

January 2012 Quarterly update

IT recruitment levels continue to rise during the 4th quarter 2011

Demand for permanent IT jobs up by 1.5 per cent

Contract vacancies up by 5.1 per cent

The southern jobs market expands by 1.6%, whilst the north stagnates

This quarters figures compiled by www.jobadswatch.co.uk show that during the fourth quarter of 2011 the IT jobs market for permanent staff continued to expand. Between the third and the fourth quarter of 2011 there were **1.5%** more jobs advertised.

IT recruitment has now been expanding for each quarter since mid 2010. Over the past twelve months vacancies have increased by 10.8%, but with most of the increase coming in the first quarter of 2011. At this time jobs were increasing by a quarter on quarter rate of 5.7%. During the remainder of 2011 increases have been more subdued, with the second and third quarters seeing jobs up by 2.3% and 1.0%. The fourth quarter increase of **1.5%** puts the rate back on to an upward trend.

During the fourth quarter of 2011 3,793 consultancies advertised 87.5% of all IT jobs with 3,458 companies placing jobs directly making up the remainder. Compared with the previous quarter the number of jobs advertised by consultancies is up for the fourth successive quarter, but only by 1.1%. In contrast company direct advertising is up by 2.7%.

The benchmark job function within IT is for software developers. This quarter they made up 40.6% of all IT jobs advertised, followed by the design and project management group that make up 19.1% of the total. Demand for developers increased by 2.9% between the second and third quarters of 2011. This is in contrast to the design group where demand for their skills fell by 1.7%.

Historically contractors are the first to be discarded and the first to be employed. This is a good indicator of the state of IT recruitment. Over the last quarter there has been an increase of **5.1%** in the number of advertisements for freelance IT staff. Compared with twelve months ago there are now 25.2% more contracts on offer.

For further information got to www.jobadswatch.co.uk

Key salary trends:

Advertised permanent salaries improved at its fastest rate for almost three years. Compared with twelve months ago the average pay being advertised is up by 2.6%. Most of this increase has come during the last quarter of 2011 where pay offers are up by 1.6% since the third quarter of 2011. These general figures tend to hide the wide variations seen in salaries dependent on the job function, region, business sector and software skills. In particular developers working in finance in Inner London are being offered salaries that are 47.3% higher than in the North East. Developers with expertise in skills such as C#, Agile and .Net can also expect to see a premium in the pay on offer. Contract rates continue to improve with average rates for developers up by 1.8% compared with twelve months ago.

Key IT skills trends:

The demand for IT staff is primarily driven by the need for specialised software skills, and how these are applied by different business sectors. The top skill being sought is for people with SQL expertise. The Microsoft development tools of C# and .Net have seen demand continue to rise with respectively 1.5% and 1.0% more jobs being advertised. Other newer skills such as Agile are seeing major interest from employers with vacancies up by 3.1%. This is complemented further down the table with other skills such as Ajax up by 3.8% and SAP by 3.3%. Contract skills also show an increase in demand for Agile with vacancies up by 8.1%. Elsewhere contractors with Oracle, C#, and .Net skills are looking at increases of 9.8%, 4.6% and 5.7% respectively.

IT Permanent Software skills advertised Quarter 4/2010 to Quarter 4/2011					
Software	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
SQL	20,286	20,046	18,831	1.2	7.7
C	15,243	15,131	14,446	0.7	5.5
C#	12,969	12,783	11,674	1.5	11.1
.NET	11,769	11,648	10,620	1.0	10.8
JAVA	8,857	8,758	7,398	1.1	19.7
SQL SERVER	8,639	8,523	8,377	1.4	3.1
ASP	7,984	7,891	8,066	1.2	-1.0
JAVASCRIPT	6,657	6,582	5,536	1.1	20.2
HTML	6,250	6,228	5,382	0.4	16.1
AGILE	5,945	5,767	3,516	3.1	69.1
LINUX	5,394	5,347	5,293	0.9	1.9

IT Contract Software skills advertised Quarter 4/2010 to Quarter 4/2011					
Software	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
SQL	3,367	3,199	2,900	5.3	16.1
C	2,538	2,417	2,136	5.0	18.8
C#	2,317	2,216	1,964	4.6	18.0
JAVA	2,049	1,958	1,708	4.6	20.0
.NET	1,788	1,691	1,386	5.7	29.0
ORACLE	1,771	1,613	1,408	9.8	25.8
AGILE	1,521	1,407	1,027	8.1	48.1
SQL SERVER	1,404	1,328	1,398	5.7	0.4
SAP	1,198	1,052	1,003	13.9	19.4
ASP	980	973	825	0.7	18.8

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Key regional findings:

The main movement in IT recruitment across the various regions over the past quarter has highlighted the following :

- 77.4% of all IT permanent jobs advertised were in the southern and western regions of England, leaving the remaining regions of the midlands, north and Scotland with just 22.6%. In October 2008 the split was 70.8% of jobs in the south and 29.2% in the north. Each quarter for the past two plus years has seen the split increase in favour of the south.
- There are 1,009 more IT jobs being advertised in the south. By comparison the midlands and north shows just 9 more jobs being advertised. This is an improvement on the third quarter 2011, which had seen a downturn in job opportunities.
- The number of jobs in the London area as a whole are up by 1.9% since the third quarter 2011. Compared with twelve months ago the figures for Inner and Outer London show an increase of 19.6% and 8.0% respectively. The southern counties continues to be the largest area for IT employment with jobs here increasing at a rate of 1.1%.
- The north west/east region sees jobs continuing to decline with 0.1% fewer jobs in the north west and 1.8% less in the north east. Jobs in Scotland continue on the downward trend with 0.3% fewer jobs than in the third quarter of 2011.
- Contract vacancies continue to show a north/south split with 83.5% of all vacancies advertised based in the south. The quarterly movement shows the London area up by 5.7%, the midlands by 4.4%, but with the north down by 2.3%.
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IT Permanent Job Advertising by Region
Quarter 4/2010 to Quarter 4/2011

Region	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
Inner London	9,118	8,971	7,621	1.6	19.6
Outer London	21,253	20,823	19,687	2.1	8.0
Southern England	24,971	24,702	22,783	1.1	9.6
West & Wales	7,586	7,423	7,028	2.2	7.9
East Midlands	5,775	5,745	5,382	0.5	7.3
West Midlands	3,687	3,642	3,759	1.2	-1.9
North West	4,202	4,206	4,161	-0.1	1.0
North East	3,024	3,078	3,121	-1.8	-3.1
Scotland	1,649	1,654	1,781	-0.3	-7.4

IT Contract Job Advertising by Region
Quarter 4/2010 to Quarter 4/2011

Region	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
Inner London	1,631	1,541	1,253	5.8	30.2
Outer London	7,534	7,128	5,982	5.7	25.9
Southern England	5,541	5,313	4,594	4.3	20.6
West & Wales	1,689	1,580	1,406	6.9	20.1
East Midlands	935	894	708	4.6	32.1
West Midlands	715	687	575	4.1	24.3
North West	627	648	761	-3.2	-17.6
North East	496	502	510	-1.2	-2.7
Scotland	469	471	485	-0.4	-3.3

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Key results by business sector

The main highlights that have affected various business sectors are as follows :

- The finance sector continues to recover despite having seen jobs suffer more than other sectors during 2009 and 2010. Since then the situation has improved somewhat with 11.2% more jobs advertised compared with a year ago. Between the third and fourth quarters of 2011 jobs are up by 1.2%. The financial market represents 21.4% of all jobs advertised and within the city the most highly paid.
- Software houses and outsource consultancies are the biggest recruiters of IT personnel in the UK and during the fourth quarter of 2011 made up 63.8% of all permanent jobs advertised. Demand in this sector is up by 1.7% since the previous quarter.
- Elsewhere there are more jobs being advertised for employment in the retail sector with vacancies up by 0.6%. During the third quarter of 2011 all other sectors were showing signs of decline. This improved somewhat in the fourth quarter with 0.9% more jobs in the media sector and 0.8% more jobs in manufacturing compared with the third quarter 2011.
- The impact of the government's policy on public sector recruitment has seen vacancies tumbling for each of the last nine quarters. During the fourth quarter of 2011 there are 2.0% fewer vacancies than in the second quarter. During the last twelve months the figure is 15.5% fewer jobs. This trend is likely to continue.
- In the contract market the main driving force in recruitment is also from software houses and financial organisations that make up 47.6% and 35.7% respectively of the market. This time round software house recruitment for contractors is up by 5.4%, and finance by 4.5%. Elsewhere media recruitment is up by 6.5%, retail by 4.9% and manufacturing by 4.6%. Public sector use of contractors had seen a sharp decline during the third quarter of 2011. Although the numbers are still low there are now 5.7% more contracts being advertised in the fourth quarter of 2011.

IT Permanent Job Advertising by Industry Quarter 4/2010 to Quarter 4/2011

Business sector	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
Electr's/Communications	2,912	2,870	3,073	1.5	-5.2
Software Houses/Consultancies	44,847	44,112	40,153	1.7	11.7
Finance	15,045	14,873	13,526	1.2	11.2
Retail	2,453	2,427	2,231	1.1	10.0
Media	3,014	2,986	2,798	0.9	7.7
Manufacturing	1,461	1,449	1,491	0.8	-2.0
Public Sector	593	605	702	-2.0	-15.5

IT Contract Job Advertising by Industry Quarter 4/2010 to Quarter 4/2011

Business sector	Quarter 4/2011	Quarter 3/2011	Quarter 4/2010	Quarter % change	Annual % change
Electr's/Communications	968	934	928	3.6	4.3
Software Houses/Consultancies	8,619	8,176	6,764	5.4	27.4
Finance	6,463	6,185	5,117	4.5	26.3
Retail	642	612	525	4.9	22.3
Media	717	673	591	6.5	21.3
Manufacturing	386	369	346	4.6	11.6
Public Sector	314	297	438	5.7	-28.3

For further information go to www.jobadswatch.co.uk

Notes

The jobadswatch.co.uk data is based on key information taken from all the jobs advertised in the UK's leading IT and multi-sector recruitment websites. The data does not include vacancies for sales or overseas-based positions.

The full survey may be ordered online by going to www.jobadswatch.co.uk