

January 2010 Update

Permanent IT recruitment continues to rise in the 4th quarter 2009

Demand for permanent IT jobs up by 1.9 per cent

Contract vacancies disappoint with vacancies down 6.1 per cent

Vacancies in finance up by 1.6 per cent

4.3 per cent more companies switching from consultancy to advertising directly

Annual IT salary increases held at 0.1 per cent

This quarter figures from the SSL/JobAdsWatch survey show that during the fourth quarter of 2009 the IT jobs market for permanent staff increased in size by **1.9%** compared with the third quarter of 2009. This is the second consecutive quarter that has seen demand for improve. This is in line with other economic indicators showing some improvement in the economy. However compared with the start of the financial crisis advertisements for IT jobs have more than halved

Advertising continues to follow a downward trend in trade magazines and the regional/national press, but has again bounced back on the leading job boards. During the third quarter 4,229 consultancies advertised 87.1% of all IT jobs with 2,517 companies placing jobs directly making up the remainder. Compared with a year ago the number of consultancies advertising IT vacancies is down 8.4%. In contrast companies advertising directly is up by 12.2%.

The benchmark job function within IT is for software developers. These make up over 38% of all IT jobs advertised. It is here that the main impact of the increase in demand is being seen with advertising up by 5.1% quarter on quarter. At the start of 2009 quarter on quarter vacancies were down by 24.3%. Elsewhere prospects are not as good with vacancies in support roles such as network support down by 14.4% and technical support down 1.0%.

The rapid rise of contract vacancies seen in the third quarter of 2009 has been somewhat reversed in the fourth quarter. Contractors are always the first place where companies want to reduce costs, but there seems to have been an over-reaction during the first part of the year. The latest figures show contract recruitment down by **6.1%** since the previous quarter, but up against the second quarter by 18%.

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

Key salary trends:

Advertised permanent salaries reflected the state of current employment levels with average pay in advertisements increasing by just **0.1%** compared with a year ago. Paid salaries 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. In particular developers working in finance with experience of C# and .Net have seen salaries on offer going up by 5.4%. This compares with a fall of 1.9% for visual basic developers working in software houses. Despite the increase in demand advertised contract rates are still under pressure with a 2.2% fall since the third quarter 2009.

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. Demand for skills such as SQL and Java have seen demand going up by 0.9% and 3.5% respectively over the past quarter. Demand for Microsoft development tools such as C# and .NET are the trend setters with 3.9% and 4.5% more jobs during this quarter. However LINUX has been advancing rapidly up the skills table and enters the top ten for the first time. LINUX has now overtaken UNIX as the preferred operating platform. Recruitment of developers with all these skills should therefore be easier than a year ago.

Contract skills suffered in proportion to the overall slowdown during the quarter. Despite this demand for C# skills is still strong with vacancies up by 8.1% since the third quarter 2009. Elsewhere demand for all the top ten skills is up compared with the second quarter 2009.

IT Permanent Software skills advertised Quarter 4/2008 to Quarter 4/2009

Software	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % Change
SQL	17,443	17,293	22,274	0.9	-21.7
C	12,569	12,877	17,431	-2.4	-27.9
C#	9,168	8,824	13,012	3.9	-29.5
.NET	8,415	8,042	12,063	4.6	-30.2
SQL SERVER	8,009	7,820	11,363	2.4	-29.5
ASP	6,825	6,755	10,186	1.0	-33.0
JAVA	6,362	6,148	8,952	3.5	-28.9
HTML	5,782	5,946	5,953	-2.8	-2.9
JAVASCRIPT	4,806	5,344	5,361	-10.1	-10.4
LINUX	4,792	4,233	5,513	13.2	-13.1

IT Contract Software skills advertised Quarter 4/2008 to Quarter 4/2009

Software	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % change
SQL	2597	2726	3532	-4.7	-26.5
C	1802	1853	3461	-2.8	-47.9
JAVA	1125	1190	2322	-5.5	-51.6
C#	1431	1324	2488	8.1	-42.5
ORACLE	1357	1394	2366	-2.7	-42.6
SQL SERVER	1175	1263	2284	-7.0	-48.6
.NET	1078	1068	1358	0.9	-20.6
SAP	826	863	1271	-4.3	-35.0
ASP	753	825	1184	-8.7	-36.4
UNIX	751	904	989	-16.9	-24.1

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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

- Over 72% 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 less than 28%.
- In the south the number of jobs advertised increased by 0.9% whilst in the north recruitment fell by 4.9%. There is a clear north/south divide.
- Compared with the third quarter of 2009 the fourth quarter has seen jobs in Inner London going up by 1.2% and in Outer London by 1.5%. This compares with a decline of 6.8% and 6.5% seen six months ago There is no doubt that London was the area hit first with job losses, but looks like the first to be recovering.
- The **area's** seeing the largest decline in recruitment are Scotland, down by 10.6%, the North East down by 5.5% and the West Midlands by 4.7%.
- Contract vacancies show the same north/south split as seen for permanent recruitment, with 69.4% of all vacancies advertised in the south. Jobs in the south fell away by 3.9% and by 10.7% in the north.

IT Permanent Job Advertising by Region
Quarter 4/2008 to Quarter 4/2009

Region	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % change
Inner London	5912	5842	6551	1.2	-9.8
Outer London	15466	15236	27575	1.5	-43.9
Southern England	16582	16533	24810	0.3	-33.2
West & Wales	5794	5865	9055	-1.2	-36.0
East Midlands	4467	4616	6721	-3.2	-33.5
West Midlands	3426	3594	5598	-4.7	-38.8
North West	4111	4281	6980	-4.0	-41.1
North East	3363	3558	5807	-5.5	-42.1
Scotland	1610	1801	2767	-10.6	-41.8

IT Contract Job Advertising by Region
Quarter 4/2008 to Quarter 4/2009

Region	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % change
Inner London	977	989	1477	-1.2	-33.9
Outer London	4302	4442	6274	-3.2	-31.4
Southern England	3429	3635	4486	-5.7	-23.6
West & Wales	1095	1238	2088	-11.6	-47.6
East Midlands	586	605	1218	-3.1	-51.9
West Midlands	505	617	1529	-18.2	-67.0
North West	707	763	1232	-7.3	-42.6
North East	524	559	1294	-6.3	-59.5
Scotland	421	518	943	-18.7	-55.4

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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. Additional demand in this sector resulted in 2.1% more jobs being advertised since the previous quarter.
- Finance, with 21.2% of the market (down from a share of 25.2% twelve months ago) has seen 1.6% more job advertisement this quarter than in the previous quarter. Prospects are looking brighter in that at the start of 2009 jobs were disappearing from this sector at a quarterly rate of 36.4%.
- For the seventh consecutive quarter manufacturing (down 14.8%), media (down 8.2%) and retail (down 2.8%) have all seen reduced recruitment activity. However despite this the rate at which vacancies have been falling seems to have moderated in the last three months.
- The public sector reversed the positive trends seen in the previous quarter with job vacancies down by 6.0% compared with the third quarter 2009.

In the contract market the main driving force in recruitment has been from the biggest employers, namely software houses and finance sectors. These two sectors were affected from the outset by the credit crunch that started to hit the markets two years ago. The fall out continued until the second quarter of 2009 and then bounced back in the third quarter, only to fall back again during the 4th quarter. However whilst there is a fall of 5.25% in Software house recruitment this is offset by the 18% increase since the second quarter.

IT Permanent Job Advertising by Industry Quarter 4/2008 to Quarter 4/2009

Industry	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % change
Electr's/Communicationss	3326	3421	4251	-2.8	-21.8
Software Houses/Consultancies	31553	30909	42744	2.1	-26.2
Finance	11175	11004	19814	1.6	-43.6
Retail	1723	1772	2672	-2.8	-35.5
Media	2234	2434	3816	-8.2	-41.5
Manufacturing	1258	1477	2540	-14.8	-50.5
Public Sector	1544	1643	2514	-6.0	-38.6

IT Contract Job Advertising by Industry Quarter 4/2008 to Quarter 4/2009

Industry	Quarter 4/2009	Quarter 3/2009	Quarter 4/2008	Quarter % change	Annual % change
Electr's/Communicationss	1105	1243	1429	-11.1	-22.7
Software Houses/Consultancies	4948	5218	6631	-5.2	-25.4
Finance	3678	3845	4487	-4.3	-18.0
Retail	342	339	558	0.9	-38.7
Media	424	470	892	-9.8	-52.5
Manufacturing	323	417	901	-22.5	-64.2
Public Sector	701	728	1722	-3.7	-59.3

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