positions.



The availability of temp workers continued to rise in June, extending the current run of growth to 16 months. The rate of expansion was down for a second month running, though remained historically marked. A combination of redundancies, company restructuring and a reduced number of job openings led to the rise in temp staff availability.

Salary inflation accelerates to eight-month high

Permanent



According to the latest data, stating salaries rose to the greatest degree since last October and have now increased for 40 months in a row. Pay is being increased to attract good candidates, who themselves are generally willing to demand greater pay given the ongoing cost of living pressures.



Temporary

Temp pay rates continued to rise in June, extending the current trend of inflation to 40 months. However, unlike permanent pay, the degree to which wages increased was the lowest since March. Pay growth has been linked to cost-of-living expenses and a dearth of suitable candidates.