

APSCo Recruitment Trends Snapshot

Powered by cube19

March 2020

The recruitment trends snapshot is based on data supplied by cube19. Year on year increases compare February 2019 data with February 2020 data. Month on month figures compare January 2020 data with February 2020 data.

Ann Swain CEO of APSCo comments:

“We always expect to see a dip in placements and vacancies across the board between January and February as activity levels out following seasonal hiring peaks. What’s incredibly encouraging is the year on year increases we’re seeing, which certainly indicate that economic positivity remains for now. The private sector roll out of IR35 has clearly already had an impact on contract placements, however, we hope that the government’s decision to take a softer approach to off-payroll rules will encourage more businesses to continue to tap into the valuable contingent workforce.”

Vacancies

■ Permanent

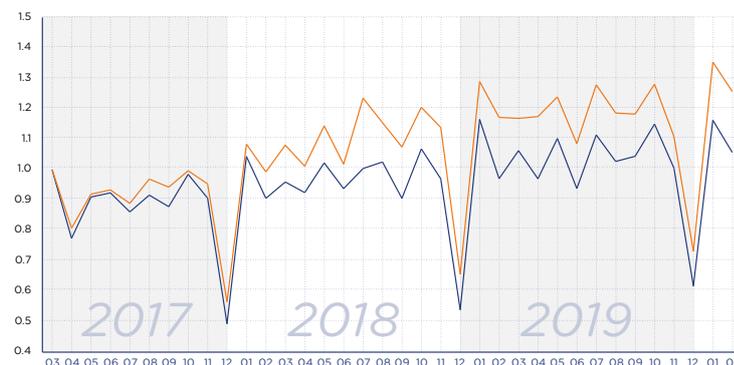
■ Contract

↓ 8.6% MoM

↓ 7.4% MoM

↑ 9.3% YoY

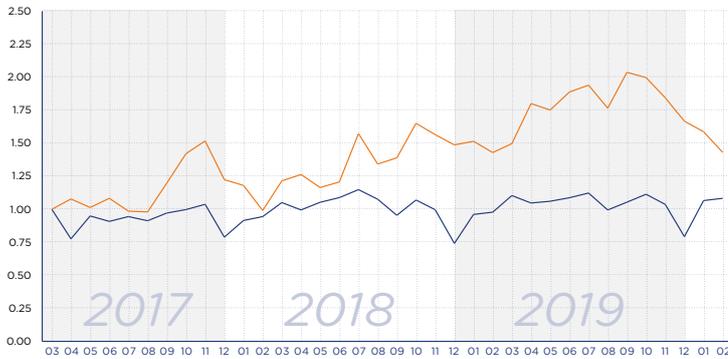
↑ 7.7% YoY



Vacancies level out following seasonal uptick

After a huge seasonal uptick in demand for permanent vacancies at the beginning of the year, these figures levelled out in February, with both perm and contract vacancies dropping 8.6% and 7.4% respectively month on month. However, annual comparisons indicate a slight increase in vacancies compared to the same time last year, with perm roles up 9.3% year on year and contract opportunities increasing 7.7%. If we look at month on month comparisons for 2019 and 2020, there’s an indication of greater stability for this year. Between January and February 2019, perm vacancies dropped 17.1%, significantly more than the latest figures.

Methodology: Numbers for each metric have been scaled relative to the activity in March 2017 such that a value of 1 means an equal amount as in March 2017, 2 means twice as much as in March 2017 and so on. Since the values for contract/permanent metrics are calculated independently, they should not be directly compared, e.g. a “Permanent Placements” value of 2 against a “Contract Placement” value of 1 does not mean there were twice as many permanent placements made than contract placements made.

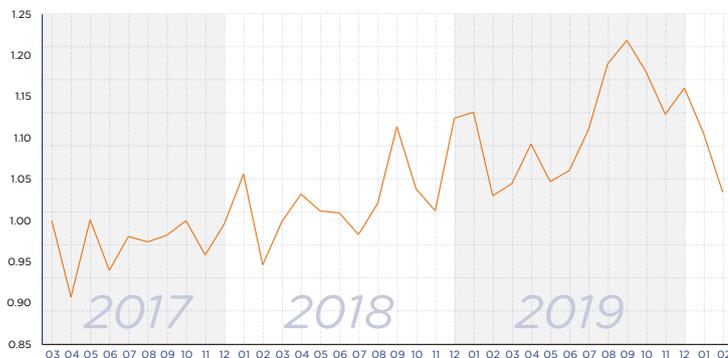


Placements

■ Permanent ■ Contract
↑ **0.9%** MoM ↓ **10.1%** MoM
↑ **10.2%** YoY **0%** YoY

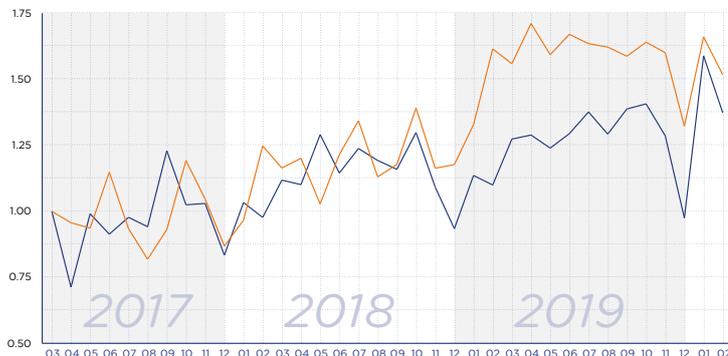
Perm placements up ahead of IR35 roll out

Permanent placements are faring well at the moment, with a 0.9% increase month on month and 10.2% up on last year's numbers. In comparison, contract placements have dipped 10.1% between January and February. This is indicative of the reluctance of some employers to hire contingent workers ahead of the private sector roll out of IR35, which has undoubtedly also contributed to the uptick in perm placements. Following the announcement that the government will be lenient for the first 12 months of IR35, we expect to see these numbers increase once again.



Average permanent salaries from placements

0% YoY ↓ **7.2%** MoM



Sales revenue from placements

■ Permanent ■ Contract
↓ **13.8%** MoM ↓ **8.4%** MoM
↑ **24.5%** YoY ↓ **5.6%** YoY

Permanent best source of recruitment revenue

While average perm salaries are down slightly month on month (-7.2%), yearly comparisons paint a positive picture. Interestingly, the data shows a huge uptick in sales revenue from permanent placements year on year, which increased 24.5% in February compared to the same period in 2019. With the growth in the number of perm placements sitting at 10.2% compared to last year, this shows agencies are, on average, seeing greater revenue from each perm placement. This could be an indication of the impact of IR35, with more businesses looking to increase perm headcount and reduce their reliance on contractors.

Joe McGuire, Global Sales Director at cube19 comments:



“Year over year growth is very positive on the perm side and what’s especially encouraging is the growth in permanent fees. Salaries remain neutral whilst revenue increases. This signifies that end clients recognise the value that staffing providers bring in securing top talent. IR35 is showing an impact in contract revenue but the YoY increase in contract jobs combined with the government’s softer approach to off-payroll rules will hopefully see this bounce back soon.”