

UK Jobs Market Review December 2024



Accelerated fall in permanent placements in December

Permanent



The end of 2024 saw the fastest decline in permanent placements since August 2023. Recruitment activity at firms was reportedly on hold amid concerns over the cost of hiring, in turn linked to the government's proposed changes to national insurance contributions and employment rights.



Temporary

Temp billings continued to fall in December. It was the sixth successive monthly contraction recorded. Recruitment market activity was reported to be slower, with firms reluctant to take on or replace staff given some economic uncertainty and the recent Government budget.

Vacancies continue to contract sharply



Latest vacancy data showed another drop in demand for staff in December. Permanent vacancies fell at a steeper degree than for temp staff. Overall, the decline in permanent vacancies was the steepest in nearly four-and-a-half years. Nonetheless, temp vacancies fell for a fifth successive month and to the greatest degree since June 2020.

According to the latest figures from the Office of National Statistics (ONS), UK vacancy numbers continued to fall in the three months to November, dropping 10,000 since October to a level of 818,000. That's the lowest overall level since the three months to May 2021.

Availability of staff rises sharply in December

The availability of workers to fill permanent positions increased again in December, extending the current period of growth to 22 months. There were again reports that a combination of low demand and a growing number of redundancies (reflecting of cost cutting at firms) underpinned the rise in staff availability.



As has been the case since March 2023, an increase in the availability of temporary workers in the UK was recorded in December. A lack of vacancies and a general market slowdown were reported to have led to a further rise in temp staff availability.

Upturn in permanent salary pay recorded in December

Permanent



Permanent salaries increased again during December, in line with the trend recorded since March 2021. It was reported that competition for high quality candidates had raised starting salaries. However, an increase in the supply of candidates somewhat limited salary growth.



Temporary

A third successive monthly increase in temp rates was recorded in December. Higher pay rates were reportedly being used to attract candidates, although the increased availability of workers served to restrict the pace of inflation.