

# UK Jobs Market Review

## July 2024



### Concurrent declines in permanent & temporary appointments

#### Permanent



There was a further reduction in permanent staff appointments in July, stretching the current downturn to 22 months. The rate of contraction was solid, though eased since June. The fall in vacancies plus an increase in candidate supply drove the latest reduction in permanent placements. In contrast, a modest increase in placements was seen in London.



#### Temporary

There was a fractional reduction in temp billings during July to broadly offset the marginal growth recorded in June. Where a decline was registered, this was linked to lower activity at forms and the non-replacement of expiring workers contracts. Where growth was signalled it was attributed in part to cultural events like the European Football Championship.

### Marginal decline in demand for staff



Permanent staff vacancies continued to fall in July and was the primary source of the decline in overall vacancies. It was the eleventh month that a decline has been registered, although the latest pace of contraction was modest. Conversely, there was a second consecutive monthly rise in temp demand. Although growth was marginal, it was also stronger than June.

Latest data from the Office for National Statistics (ONS) showed a fall of 30,000 compared to the three months to March. This meant that the overall number of vacancies fell to 889,000, its lowest level for three years. However, the number of open positions still remains higher than the pre-pandemic level to March 2020.

### Staff availability rises again in July

There was another steep rise in permanent staff availability during July, although the rate of growth slipped again to hit a five-month low. A higher number of redundancies has increased the volume of available candidates. All areas of England saw growth in July, the sharpest being in London, followed by the North of England. The slowest rise was seen in the Midlands.



For the seventeenth successive month, there was an increase in temp availability during July. Growth was again marked, though eased to its lowest level since February. It is reported that supply has risen due to redundancies and a reduce in the number of placements.

### Pay rates continue to rise

#### Permanent



Permanent salaries continued to increase during July, in line with the trend seen for just short of three-and-a-half years. The rate of inflation was marked, though a little softer than June's recent high and below the historical average. Higher starting pay rates reflected a dearth of suitable candidates and a willingness amongst firms to pay more to attract candidates.



#### Temporary

Temp pay rates rose again in July. However, the rate of inflation was marginal and the weakest in the 41 months that rates have increased. Shortages of suitable staff and the ongoing ripple effect of April's increases in the living and minimum wages continued to push up pay rates. A general increase in temp availability was reported to have weighed on pay inflation.