

September 2024 job market report

“What’s the UK job market like?”

The September 2024 KPMG & REC UK Report on Jobs is now out.

“Steeper fall in permanent placements”

The latest KPMG & REC UK REPORT ON JOBS has been published featuring survey results from mid-late August 2024.

The [full report is posted here](#)

Jon Holt, Chief Executive and Senior Partner of KPMG in the UK commented: “Recent Government warnings add to the overall sense of uncertainty, affecting recruitment plans. Firms holding back from hiring led to a sharp contraction in the number of people placed into permanent roles in August amid continued decline in demand.”

Neil Carberry, REC Chief Executive, said:

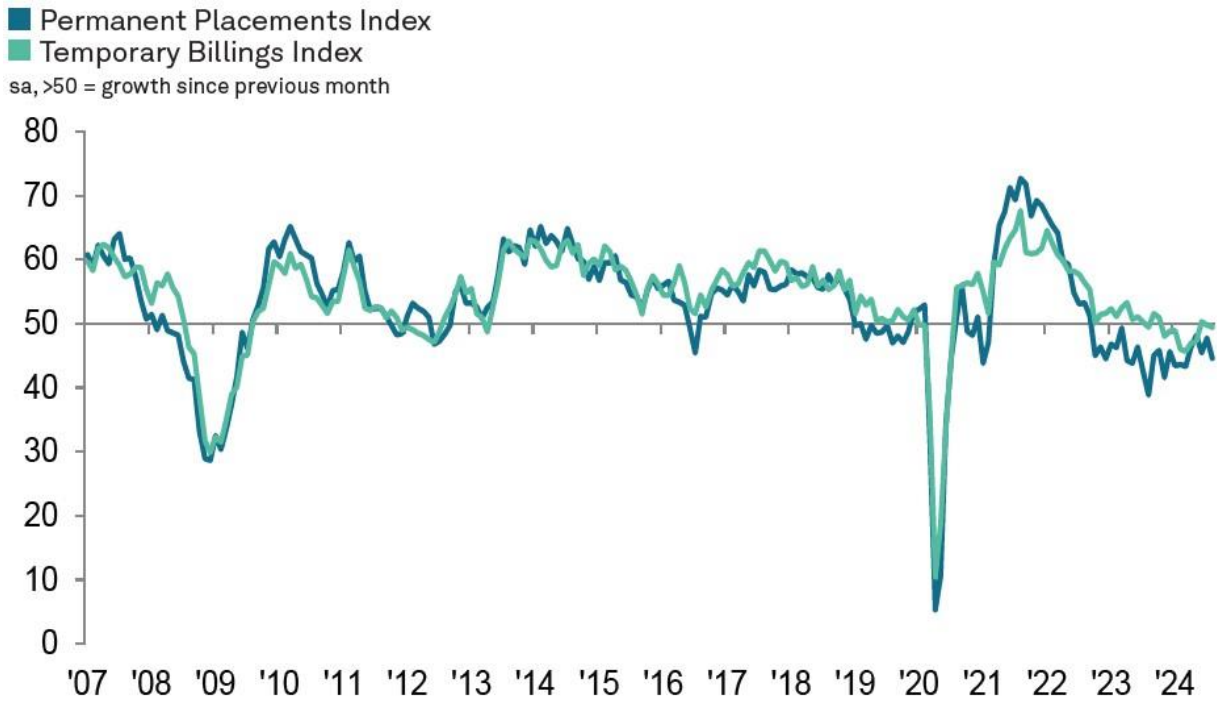
“August is always a difficult market to judge because of the summer break, but this month’s survey supports what we have been hearing around the country – employers are still cautious. A vision for a positive, prosperous Britain has to accompany the fiscal realism that is being served up right now. ”

Key findings are:

- **Staff appointments continue to fall during August**
- **Slower growth in permanent staff pay**
- **Staff demand down slightly again in August**
- **Strong growth in staff availability**
- **The fastest increase in demand for staff was seen for Nursing & Medical Care, followed by Engineering**
- **The weakest sectors are IT & Computing and Construction**
- **Regionally, the strongest performance was in the North**

Appointments

Permanent placements decline at an increasing rate.



Permanent staff appointments continued to decline in August, maintaining a downward trend that began in October 2022. Furthermore, the pace of this contraction quickened, marking its sharpest drop since March.

Panellists cited lower demand, economic uncertainty, and a shortage of vacancies as key factors behind the latest downturn.

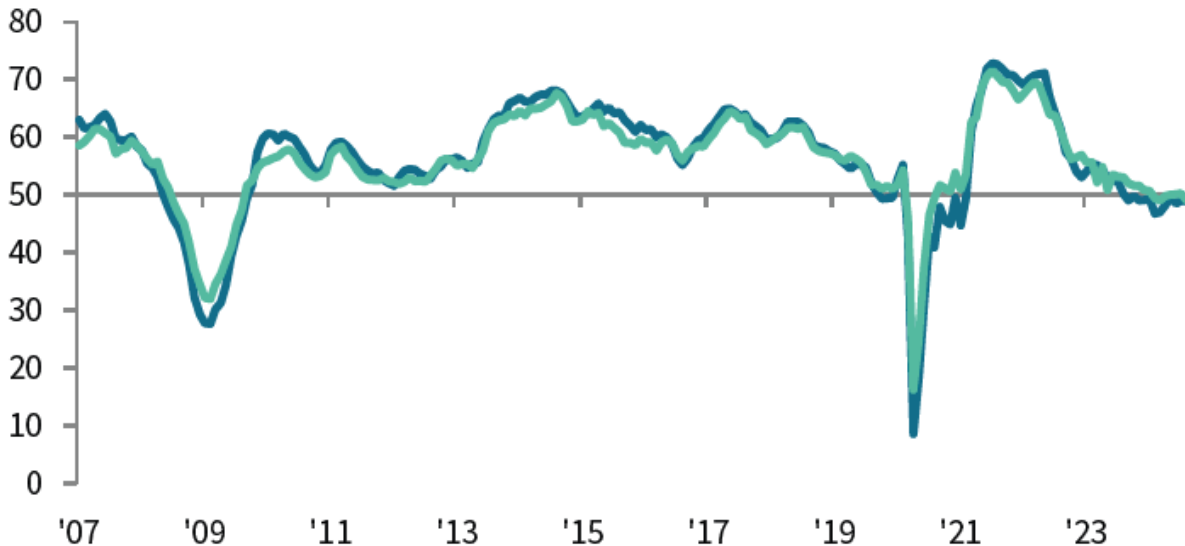
The South of England experienced the most significant decline in placements, whereas the North of England saw minimal change.

Vacancies

A slight decrease in vacancy numbers again

■ Permanent Vacancies Index
■ Temporary Vacancies Index

sa, >50 = growth since previous month



Vacancy numbers continued to fall in August, extending a decline that has persisted for ten months. The index indicated that the rate of contraction remained minimal.

Permanent & Temporary Vacancies

Permanent vacancies saw a decrease in August, marking the twelfth consecutive month of decline. The rate of contraction remained unchanged from July, continuing to be marginal. Demand for temporary staff also edged down slightly in August, the first recorded drop in temp vacancies in four months.

Public & Private Sector Vacancies

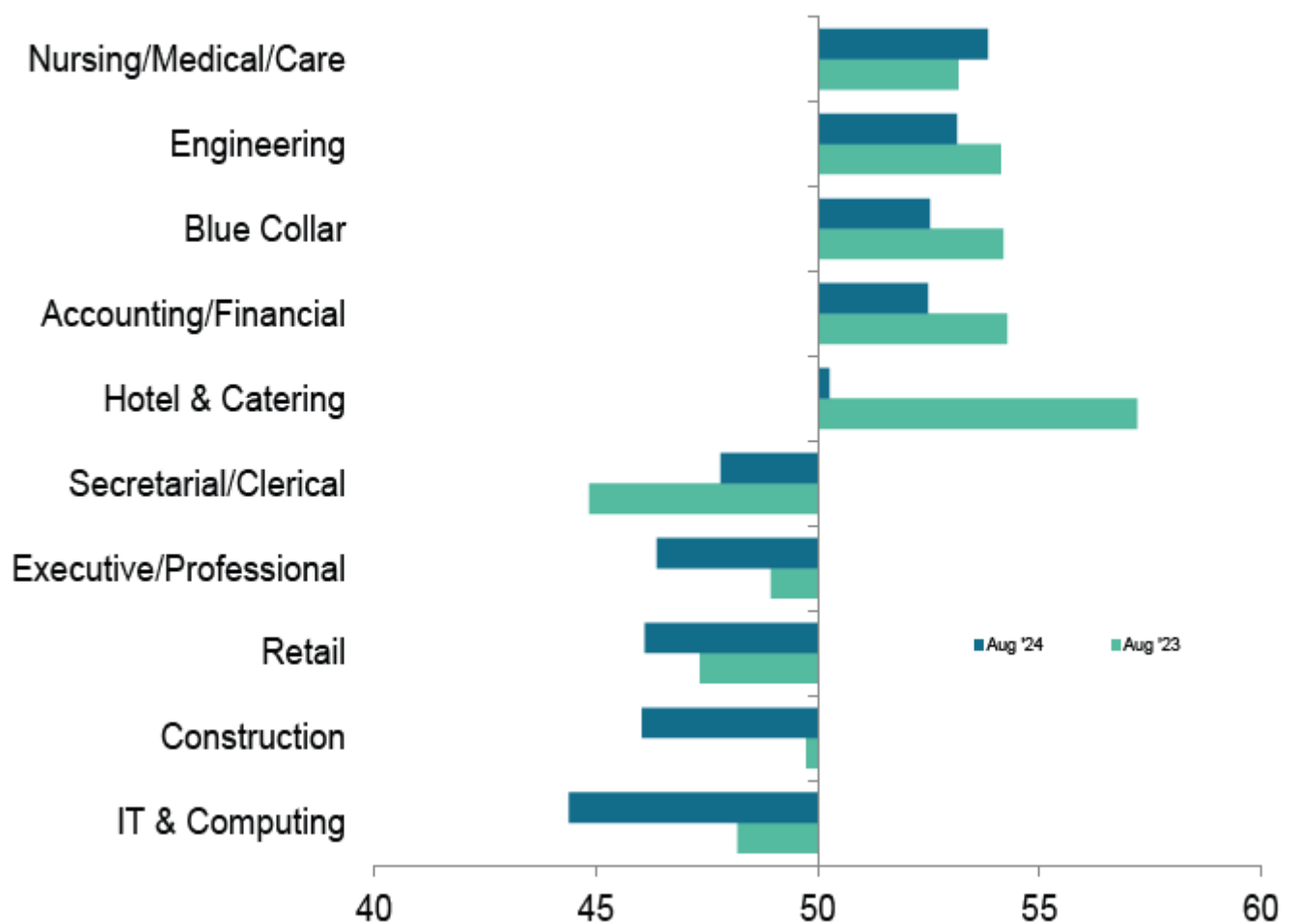
In the private sector, permanent vacancies experienced a slight decrease in August after showing marginal growth in July. Temporary private sector vacancies saw little change, following four months of growth.

In the public sector, permanent vacancies dropped significantly, recording the sharpest fall in three months. Temporary public sector vacancies also declined, though less dramatically than permanent roles, but still considerably.

In August, once again, half of the sectors included in the survey reported a decline in permanent vacancies, with the sharpest decrease occurring in IT & Computing. On the other hand, among the sectors that saw growth, Nursing & Medical Care experienced the fastest rise in vacancies.

Permanent Vacancies Index

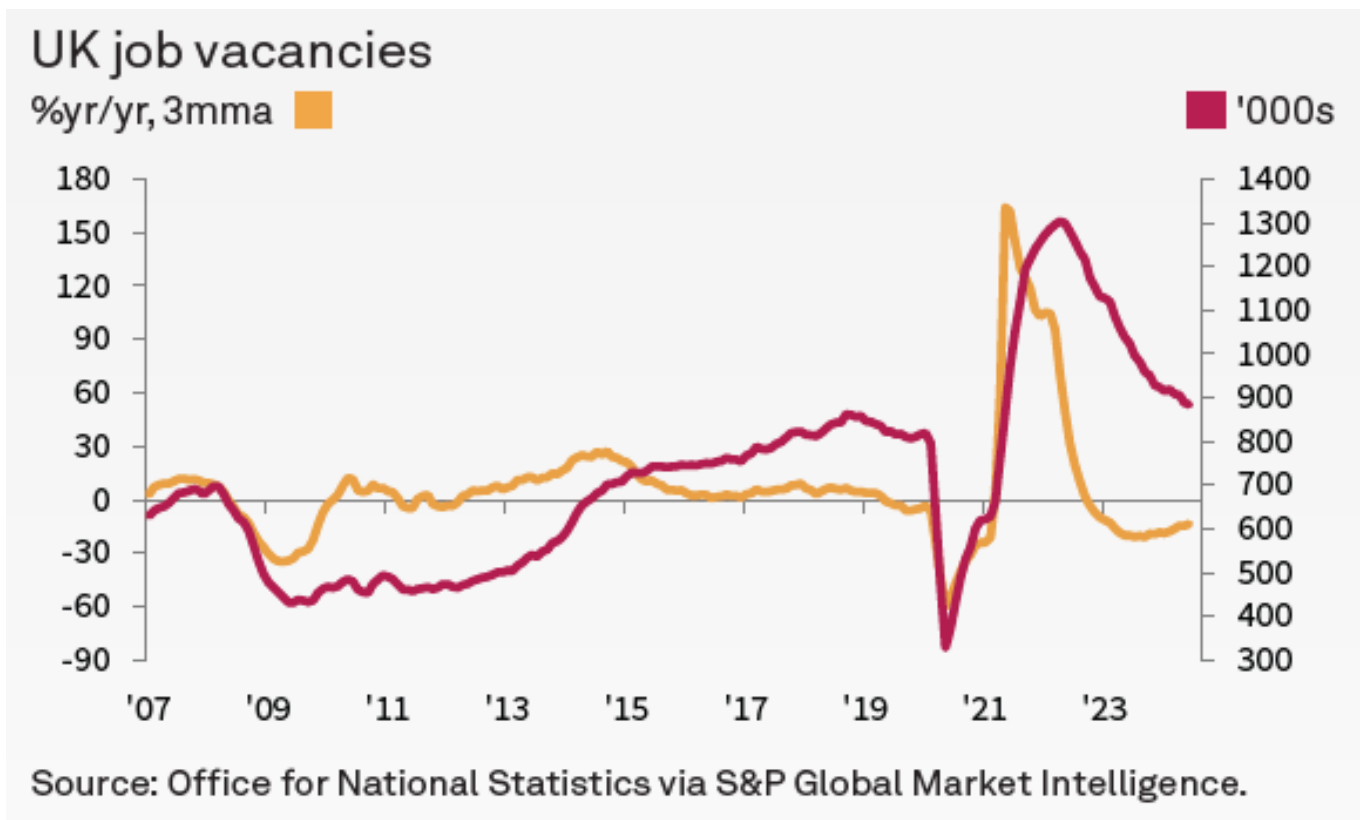
sa, >50 = growth since previous month.



ONS Data

[Office for National Statistics](#) figures state the estimated number of vacancies in the UK for June to August 2024 stood at 857,000, reflecting a decline of 42,000 or 4.7% compared to March to May 2024. However still well above the pre-pandemic level of 796,000 set in the three months to March 2020.

This marks the 26th consecutive quarterly decline in vacancy numbers, with all 18 industry sectors experiencing reductions during this period.

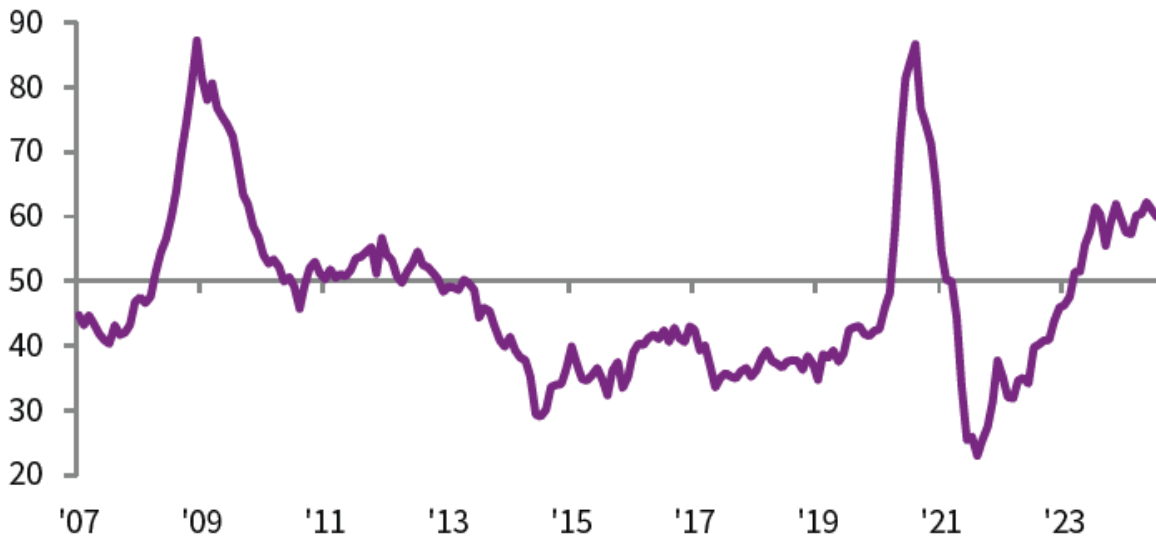


Staff availability

Significant rise in candidate staff availability recorded

Total Staff Availability Index

sa, >50 = improvement since previous month



August saw another marked increase in candidate supply. Adjusted for seasonal factors, the Total Staff Availability Index registered 59.8, slightly lower than July's 59.9, yet still indicating a significant rise in availability, well above the long-term trend.

This marks the eighteenth consecutive month of growing candidate availability, with comparable increases seen in both permanent and temporary staff supply.

Anecdotal evidence indicated that an increase in redundancies, coupled with a reduction in placements, contributed to the rise in staff availability.

The South of England saw the strongest growth in permanent staff availability, followed by London. Meanwhile, the Midlands experienced a comparatively modest increase, with growth slowing to its lowest level in 16 months.

Pay pressures

Starting salaries rose once more in August.

Continuing the inflationary trend that has now lasted three and a half years, average permanent salaries increased again in August, although at the slowest pace since March.

Panellists reported that employers were still prepared to offer higher salaries to secure the right candidates, particularly in sectors with limited candidate availability.

The latest data revealed that the North of England saw the largest increase in starting salaries, followed by London, while the Midlands and the South also recorded solid salary growth.

ONS Data

According to the latest data from the [Office for National Statistics \(ONS\)](#), for the period from May to July 2024, annual growth in employees' average regular earnings (excluding bonuses) was 5.1%.

Annual average regular earnings growth for the public sector remained robust at 5.7%, though slightly lower than the previous three-month period's 6.0%. In the private sector, growth stood at 4.9%: the manufacturing sector recorded the highest annual regular earnings growth rate at 5.9%, while the construction sector experienced the lowest annual growth rate at 3.9%.

London job market

KPMG and REC also produce a [London job market analysis](#).

Renewed decline in permanent placements across the capital

After a brief pause in July, August data showed a sharp renewed decline in permanent placements across the capital. The rate of decrease was the steepest since March. This drop in new staff appointments was attributed to a shortage of suitable candidates and a reduction in available vacancies.

Job vacancies

August data indicated subdued demand for labour in London. Permanent vacancies declined after a slight increase in July, marking contractions in 17 of the past 18 survey

periods. Similarly, temporary vacancies saw a slight rise in July, but demand remained stagnant during the most recent survey period.

Staff availability

Permanent staff supply continued to grow across the capital in August. Although the rate of growth slowed to a three-month low, it remained rapid overall, being the second-highest among the four monitored English regions. Recruiters attributed the increase in supply to redundancies and a surge in senior candidates entering the market.

Starting salaries increase rapidly

Salaries for permanent new joiners continued to increase sharply across the capital in August, extending the growth trend that began in March 2021. Recruiters observed that businesses raised pay levels to attract suitably skilled workers. However, the rate of salary inflation eased to a five-month low and remained below the long-term average.

Regional comparison

Staff Appointments

Permanent placements across the UK continued to decline midway through the third quarter, extending the downward trend that began in October 2022. The contraction intensified from July and reached its steepest point since March. All four monitored English regions reported a decrease in permanent staff appointments, with the sharpest decline occurring in the South of England.

At the same time, temporary billings fell for the second consecutive month in August, though the decline was slight. Regional trends varied, with the Midlands and North of England reporting increases in temp billings, while London and the South of England saw ongoing declines.

Candidate Availability

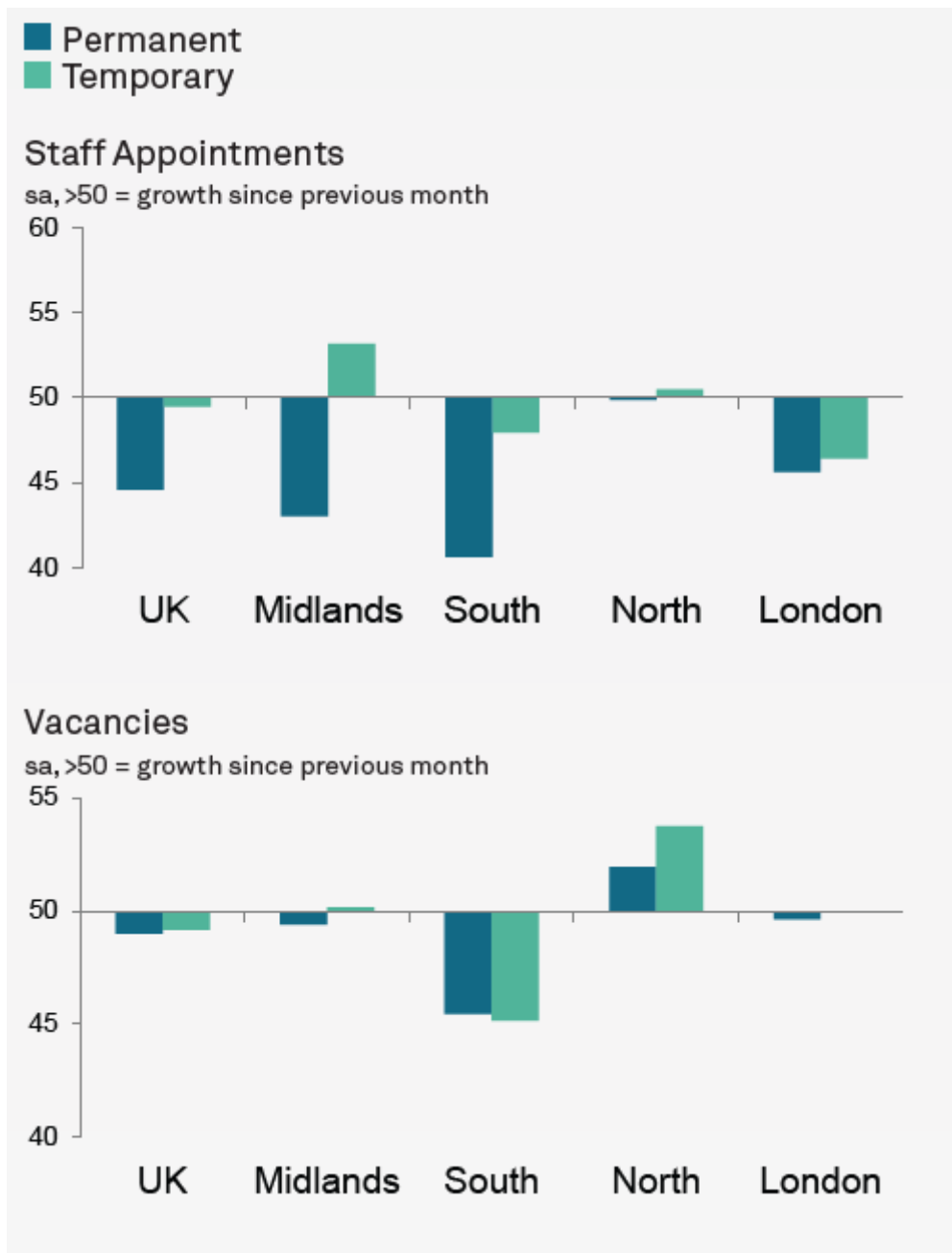
Permanent staff availability across the UK grew at a notable pace in August, although the rate of expansion slowed to a six-month low. The South of England led the increase in the supply of permanent workers, with all other English regions also experiencing growth.

At the same time, temporary staff availability surged at the fastest rate since April. Except for the North of England, all monitored English regions saw an accelerated rise in the supply of temporary workers, with London experiencing the most significant increase..

Pay Pressures

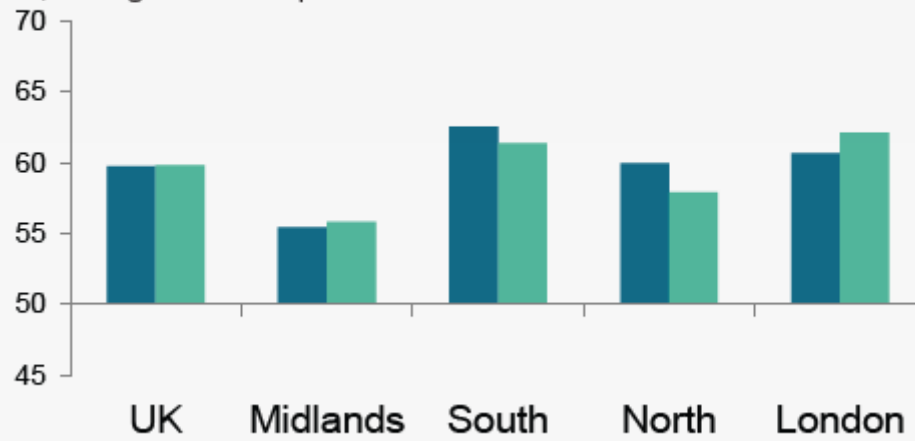
Permanent starting salaries across the UK rose at a slower pace in August, with the rate of inflation easing to its lowest point in five months. The North of England experienced the largest increase in starting salaries, while the Midlands and South saw the slowest growth.

Similarly, hourly pay rates for temporary staff across the UK rose only marginally, marking the slowest pace of increase since the current trend began in March 2021. Temp pay rates increased at a slower rate in the Midlands and North of England, while the South of England and London saw declines in temporary pay.



Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



The Prism Executive Recruitment perspective: management consultancy recruitment

Examination of the Decline in the Management Consulting Job Market

The management consulting job market has undeniably deteriorated.

Since mid-2023, the Big Four and other major consultancies, including typically resilient strategy firms, have been openly announcing redundancies. Numerous smaller firms have been discreetly reducing their permanent staff or associates.

Currently, very few consulting employers have the vacancies to accommodate the numerous management consulting professionals now unemployed.

In May 2024, headlines reported, “PwC asks for silence from departing staff in programme of UK job cuts,” highlighting another significant round of voluntary redundancies.

In June, it was noted that “Consultants to lose £3bn of UK government work under plan to halve advisory spend.”

By July 2024, the Financial Times reported, “UK consultant numbers shrink as companies cut back on external advice. Headcount fell 3% last year with firms axing jobs and moving staff as post-pandemic boom fades.”

Reasons for the Downturn:

1. **Overly Optimistic Hiring in 2022:** Many firms hired aggressively, anticipating continued growth that did not materialise.
2. **Economic Sensitivity:** The consultancy sector is highly sensitive to economic fluctuations: even a minor economic downturn can lead to significant recruitment slowdowns and subsequent redundancies.
3. **Cautious Expansion:** Despite many firms performing adequately, prevailing uncertainty has deterred them from expanding their headcount.
4. **Sector Growth Slowing:** A Q2 [Source Research summary](#) (April 9th) highlights the much slower growth in the sector, explaining some of the mixed signals in the market.

Other Indicators: pointing in all directions.

On a more positive note the [NatWest UK Regional Growth Tracker](#), from September, states "business activity rising across all 12 UK nations and regions in August"

In addition the [September S&P Purchasing Managers' Index](#) for Manufacturing is "at 26-month high in August, as recoveries in output, new orders and employment continue"

The [Lloyds Bank Business Barometer](#) refers to "Business confidence was unchanged at 50% in August, matching the highest level recorded since late 2015. Optimism about the economy increased to a near three-year high, while trading prospects for the coming twelve months remained strong"

In August [Reed](#) reported: "The number of jobs posted on Reed.co.uk in July increased by +13% month-on-month (MoM), showing potential early signs of increased confidence in the market." Albeit also "Jobs posted were down by -10% year-on-year"

However **The Page Group**, very much an economic bellwether in professional and executive hiring, reported June results down 18% on 2023 across its operations and in the UK Q2 was down 17.4% on Q2 2023.

The [Institute of Directors' economic confidence index](#) from September states "confidence fizzles out in August".

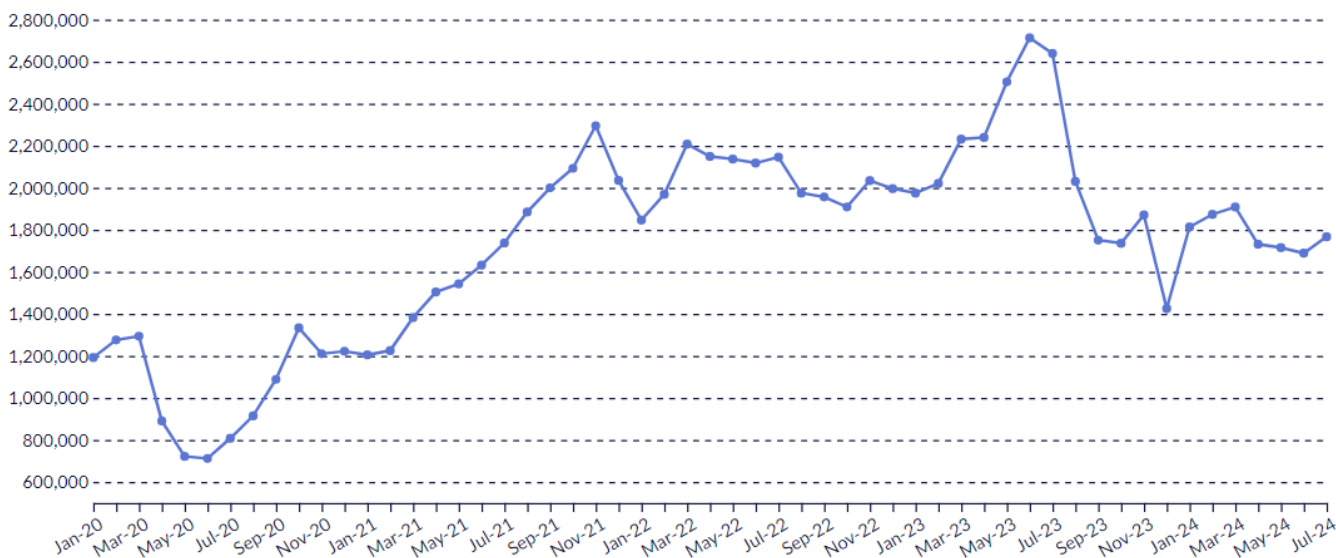
The **Institute for Employment Studies** also published a key analysis in September 2024.

Their [briefing note](#) sets out an analysis of the ONS Labour Market Statistics stating "Today's figures are a mixed bag and a confusing picture. Increased volatility means it is even harder than usual to draw conclusions on what is going on in the labour market"

The REC's [Labour Market Tracker](#), updated in August, shows a slight upturn, albeit broadly stable for 12 months (excluding the seasonal dip in December 2023).

Monthly job postings trend

This chart shows how the number of active job adverts in the UK has changed since the beginning of 2020



The most recent quarterly [ManpowerGroup Employment Outlook Survey](#) for Q4 2024 remains positive.

The data revealed a positive yet cautious hiring intent among the 2,100 UK respondents of the Survey as they moved into the second half of the year.

Globally the UK is above average:

Q4 Hiring Expectations by Country

Seasonally Adjusted Net Employment Outlooks (NEO)

37% India
Strongest NEO

25% Global
Average NEO

4% Argentina
Weakest NEO

India	37%	Peru	27%	Taiwan	16%
Costa Rica	36%	Canada	26%	Austria	15%
U.S.	34%	Norway	25%	Poland	15%
Brazil	32%	Finland	23%	Australia	14%
South Africa	32%	Colombia	22%	Puerto Rico	13%
Switzerland	32%	France	22%	Sweden	13%
Guatemala	30%	Germany	22%	Japan	12%
Ireland	30%	Panama	20%	Romania	12%
Mexico	30%	Spain	20%	Türkiye	12%
The Netherlands	30%	Greece	19%	Czech Republic	11%
Singapore	29%	Italy	19%	Chile*	8%
U.K.	28%	Portugal	19%	Hong Kong	8%
Belgium	27%	Slovakia	19%	Israel	8%
China	27%	Hungary	17%	Argentina	4%

*Chile joined the program in Q2 2024. There is currently no historical data and the data has not been seasonally adjusted.

Methodology

The KPMG and REC UK Report on Jobs is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

*For more information on the job market, or to discuss your hiring or career plans please contact **Chris Sale**, Managing Director, Prism Executive Recruitment via chris.sale@prismrec.co.uk*