

UK Jobs Market Review September 2024



Staff appointments continue to fall

Permanent



Permanent placements continued to decline in September extending the current downturn to two years. The rate of contraction was again marked, though eased slightly on August's five-month record. Clients were adopting a cautious approach to hiring amid uncertainty in the outlook. This was partly linked to perceptions of unclear government policy ahead of the budget in late October.



Temporary

For the third month in a row, temp billings declining during September. The rate of contraction also accelerated, reaching its steepest since April. There has been a lack of demand amid tight client budgets and an uncertain business environment. London recorded the steepest reduction. In contrast, there was a marginal increase in the Midlands.

Vacancy numbers continue to decline



Permanent vacancy numbers maintained their recent downward trend in September, falling for a thirteenth successive month. The rate of contraction was also the steepest recorded since March. Temp staff demand meanwhile fell for a second month in a row and, although modest, the rate of contraction was the fastest since July 2020.

Latest data from the ONS indicated a further fall in the number of vacancies during the three months to August. It was the twenty-sixth month in a row that a quarterly decline has been registered, with the latest contraction the steepest of the year-to-date. The overall number of vacancies was 857,000 - some 140,000 lower than a year ago. However, vacancy numbers are still some 61,000 higher than on the eve of the 2020 global pandemic.

Staff availability rises markedly

The availability of staff to fill permanent vacancies increased steeply again in September, extending the current period of growth to 19 months. The rate of expansion did however soften, easing to its lowest since February. The increases have been linked to higher redundancies and a lack of demand for staff.



For the nineteenth successive month, an increase in temp availability was registered in September. The latest expansion was also sharp, despite easing to its lowest since February. Less vacancies and more people out of work led to the increase in temp availability.

Permanent pay inflation softens during September

Permanent



Although typical starting salaries increase for a forty-third successive month in September, the rate of inflation was relatively modest. Shortages of suitable labour continued to push up salaries for higher calibre candidates. However salary inflation was limited by the greater availability of job hunters and cooling market demand.



Temporary

Temp pay rates were very slightly lower in September, and thereby ended a three-and-a-half-year period of inflation. More candidates and a lack of available roles have weighed on temp pay levels. Only in the North of England was an increase in temp pay recorded in September.