

# KPMG AND REC, UK REPORT ON JOBS

## Recruitment activity continues to rebound in April as easing of lockdown boosts market confidence

### KEY FINDINGS

Permanent placement growth hits highest since October 1997

Demand for staff improves to greatest extent in 23 years

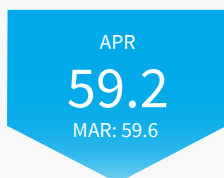
Marked drop in candidate availability places upward pressure on pay

### KEY DATA

#### Permanent Placements Index



#### Temporary Billings Index



The KPMG and REC, UK Report on Jobs is compiled by IHS Markit from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

Commenting on the latest survey results, Claire Warnes, Partner and Head of Education, Skills and Productivity at KPMG UK, said:

*“There’s a lot to feel positive about this month, with the easing of lockdown improving business confidence in the economy and in turn driving a sharp rise in recruitment.”*

*“However, it’s concerning that we’re seeing a drop in candidate supply due in part to applicants needing support to adapt their skills to move from displaced sectors to those where there is more demand, such as health and care, and because the furlough scheme has reduced the pool of workers.”*

*“Companies will not be able to fill their vacancies unless they commit to reskilling and upskilling their current and prospective employees. This includes providing furloughed staff with training and working with recruiters to make sure as wide a range of candidates are considered for jobs. Businesses have a fundamental role to play in bridging the increased skills gap that’s emerged from the pandemic.”*

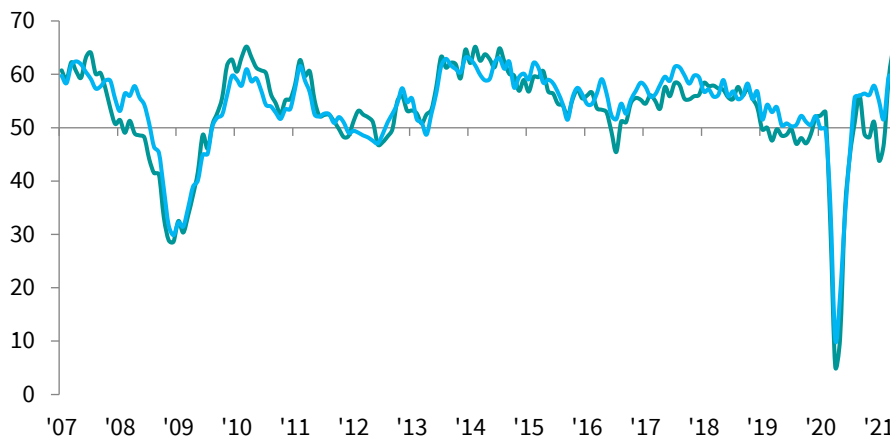
Neil Carberry, Chief Executive of the REC, said:

*“The jobs market is improving at one of the fastest rates we have ever seen, and that’s great news. We are bouncing back from a record low – and many people are still struggling – but the data shows that job creation is firing up again. This month’s numbers for permanent hiring are the best we’ve seen since the survey started in 1997. Temporary hiring has chalked up its ninth straight month of growth, demonstrating again how important temporary agency work is to getting families and businesses back on their feet.”*

*“The message for government and employers alike is that the long-term challenge is less likely to be high unemployment than attracting and training enough staff to keep our economy firing. Companies need to be thinking about their workforce planning and employee offer, which professional recruitment firms are best placed to support them with. Government needs to urgently tackle shortfalls in the skills system, and make sure the new immigration system is more responsive to our economic needs.”*

#### Permanent Placements Index / Temporary Billings Index

sa, >50 = growth since previous month



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# 1 EXECUTIVE SUMMARY

The Report on Jobs is unique in providing the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies and employers to provide the first indication each month of labour market trends.

The main findings for April are:

### Rapid increase in recruitment as coronavirus restrictions begin to ease

The easing of national lockdown measures and brighter outlook for the economy led to a further marked increase in recruitment activity at the start of the second quarter. Permanent placements expanded at the sharpest rate since October 1997, when the survey first began, while temp billings growth remained historically strong.

### Steepest rise in vacancies for 23 years...

The upturn in demand for staff gathered pace in April, with overall vacancies increasing at the quickest rate for 23 years. Permanent vacancy growth outpaced that seen for temporary roles, with the former rising at the quickest rate since March 1998 and the latter to the greatest extent since October 2014.

### ...but supply of candidates falls markedly...

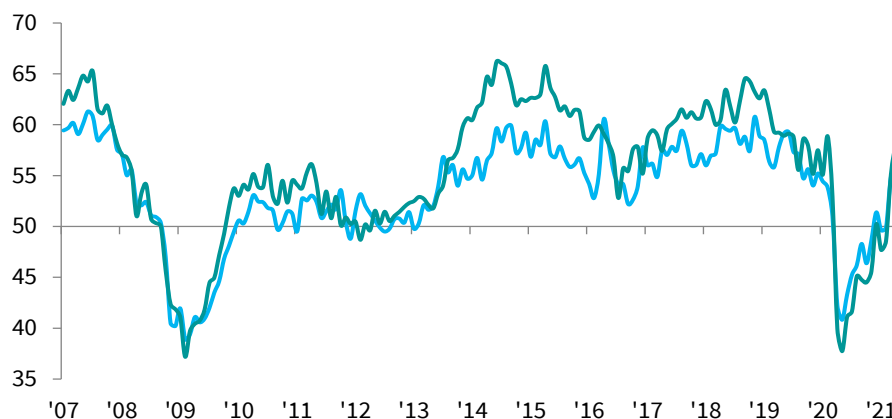
After broadly stabilising in March, the availability of candidates fell in April, and at the sharpest rate since January 2020. Reduced candidate supply was often linked to ongoing pandemic-related uncertainty preventing people from seeking new roles. There were also mentions that Brexit, IR35 legislation and furlough had reduced the pool of available candidates.

### ...leading to further increases in both starting salaries and temp pay

Skill shortages and improved demand for staff led to further increases in starting pay for both permanent and temporary staff. Starting salary inflation hit a 14-month high, while temp pay growth improved to its best for a year-and-a-half.

Permanent Salaries Index / Temporary Wages Index

sa, >50 = inflation since previous month



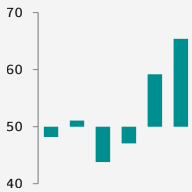
## 2 STAFF APPOINTMENTS

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

An index reading above 50 signals a higher number of placements/billings than the previous month. Readings below 50 signal a decline compared with the previous month.

Permanent Placements Index

Last six months



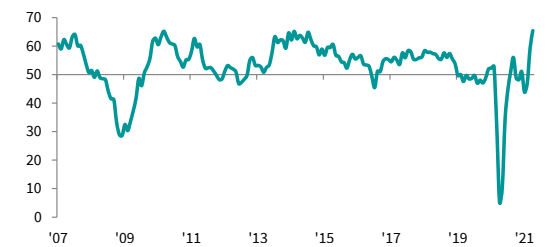
### Permanent placements expand at sharpest rate since October 1997

April survey data signalled a second successive monthly rise in permanent placements across the UK. Furthermore, the rate of growth accelerated to the fastest since the survey began in October 1997. More than half of the panel (53%) registered an increase in the latest survey period, compared to around 15% that noted a decline. Recruitment consultants linked the upturn to an improvement in market confidence and higher vacancies as national lockdown measures were eased and business conditions began to normalise.

Permanent staff appointments expanded at historically sharp rates across all four monitored English regions, with the Midlands recording the steepest increase overall.

Permanent Placements Index

sa, >50 = growth since previous month



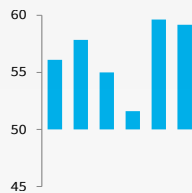
Permanent Placements Index

sa, >50 = growth since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 48.2 | 46.2   | 49.5  | 48.0     | 49.2  |
| Dec '20 | 51.1 | 49.0   | 51.2  | 56.9     | 51.9  |
| Jan '21 | 43.8 | 44.0   | 42.2  | 40.1     | 45.0  |
| Feb '21 | 47.1 | 45.0   | 44.3  | 48.0     | 53.3  |
| Mar '21 | 59.2 | 58.9   | 60.9  | 61.7     | 57.5  |
| Apr '21 | 65.4 | 65.5   | 64.1  | 71.2     | 61.7  |

Temporary Billings Index

Last six months



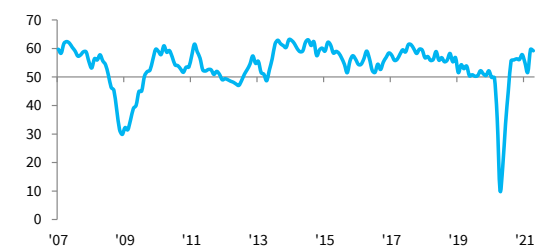
### Further marked rise in temp billings in April

Billings received from the employment of short-term staff increased for the ninth month running in April. The rate of expansion eased only slightly from March's 40-month record and remained marked overall. According to panellists, stronger demand for workers amid the easing of pandemic-related restrictions and the recommencement of previously delayed projects had boosted billings at the start of the second quarter.

Substantial growth in temp billings was seen across all four monitored English areas bar London, where a mild expansion was noted.

Temporary Billings Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 56.1 | 45.9   | 56.0  | 62.3     | 59.6  |
| Dec '20 | 57.9 | 47.3   | 55.8  | 60.5     | 63.3  |
| Jan '21 | 55.0 | 49.8   | 54.0  | 56.7     | 55.3  |
| Feb '21 | 51.6 | 44.7   | 51.3  | 58.8     | 51.1  |
| Mar '21 | 59.6 | 54.8   | 58.0  | 69.5     | 59.2  |
| Apr '21 | 59.2 | 51.1   | 61.6  | 61.1     | 63.8  |

### 3 VACANCIES

Recruitment consultants are asked to specify whether the demand for staff from employers has changed on the previous month, thereby providing an indicator of the number of job vacancies.



#### Vacancies expand at fastest pace since April 1998

The Total Vacancies Index rose from 62.8 in March to 68.3 in April, to signal a rapid increase in demand for workers. Notably, the rate of expansion was the sharpest recorded for 23 years. The upturn was supported by steeper upturns in both permanent and temporary vacancies.

#### Permanent and temporary vacancies

Permanent staff vacancies rose for the third month running in April. Furthermore, the rate of growth accelerated to the fastest since March 1998 and was substantial.

Demand for temporary workers also expanded markedly in April. Notably, short-term vacancies increased at the quickest pace since October 2014.

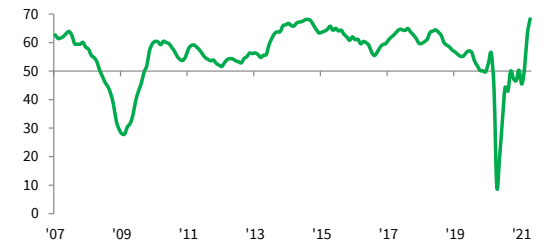
#### Public & private sector vacancies

Demand for staff continued to rise at a particularly sharp pace in the private sector during April, with permanent vacancies registering a more marked increase than that for temporary roles.

Nonetheless, public sector demand for staff rose at a stronger pace compared to March, with temporary vacancies showing a faster rise than permanent roles.

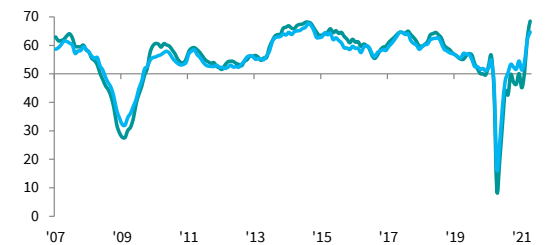
#### Total Vacancies Index

sa, >50 = growth since previous month



#### Permanent / Temporary

sa, >50 = growth since previous month



#### Vacancy Index summary

sa, >50 = growth since previous month. \*Not seasonally adjusted.

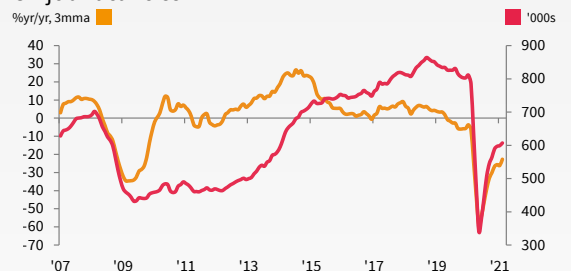
|         | Permanent |       |          |         | Temporary |          |         |
|---------|-----------|-------|----------|---------|-----------|----------|---------|
|         | Total     | Total | Private* | Public* | Total     | Private* | Public* |
| Nov '20 | 46.7      | 46.4  | 46.9     | 43.7    | 51.6      | 51.8     | 50.9    |
| Dec '20 | 50.3      | 50.1  | 50.2     | 39.8    | 54.5      | 59.4     | 51.0    |
| Jan '21 | 45.4      | 45.1  | 46.4     | 38.7    | 51.3      | 51.6     | 49.8    |
| Feb '21 | 51.1      | 50.9  | 52.6     | 42.5    | 54.4      | 54.5     | 54.1    |
| Mar '21 | 62.8      | 62.9  | 66.0     | 53.0    | 62.1      | 64.0     | 53.7    |
| Apr '21 | 68.3      | 68.5  | 72.0     | 55.7    | 64.7      | 68.6     | 57.2    |

### OFFICIAL DATA: UK JOB VACANCIES

Data from the Office for National Statistics (ONS) indicated a further steady improvement in vacancies in the three months to March.

Overall vacancies stood at 607,000 in the opening quarter of 2021, which was up from 599,000 in the prior three-month period. Vacancies have steadily risen since hitting a record low of 341,000 at the height of the pandemic, but were -22.7% lower than compared with the same period a year ago.

#### UK job vacancies



Source: Office for National Statistics.

## 4 VACANCIES BY SECTOR

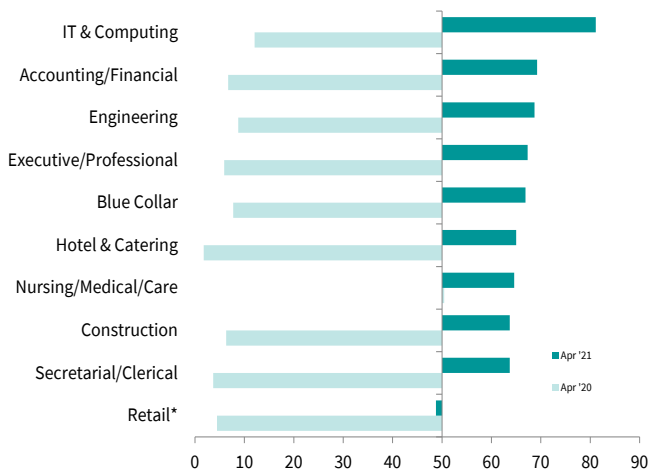
Recruitment consultancies are requested to compare the demand for staff according to sector with the situation one month ago.

### Permanent vacancies

IT & Computing saw the steepest increase in permanent staff vacancies in April, followed by Accounting/Financial and Engineering. Retail was the only sector to register lower demand for permanent staff, though the decline was only modest.

#### Permanent Vacancies Index

sa, >50 = growth since previous month. \*Not seasonally adjusted.

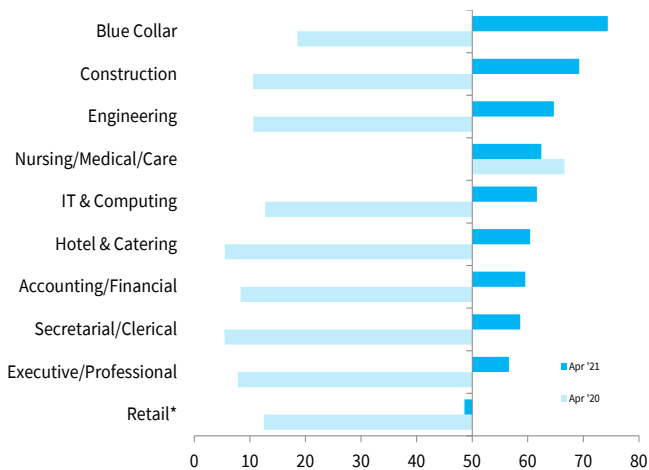


### Temporary vacancies

All of the ten monitored job categories recorded higher demand for temporary staff in April except for Retail, which noted a marginal reduction. Blue Collar and Construction registered the strongest rises in demand for short-term workers.

#### Temporary Vacancies Index

sa, >50 = growth since previous month. \*Not seasonally adjusted.

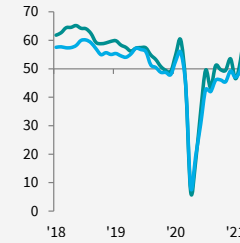


### VACANCY INDEX BY SECTOR

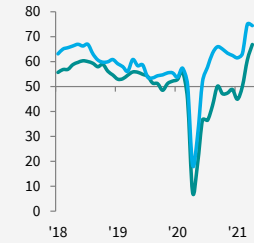
sa, >50 = growth since previous month

Permanent / Temporary

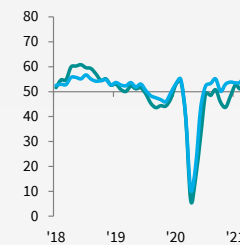
#### Accounting & Financial



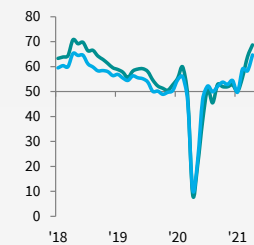
#### Blue Collar



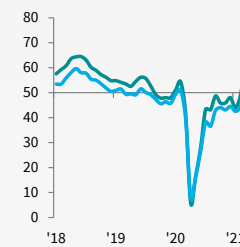
#### Construction



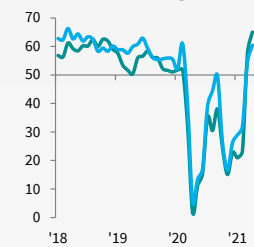
#### Engineering



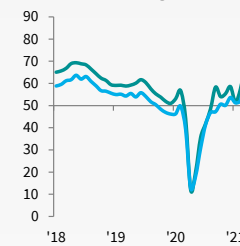
#### Executive & Professional



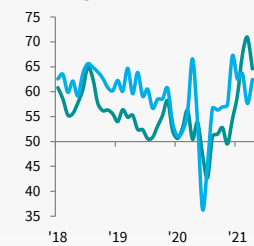
#### Hotels & Catering



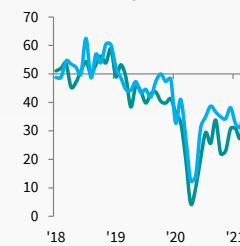
#### IT & Computing



#### Nursing, Medical & Care



#### Retail (unadjusted)



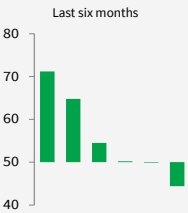
#### Secretarial & Clerical



## 5 STAFF AVAILABILITY

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month. An overall indicator of staff availability is also calculated.

**Total Staff Availability Index**



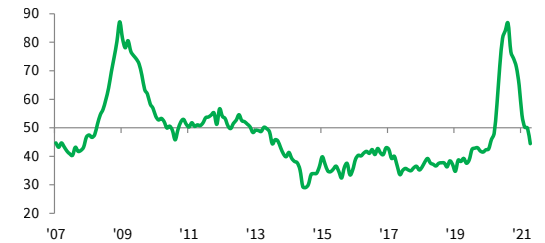
### Candidate supply declines at steepest rate since January 2020

The seasonally adjusted Total Staff Availability Index slipped from 49.9 in March to 44.4 in April, to signal a sharp reduction in the supply of candidates. Notably, the rate of contraction was the quickest recorded since January 2020.

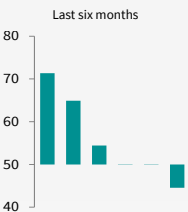
Data broken down by staff type indicated that both permanent and temporary worker availability fell markedly, with the latter noting the steeper rate of decline.

**Total Staff Availability Index**

sa, >50 = improvement since previous month



**Permanent Staff Availability Index**



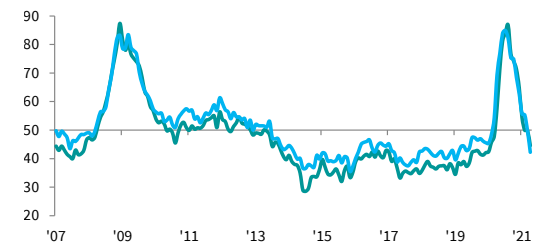
### Steep drop in permanent labour supply in April

After broadly stagnating in the prior two months, the availability of candidates for permanent roles fell sharply in April. Moreover, the rate of deterioration was the quickest seen since the start of 2020. When explaining the reduction in permanent staff supply, recruiters often commented that people were not confident to seek out new roles due to lingering pandemic uncertainty, while the furlough scheme had also reportedly reduced the pool of workers.

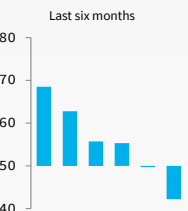
The supply of permanent staff fell across the Midlands, South and North of England, but increased in London.

**Permanent / Temporary**

sa, >50 = improvement since previous month



**Temporary Staff Availability Index**



### Quickest fall in temp staff availability since February 2019

The supply of short-term staff across the UK fell for the second month running in April. Furthermore, the rate of contraction was the fastest for over two years and rapid. Recruiters indicated that higher demand for staff, IR35 legislation and Brexit had all contributed to the latest fall in temporary worker supply.

On a regional basis, the North of England saw the sharpest drop in temp candidate numbers, though reductions were also marked in the South of England and the Midlands. In contrast, London recorded a solid rise in temp staff supply.

**Permanent Staff Availability Index**

sa, >50 = improvement since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 71.4 | 71.4   | 72.8  | 70.0     | 72.3  |
| Dec '20 | 64.9 | 67.9   | 64.6  | 63.1     | 67.3  |
| Jan '21 | 54.4 | 58.5   | 53.6  | 56.7     | 50.3  |
| Feb '21 | 49.9 | 52.8   | 50.2  | 48.8     | 47.8  |
| Mar '21 | 49.9 | 56.2   | 44.9  | 54.8     | 49.0  |
| Apr '21 | 44.5 | 51.5   | 41.6  | 48.2     | 40.6  |

**Temporary Staff Availability Index**

sa, >50 = improvement since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 68.5 | 74.1   | 70.7  | 59.4     | 70.5  |
| Dec '20 | 62.8 | 73.6   | 61.0  | 54.6     | 61.8  |
| Jan '21 | 55.7 | 64.0   | 55.2  | 49.6     | 55.9  |
| Feb '21 | 55.3 | 70.0   | 53.1  | 51.7     | 52.8  |
| Mar '21 | 49.7 | 60.1   | 48.8  | 47.2     | 47.8  |
| Apr '21 | 42.2 | 54.5   | 40.2  | 40.3     | 34.3  |

## 6 DEMAND FOR SKILLS

Recruitment consultancies are invited to specify any areas in which they have encountered skill shortages during the latest month.

### Skills in short supply: Permanent staff

|  |   |                                      |
|--|---|--------------------------------------|
| <b>Accounting/Financial</b><br>Accountants<br>Auditors<br>Book Keepers<br>Credit Controllers<br>Estimators<br>Finance<br>Investment<br>Payroll<br>Risk<br>Taxation | <b>Hotel/Catering</b><br>Hospitality  | Skilled<br>Supply Chain<br>Unskilled |
| <b>Blue Collar</b><br>Blue Collar<br>Drivers<br>HGV Drivers<br>HVAC<br>Production<br>Refrigeration<br>Warehouse  | <b>IT/Computing</b><br>Agile Project Manager<br>Automation Testers<br>BI<br>C#<br>Cyber<br>Cyber Security<br>Data Professionals<br>Data Scientists<br>Developers<br>Digital<br>IT<br>Software<br>Software Engineers<br>Technology |                                      |
| <b>Construction</b><br>Architectural Tech<br>Construction<br>Quantity Surveyors  | <b>Nursing/Medical/Care</b><br>Carers<br>Healthcare Assistants<br>Hearing Aid Dispensers<br>Nurses<br>Optometrist<br>Pharmacists<br>Support Workers   |                                      |
| <b>Engineering</b><br>Engineers<br>Maintenance Engineers<br>Mechanical Engineers<br>Senior Electronic Engineers<br>Technicians                                     | <b>Retail</b><br>E-commerce<br>Retail   |                                      |
| <b>Executive/Professional</b><br>B2B<br>Compliance<br>Conveyancers<br>Executives<br>Human Resources<br>Law<br>Legal<br>Management<br>Marketing<br>Project Managers | <b>Secretarial/Clerical</b><br>Administration<br>Office Staff<br>Sales Administrator  |                                      |
|  | <b>Other</b><br>All Types of Candidates<br>Commercial<br>Customer Service<br>Customs<br>Life Sciences<br>Operations<br>Sales  |                                      |

### Skills in short supply: Temporary staff

|  |  |
|--|--|
| <b>Accounting/Financial</b><br>Accountants<br>Auditors<br>Book Keepers<br>Credit Controllers<br>Finance<br>Payroll   | Software<br>Technology   |
| <b>Blue Collar</b><br>Blue Collar<br>Drivers<br>Factory<br>Forklift Drivers<br>Industrials<br>Manufacturing<br>Packers<br>Production<br>Warehouse<br>Welders | <b>Nursing/Medical/Care</b><br>Carers<br>Doctors<br>Healthcare Assistants<br>Hearing Aid Dispensers<br>Nurses<br>Optometrist               |
| <b>Construction</b><br>Architectural Tech<br>Bricklayers<br>Construction<br>Labourers  | <b>Retail</b><br>E-commerce  |
| <b>Engineering</b><br>Design Engineers<br>Electrical Engineers<br>Engineers<br>Radio-Frequency Engineer  | <b>Secretarial/Clerical</b><br>Administration<br>Office Staff<br>Receptionist  |
| <b>Executive/Professional</b><br>Legal<br>Management   | <b>Other</b><br>All Types of Candidates<br>Customer Service<br>Operations<br>Sales<br>Semi Skilled<br>Skilled<br>Supply Chain<br>Unskilled |
| <b>IT/Computing</b><br>BI<br>Cyber<br>Data Professionals<br>Data Scientists<br>Database Developers<br>Developers<br>IT<br>Java                               |  |

### Skills in excess supply: Permanent staff

|  |   |   |
|--|---|---|
| <b>Accounting/Financial</b><br>Accountants<br>Finance  | <b>IT/Computing</b><br>IT   | Operations<br>Sales<br>Testers<br>Unskilled |
| <b>Blue Collar</b><br>Production<br>Site Managers<br>Warehouse   | <b>Nursing/Medical/Care</b><br>Support Workers  |   |
| <b>Construction</b><br>Construction  | <b>Retail</b><br>Retail   |   |
| <b>Executive/Professional</b><br>Business Analysts<br>Executives<br>Human Resources<br>Management<br>Marketing<br>Project Managers | <b>Secretarial/Clerical</b><br>Administration<br>Clerical<br>Office Staff<br>Personal Assistant<br>Receptionist                     |   |
| <b>Hotel/Catering</b><br>Chefs<br>Hospitality  | <b>Other</b><br>All Types of Candidates<br>Aviation<br>Call Centre<br>Commercial<br>Customer Service<br>Draughtspeople<br>Graduates |   |

### Skills in excess supply: Temporary staff

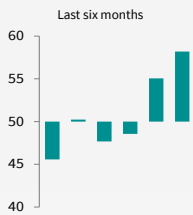
|   |   |
|---|---|
| <b>Blue Collar</b><br>Drivers<br>Electricians<br>Manufacturing<br>Production<br>Site Managers<br>Warehouse              | <b>Secretarial/Clerical</b><br>Administration<br>Office Staff<br>Personal Assistant   |
| <b>Executive/Professional</b><br>Business Analysts<br>Executives<br>Marketing<br>Project Managers<br>Purchasing Manager | <b>Other</b><br>All Types of Candidates<br>Aviation<br>Commercial<br>Designers<br>Graduates<br>Operations<br>Sales<br>Unskilled |
| <b>Hotel/Catering</b><br>Hospitality  |   |
| <b>IT &amp; Computing</b><br>IT   |   |
| <b>Retail</b><br>Retail   |   |

Note : Skills can be reported as being both in short supply and excess supply as we survey various recruitment agencies across the country, so there is geographical variation as well as the possibility of candidates with particular skills being concentrated in certain areas.

## 7 PAY PRESSURES

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

### Permanent Salaries Index

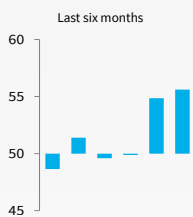


### Starting salary growth improves to 14-month high

Salaries awarded to newly-placed permanent workers rose for the second consecutive month in April. Notably, the rate of pay growth was the most marked since February 2020. Recruitment consultants often linked higher starting salaries to skill shortages and greater competition for staff.

All four monitored English regions registered higher permanent starting pay at the start of the second quarter, with London seeing the steepest rate of inflation.

### Temporary Wages Index



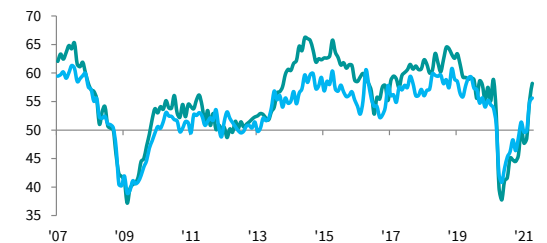
### Further strong rise in temp pay during April

The seasonally adjusted Temporary Wages Index remained above the neutral 50.0 level, to signal back-to-back monthly rises in temp pay in April. The rate of wage inflation was the quickest for a year-and-a-half and sharp overall. Anecdotal evidence indicated that firmer demand for staff and recent IR35 legislation had pushed up temp pay in April.

The upturn in average hourly wages was broad-based across the four monitored English areas, with the South of England noting the quickest rate

### Permanent Salaries / Temporary Wages

sa, >50 = inflation since previous month



### Permanent Salaries Index

sa, >50 = inflation since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 45.6 | 41.6   | 44.7  | 46.1     | 47.9  |
| Dec '20 | 50.2 | 49.1   | 52.1  | 49.9     | 47.6  |
| Jan '21 | 47.7 | 44.6   | 48.8  | 47.6     | 48.0  |
| Feb '21 | 48.6 | 49.6   | 47.6  | 49.6     | 48.7  |
| Mar '21 | 55.1 | 58.4   | 52.9  | 58.3     | 50.3  |
| Apr '21 | 58.2 | 61.9   | 56.6  | 58.3     | 55.9  |

### Temporary Wages Index

sa, >50 = inflation since previous month

|         | UK   | London | South | Midlands | North |
|---------|------|--------|-------|----------|-------|
| Nov '20 | 48.6 | 43.3   | 49.8  | 49.7     | 49.6  |
| Dec '20 | 51.4 | 46.7   | 51.3  | 55.2     | 51.7  |
| Jan '21 | 49.6 | 43.3   | 50.5  | 50.4     | 51.9  |
| Feb '21 | 49.9 | 44.6   | 50.9  | 52.5     | 51.2  |
| Mar '21 | 54.8 | 55.1   | 54.0  | 55.2     | 55.0  |
| Apr '21 | 55.6 | 52.9   | 57.6  | 53.2     | 57.0  |

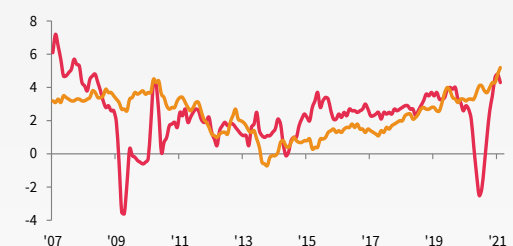
## OFFICIAL DATA: UK AVERAGE WEEKLY EARNINGS

Data from the Office for National Statistics indicated that employee earnings (including bonuses) increased +4.5% year-on-year in the three months to February 2021. This was slightly softer than the +4.8% rate of growth registered in the prior three-month period, but nonetheless marked one of the strongest increases since the global financial crisis. However, the ONS have stated that earnings growth had been affected upwards due to declines in the proportion and number of lower-paid jobs compared to before the pandemic.

Private sector earnings growth softened from +4.8% to +4.3%, while public sector pay growth improved from +4.8% to +5.2%.

### UK average weekly earnings (private / public)

%yr/yr, 3mma



Source: Office for National Statistics.



## 8 SPECIAL FEATURE

This section features data from the Recruitment and Employment Confederation

### RECRUITERS CAN HELP BUSINESSES TO ANSWER THE QUESTIONS OF TOMORROW'S WORKPLACE

With the end of the first quarter of 2021, we have seen further evidence of the resilience of the labour market throughout the winter lockdown. After starting the year under lockdown restrictions, the government's roadmap to open up the economy and the vaccine rollout have been a breath of fresh air for many of the businesses that were hit the hardest by the coronavirus pandemic.

As the recovery gathers momentum, we expect business confidence in the economy to increase, and data from the REC's latest [JobsOutlook](#) survey supports this. In the three months to March, employers expressed a greater sense of optimism in the UK's economic outlook, with the balance of sentiment rising by 14 percentage points to net: -36. In March alone, sentiment surged to net: -8, ahead of the re-opening of shops, restaurants and leisure facilities. Furthermore, employers' confidence about making new hires and investing in their businesses remain stable at net: +14, a notable nine percentage points higher than the final quarter of 2020. Companies have weathered the last lockdown and can see that the economy is well-positioned to bounce back in the remainder of 2021.

The REC's latest [Jobs Recovery Tracker](#) offered further evidence of the strength and resilience of the labour market, and the growing confidence in the economy, which are reflected in an increase in hiring activity. We saw 140,000 new job adverts being posted in the week of 5-11 April, on top of a further 181,000 in the previous week. The three best weeks for new postings since the start of the pandemic have all come since 8 March. It has been particularly positive sign to see increased demand for hospitality roles, as the industry begins to recuperate after being hit the hardest by the restrictions imposed to curb the spread of the coronavirus disease.

With more and more of population being vaccinated every day, we can now see the light at the end of the tunnel. There is increasing debate about what this new normal would look like, both for companies and workers. Businesses that had to adapt rapidly to the social distancing guidelines and migrate to fully remote working are now faced with another challenge – to create an inclusive workspace in post-Covid Britain. Some, particularly in financial services, were quick in the return to the offices, while others are still waiting on guidelines from the government and restrictions to be lifted. And while there are lots of new jobs out there, people will need help accessing and transitioning into them.

With all this in mind, recruiters will prove instrumental in supporting both businesses and workers will some of the problems that will arise on the road to recovery.

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### Methodology

The KPMG and REC, UK Report on Jobs is compiled by IHS Markit from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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### About KPMG

KPMG LLP, a UK limited liability partnership, operates from 21 offices across the UK with approximately 16,000 partners and staff. The UK firm recorded a revenue of £2.3 billion in the year ended 30 September 2020.

KPMG is a global organization of independent professional services firms providing Audit, Legal, Tax and Advisory services. It operates in 147 countries and territories and has more than 219,000 people working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

### About REC

The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at [www.rec.uk.com](http://www.rec.uk.com).

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