

JULY 2010 QUARTERLY UPDATE

IT recruitment levels accelerate in Q2

This quarter's figures compiled for leading IT recruitment website CWJobs.co.uk by jobadswatch.co.uk show that during the second quarter of 2010, the IT jobs market for permanent staff increased at its fastest rate for more than three years with **8.1%** more jobs advertised. This is the fourth consecutive quarter that has seen an increase in demand.

The findings are in line with other economic indicators showing an improvement in the economy and coincide with the UK coming out of recession during the latter part of 2009. However, when compared with the start of the financial crisis, IT recruitment is still down by 170% and is at a level not seen since January 2004.

During the second quarter, 3,746 consultancies advertised 88.3% of all IT jobs, with 2,789 companies placing jobs directly making up the remainder. Compared with the previous quarter the number of consultancies advertising IT vacancies is down by 5.4% and the number of employers advertising up by 15.0%. This is a significant swing towards more direct advertising from companies.

The dominant job function being sought is software developer. This quarter developers (all grades) made up over 41% of all IT jobs advertised. It is here that the main impact of the increase in demand is being seen with advertising up by 8.3% quarter on quarter. From the start of the year demand for developer-type roles has gone up by 15.1%. Elsewhere, prospects are equally as good with virtually all vacancies such as support, administration and

networking increasing in volumes. The only exception to this is that demand for senior management is down by 1.4%. This does not include project manager roles, for which job offers are up by 4.6%.

Historically contractors are the first to be discarded and the first to be employed which makes contract jobs a good indicator on the state of IT recruitment. In the first quarter of 2010, contract recruitment increased by 10.1%, during the second quarter 2010 the increase is **11.2%**, suggesting recovery is well under way.

**Demand for permanent
IT jobs up by 8.1 per cent**

**Contract vacancies up
11.0 per cent**

**Vacancies in finance up
by 7.9 per cent**

**Developers pay up by
3.3 per cent**

Key salary trends:

Advertised permanent salaries reflected the state of current employment levels with average pay in advertisements increasing by just 1.1% compared with a year ago. This is somewhat higher than the 0.7% recorded in the first quarter 2010. Salaries received by employees fared slightly better with a 1.9% annual increase being recorded. These general figures tend to hide the wide variations seen in salaries dependent on the job function, region, business sector and software skills. Nationally developers have seen pay offers up by 3.3% over the past year. Average increases for networking staff are up by 2.8%, but pay for support roles such as system administration and PC support remain stagnant with little movement from last year. Contract rates started to improve in the first quarter and have continued to improve in the second quarter with average rates up by 3.2% compared with twelve months ago.

Key IT skills trends:

The demand for IT staff is primarily driven by the need for specialist software skills and how these are applied by different business sectors. Currently, the top skill being sought is SQL. SQL server is not far behind in fifth place, unchanged since the first quarter. Between these, demand has continued to rise for the Microsoft development tools C# and .NET with 7.2% and 7.7% more jobs being advertised respectively on last quarter. Candidates with experience of implementing and supporting Linux are increasingly being requested, with quarterly demand up by 7.5%. Linux now seems to have replaced Unix as the preferred operating platform.

Contract skills show demand for SQL way up with 15.4% more vacancies available this quarter. This is followed by a 14.4% increase for people with experience of Java.

IT Permanent Software skills advertised – Quarter 2/2009 to Quarter 2/2010

Software	Quarter 2/2010	Quarter 1/2010	Quarter 2/2009	Quarter % change	Annual % change
SQL	18,902	17,965	16,879	5.2	12.0
C	13,884	13,432	12,871	3.4	7.9
C#	10,967	10,230	8,692	7.2	26.2
.NET	9,422	8,745	8,222	7.7	14.6
SQL SERVER	8,579	8,091	8,444	6.0	1.6
ASP	7,725	7,339	7,359	5.3	5.0
JAVA	6,746	6,462	6,710	4.4	0.5
JAVASCRIPT	5,218	4,815	5,352	8.4	-2.5
HTML	4,940	5,013	5,757	-1.5	-14.2
LINUX	4,700	4,372	4,574	7.5	2.8

IT Contract Software skills advertised – Quarter 2/2009 to Quarter 2/2010

Software	Quarter 2/2010	Quarter 1/2010	Quarter 2/2009	Quarter % change	Annual % change
SQL	2,811	2,436	2,147	15.4	30.9
C	2,039	1,978	1,428	3.1	42.8
JAVA	1,741	1,521	965	14.5	80.4
C#	1,687	1,551	911	8.8	85.2
ORACLE	1,440	1,371	1,123	5.0	28.2
.NET	1,239	1,122	789	10.4	57.0
SQL SERVER	1,182	1,145	872	3.2	35.6
SAP	894	935	681	-4.4	31.3
UNIX	828	724	704	14.4	17.6
ASP	804	786	596	2.3	34.9

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

Key regional findings:

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

- Over 74% of all permanent IT jobs advertised were in the southern and western regions of England, leaving the remaining regions of the Midlands, North and Scotland with less than 26%.
- In the South 3,963 more IT jobs were advertised while the North only saw an additional 471. In total 45,964 jobs were advertised in the South, compared with 17,050 in the North. There is clearly a North/South divide in job opportunities.
- Compared with the first quarter of 2010 the second quarter has seen jobs in inner London going up by 9.2% and in outer London by 9.1%. Compared with twelve months ago the figures for inner and outer London show an increase of 17.1% and 19.9% respectively. The East Midlands however are showing some improvement with jobs up by 5.9%. Further up the country, the North West is up by 1.2% but in contrast the North East continues to have less vacancies with 1.9% fewer jobs this quarter.
- Contract vacancies show the same North/South split as seen for permanent recruitment, with 80.1% of all vacancies advertised in the South. In the main job movement reflected this with 10.2% more jobs in London, compared with 3.3% in the North East.

IT Permanent Job Advertising by Region – Quarter 2/2009 to Quarter 2/2010

Region	Quarter 2/2010	Quarter 1/2010	Quarter 2/2009	Quarter % change	Annual % change
Inner London	6,714	6,147	5,736	9.2	17.1
Outer London	17,859	16,366	14,899	9.1	19.9
Southern England	18,929	17,482	15,944	8.3	18.7
West & Wales	6,425	5,969	5,813	7.6	10.5
East Midlands	4,958	4,682	4,702	5.9	5.4
West Midlands	3,592	3,398	3,654	5.7	-1.7
North West	4,068	4,021	4,346	1.2	-6.4
North East	3,192	3,253	3,691	-1.9	-13.5
Scotland	1,718	1,703	1,997	0.9	-14.0

IT Contract Job Advertising by Region – Quarter 2/2009 to Quarter 2/2010

Region	Quarter 2/2010	Quarter 1/2010	Quarter 2/2009	Quarter % change	Annual % change
Inner London	1,125	1,063	895	5.8	25.7
Outer London	5,249	4,764	3,540	10.2	48.3
Southern England	4,137	3,768	2,881	9.8	43.6
West & Wales	1,236	1,147	1,139	7.8	8.5
East Midlands	640	608	559	5.3	14.5
West Midlands	553	521	641	6.1	-13.7
North West	770	683	799	12.7	-3.6
North East	528	511	566	3.3	-6.7
Scotland	421	395	554	6.6	-24.0

Key results by business sector:

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

- Software houses and outsource consultancies are the biggest recruiters of IT personnel in the UK and this quarter made up over 59% of all permanent jobs advertised. Demand in this sector is up by 7.7% since the previous quarter.
- Finance, with 22.9% of the market, has seen 7.9% more job ads this quarter than in the previous quarter and again has been one of the main drivers behind the improvement in job opportunities, particularly in London and the South.
- From the low points hit in 2008 jobs in the media are up for the second successive quarter, with 12.1% more jobs on offer, followed by retail, up by 10.9% and manufacturing by 7.6%.

- Having seen some upward trends in public sector recruitment in the first quarter of 2010 this has now gone into reverse. It seems that the effect of the general election has contributed to 21.4% fewer jobs advertised.

In the contract market the main driving force in recruitment is also software houses and financial organisations which make up 43.5% and 34.6% of the market respectively. Software house recruitment for contractors is up by 12.2% and finance by 15.8%. Elsewhere retail is up by 14.0%, manufacturing by 11.6% and media by 9.2%. Manufacturing is again down, this time by 10.8%.

IT Permanent Job Advertising by Industry – Quarter 2/2009 to Quarter 2/2010

Industry	Quarter 2/2010	Quarter 1/2010	Quarter 2/2009	Quarter % change	Annual % change
Electr's/Communications	3,369	3,714	3,368	-9.3	0.0
Software Houses/Consultancies	34,303	31,862	30,593	7.7	12.1
Finance	13,317	12,343	10,753	7.9	23.8
Retail	1,987	1,792	1,785	10.9	11.3
Media	2,558	2,282	2,516	12.1	1.7
Manufacturing	1,316	1,223	1,540	7.6	-14.5
Public Sector	1,249	1,589	1,602	-21.4	-22.0

IT Contract Job Advertising by Industry – Quarter 2/2009 to Quarter 2/2010

Industry	Quarter 1/2010	Quarter 4/2009	Quarter 1/2009	Quarter % change	Annual % change
Electr's/Communications	1,032	1,209	1,191	-14.6	-13.4
Software Houses/Consultancies	5,866	5,226	4,191	12.2	40.0
Finance	4,672	4,035	2,920	15.8	60.0
Retail	439	385	242	14.0	81.4
Media	533	488	392	9.2	36.0
Manufacturing	307	275	407	11.6	-24.6
Public Sector	643	721	701	-10.8	-8.3

Notes

The CWJobs.co.uk/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, together with jobs advertised in IT business magazines, as well as national and selected regional press. The data does not include vacancies for sales or overseas-based positions.

CWJobs.co.uk is the leading specialist IT recruitment website and serving contract and permanent IT jobseekers throughout the UK and Ireland. The site draws over 320,000 unique users each month, attracted by the opportunity to search an average of nearly 10,000 IT job opportunities at any one time.

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