CIPD

Championing better work and working lives

in partnership with

THE ADECCO GROUP

LABOUR MARKET OUTLOOK

VIEWS FROM EMPLOYERS

Spring 2018

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 145,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Report

Labour Market Outlook

Spring 2018

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1 Foreword from the CIPD

The quarterly CIPD *Labour Market Outlook* (LMO) provides a set of forward-looking labour market indicators, highlighting employers' recruitment, redundancy and pay intentions. The survey is based on responses from 1,008 employers. Additionally, this report also considers the extent to which the tightening in the UK labour market is hampering employers' ability to find staff and putting modest upward pressure on wages.

Employment

This survey points to continued growth in demand for labour in Q2 2018, which will lead to a further tightening of the UK labour market for employers. This quarter's net employment balance – which measures the difference between the proportion of employers who expect to increase staff levels and those who expect to decrease staff levels in the second quarter of 2018 – has increased to +26 from +16 over the past three months (Figure 1). The measure is at its highest level since it was introduced in the winter 2012/13 report.

The survey data is consistent with official labour market data, which show that employment growth remains strong while the number of vacancies in the UK economy remains well above historical average levels.[1] However, the positive employment picture contrasts with disappointing first quarter GDP growth estimates for 2018 of just 0.1%,[2] which, alongside other economic indicators, point to lower economic activity (ONS,[3] PMI,[4] CIPS[5]).

In addition, the strong demand for labour is not being matched by labour supply, which has also been affected modestly by a relatively abrupt slowing in the growth rate of EU nationals coming to the UK over the last 12 months (ONS).[6]

The surprising degree of optimism amongst employers therefore poses a conundrum to our understanding of the current state of the UK labour market and economy. One possible explanation is that the recent agreement between the UK Government and the EU at the March Council meeting may have ended uncertainty for some employers in the short to medium term. The settlement gives EU citizens that arrive during the transitional period the right to stay here indefinitely if they stay here for a continuous period of five years and ensures that free movement of labour and the existing trading arrangements will continue during the transitional period from March 2019 to December 2020. This development could therefore be good news for labour demand and supply.

A second factor may be that employers will need more people to employ because of changing demographics. According to the Bank of England, overall labour supply is expected to fall in the coming years, partly due to an increasing proportion of older workers, who tend to work fewer hours (Bank of England[7]). At the same time, EU nationals tend to work longer hours than UK workers (ONS[8]). Taking these two factors together, potential labour supply is projected to grow by less than the recent average, which may increase demand for workers.

From a sector perspective, the depreciation in the pound may also be helping to boost industries where employment growth looks particularly strong in Q2, such as business services (+35) and manufacturing (+38). Nonetheless, the sectoral data is consistent with official figures, which show that employment levels in manufacturing are growing modestly

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following a relatively long period of decline (ONS).[9] Employment growth in healthcare (+20) also looks set to grow in the short term, building on the sharp growth in the number of people employed in this sector in recent years.[10]

The high degree of optimism amongst employers about short-term employment prospects suggests that recruitment expectations are at present being more strongly influenced by changing demographics, more certainty about the status of current and future EU citizens and the recent strength of the global economy than by recent indications that the UK economy may be slowing. However, employer optimism is likely to weaken if the current slowdown persists.

Pay

According to the survey data, growth in basic pay awards is projected to remain broadly consistent with recent reports. Median basic pay increase expectations in the 12 months to March 2019 are 2%, which is consistent with recent LMO reports. However, average basic pay award expectations during the same period have risen to 2.1% from 1.8%. This is consistent with other survey indicators that also suggest an increase in wage growth or settlements (Bank of England,[11] REC,[12] Xpert HR[13]).

The pay trends in this report have broadly mirrored those in the official data, which show that earnings growth has remained subdued in recent years. This is despite predictions from many commentators and institutions that pay would accelerate, for example the Office for Budget Responsibility predicted that wage inflation would reach 3.5% in 2016, but the actual level of wage increases during the year remained closer to the 2% indicated by the CIPD *Labour Market Outlook*.

However, the latest official average weekly earnings (AWE) measure, which shows that earnings (excluding bonuses) have increased by 2.8% over the past year, has started to diverge somewhat from the LMO pay indicator.

The gap could be the latest example of a false dawn of pay optimism. However, given the historical relationship between pay and productivity growth, the recent strengthening of pay growth is consistent with a recovery in productivity growth over the past two quarters.

In addition, it may also be partly explained by the limitation of basic pay awards to capture the extent to which employers are offering higher pay to key or new staff and overtime. As official data shows, the job-to-job flow rate, which measures the degree of churn in the labour market, has rebounded to pre-recession levels following a prolonged period where movement between jobs was subdued.[14] Various survey indicators suggest that the earnings of those who are moving jobs are higher than those who don't because employers are offering higher wages (ONS,[15] Bank of England[16]). This is partly reflected in this report, which shows that the incidence of hard-to-fill vacancies has increased during the past couple of years. Overall, more than three in five (61%) employers report that at least some of their vacancies are proving hard to fill among employers who currently have vacancies. In addition, more than a quarter (28%) of employers are raising wages to help tackle their recruitment difficulties. Taken together, the data in the report and other evidence suggests that as employment continues to grow, the tightening of the labour market may now be starting to create more pressure on employers to raise pay.

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2 Foreword from The Adecco Group UK and Ireland

The CIPD/The Adecco Group *Labour Market Outlook* (LMO), spring 2018, moves some of the trends we have seen in recent reports on a step. Namely demand for labour, wages and skills acquisition.

The report reveals that demand for labour is buoyant, delivering the highest figures for employment confidence since the measure was introduced in the LMO, winter 2012/13 report. It also reveals a sharp increase in confidence from the winter 2017/18 report, rising to +26 from +16.

Anecdotally, it appears this is coming off the back of new agreements around Brexit. There seems to be a slight lift in the uncertainty that has, up to now, had a generally negative impact on employment and recruitment. It stands to reason that businesses are more amenable to recruitment when their economic circumstances are positive.

Good news is also to be found in wages moving in the right direction. The average basic pay increase expectation for the next twelve months has grown to 2.1% from 1.8%, and more than a quarter of employers have indicated that they are currently raising wages.

Tied to this is news that slightly tempers the good feeling from other areas of the report. There are emergences and growths in skills gaps. While demand is rising, supply is not moving at the same rate.

The spring *Labour Market Outlook*, like previous reports, shows that for many the primary response to the skills shortage is to upskill existing employees. 38% of employers report that they are planning on upskilling current employees to offset hard-to-fill vacancies over the next quarter. This is followed by raising salaries and bonuses to recruit workers and to retain them (28%).

Although wage growth is a broadly positive trend, it's our view that employers must understand the potentially negative implications of pushing wages too far too fast. For example, the scramble for skills can easily bring about counter offering to the point that wages become artificially inflated. This in turn can cause a wage bubble, or lead to employers experiencing team challenges due to paying one worker more than another for the same job.

We believe that there are better and more sustainable ways to respond to skills shortages than focusing on financial incentives. Businesses can leverage different elements of their employment package (for example benefits, workplace environment, reskilling and training, and career progression) to stand out from the crowd, attract candidates who match their culture, and recruit and retain the right skills. As such, it is good to see hiring apprentices and flexible recruitment as popular responses to skills shortages.

While the overall report paints a mixed picture, there are certainly things to celebrate. Rising demand and wages are both positive steps. If employers can respond to the skills issue in the right way, then the employment picture will get considerably better over time.

Alex Fleming, Country Head and President of Staffing and Solutions,
The Adecco Group UK and Ireland

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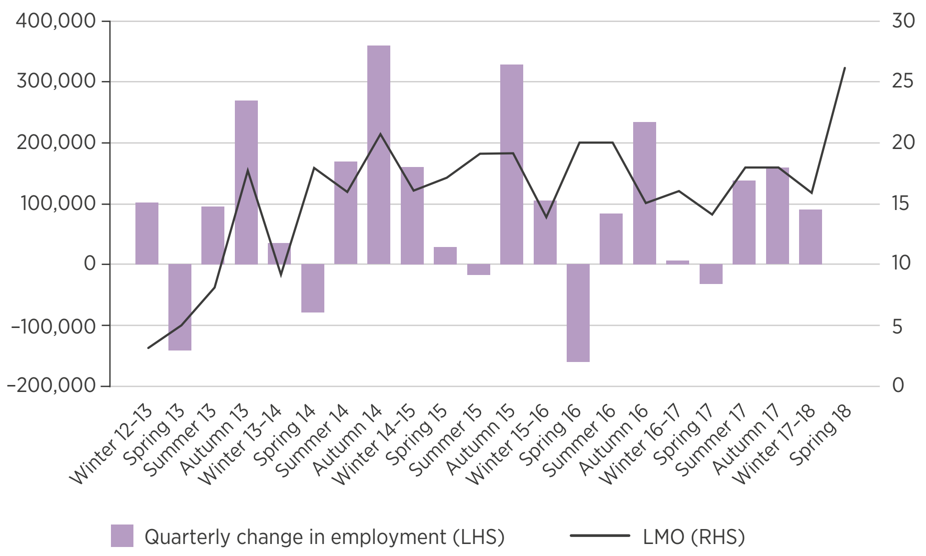
3 Recruitment and redundancy outlook

What is the short-term employment outlook?

This section focuses on the recruitment and redundancy intentions of LMO employers in the second quarter of 2018. This latest report suggests that employment confidence has increased sharply since the previous report and is at its highest level since the measure was introduced in the winter 2012/13 report.[17] This quarter's net employment balance – which measures the difference between the proportion of employers who expect to increase staff levels and those who expect to decrease staff levels – has increased to +26 from +16 in the winter 2017/18 report (Figure 1).

The increase in employment confidence since the previous report seems to be broad-based. Employment growth will continue to be driven by the private sector, which has increased to +32 (up from +22) since the previous quarter. In addition, employment levels look set to increase in the public sector, up to +9 from –7, and in the voluntary sector (+21) during the same period (Figure 2).

Figure 1: Correlation between LFS employment levels[18] and LMO data



Base: spring 2018, all employers (total: n=1,008)

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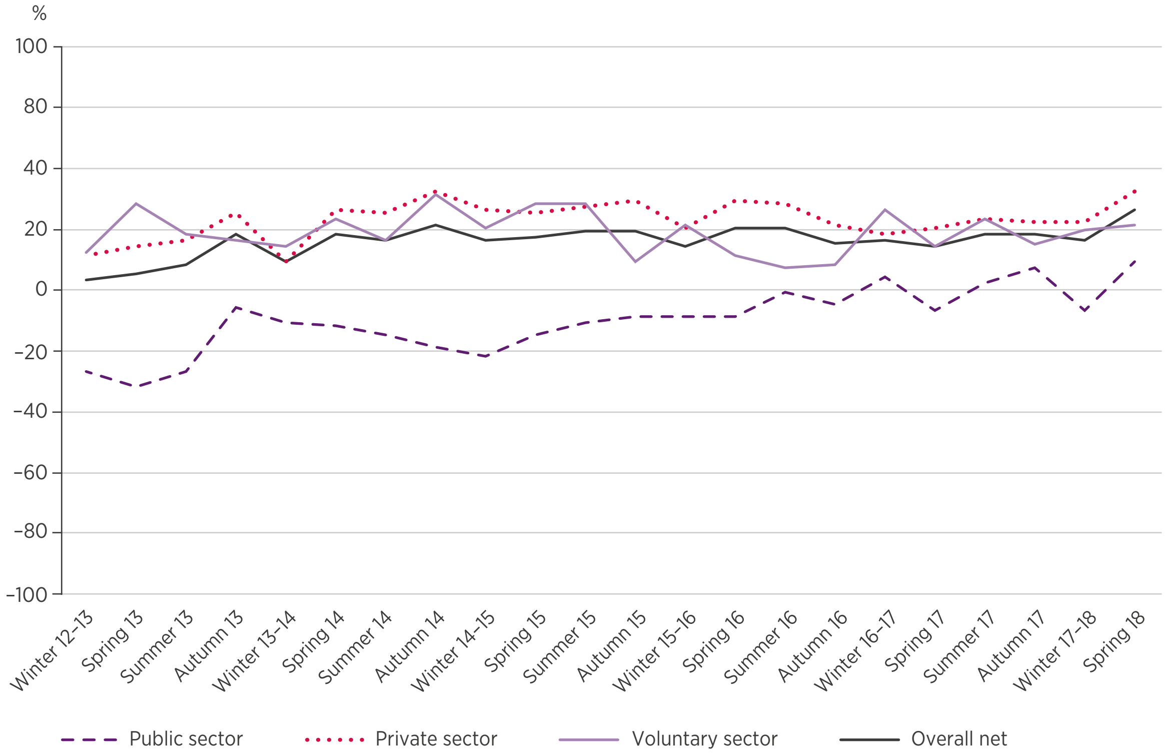
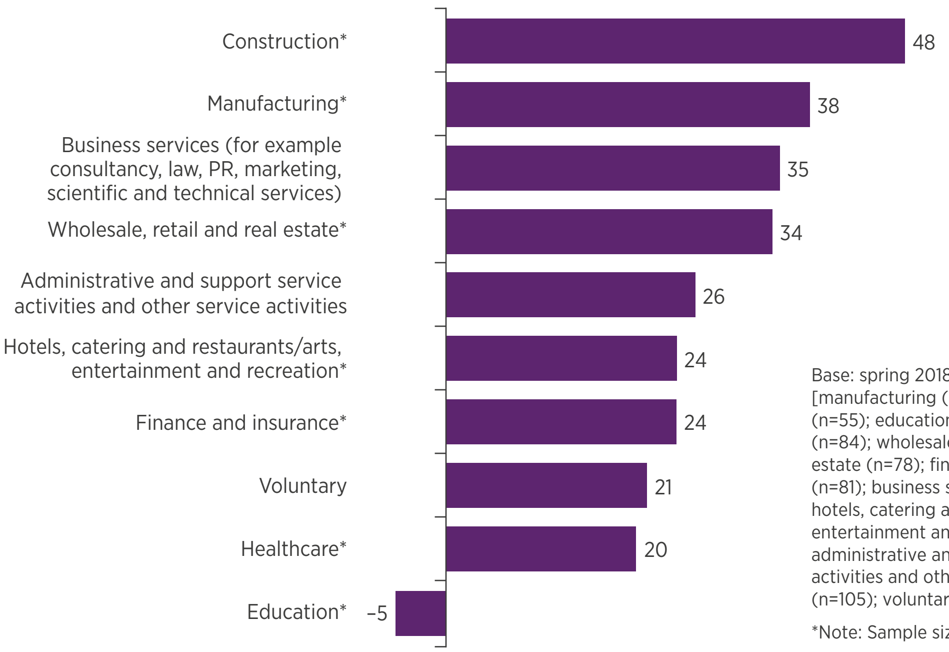
Among the LMO employers who responded to the survey, employment confidence is highest in the construction (+48), manufacturing (+38) and business services (+35) sub-sectors.[19] The only sector that looks set to contract in the three months to June 2018 is education (–5).

Figure 2: Overall effect of recruiting new staff and/or making redundancies next three months, by sector (%)



Base: spring 2018, all employers (total: n=1,008; private: n=795; public: n=103; voluntary: n=110)

Figure 3: Net employment intentions for the next three months, by sector (%)



Base: spring 2018, all employers [manufacturing (n=87); construction (n=55); education (n=67); healthcare (n=84); wholesale, retail and real estate (n=78); finance and insurance (n=81); business services (n=131); hotels, catering and restaurants/arts, entertainment and recreation (n=66); administrative and support service activities and other service activities (n=105); voluntary (n=110)]

*Note: Sample size is under n=100

Looking at the broader sectors, it seems that employment growth will be strongest in the manufacturing sector (+38) (Table 1). At the same time, employment growth prospects are also strengthening in services, up from +20 to +31, and healthcare, up from +6 to +20.

Table 1: Net employment intentions for the next three months, by combined sector

Sector	Spring 18	Winter 17–18	% point change
Healthcare* (n=84)	+20	+6	+14
Education* (n=67)	–5	+3	–8
Private sector services (n=532)	+31	+20	+11
Manufacturing (n=87)	+38	+27	+13

Base: spring 2018

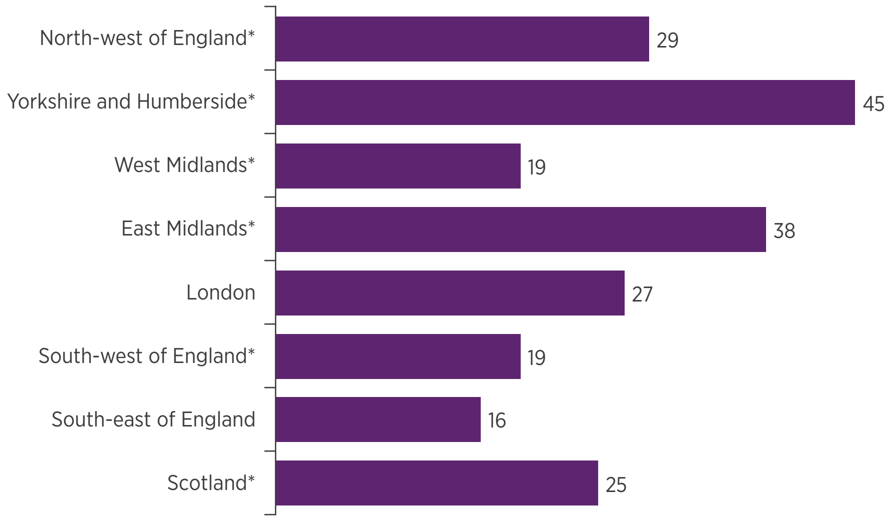
*Note: Sample size is under n=100

Looking across the different nations and regions of the UK (Figure 4), employment confidence is highest in Yorkshire and Humberside (+45) and lowest in the south-east of England (+16).

What are the recruitment intentions for the forthcoming quarter?

Recruitment intentions among LMO employers are broadly consistent with recent trends. Overall, seven in ten (71%) organisations state that their organisation is planning to recruit employees in the next three months to June 2018 (Figure 5). Four in five (80%) public sector employers plan to recruit employees during the same period, compared with approximately three in five (68%) private sector firms. Meanwhile, almost three-quarters (74%) of voluntary sector employers plan to recruit in the next three months. Overall, recruitment intentions have risen modestly in all three sectors compared with previous reports.

Figure 4: Net employment intentions for the next three months, by region (%)[20]



Base: spring 2018, all employers [north-west of England (n=81); Yorkshire and Humberside (n=59); West Midlands (n=58); East Midlands (n=53); south-west of England (n=72); south-east of England (n=146); Scotland (n=58); London (n=180)]

*Note: Sample size is under n=100

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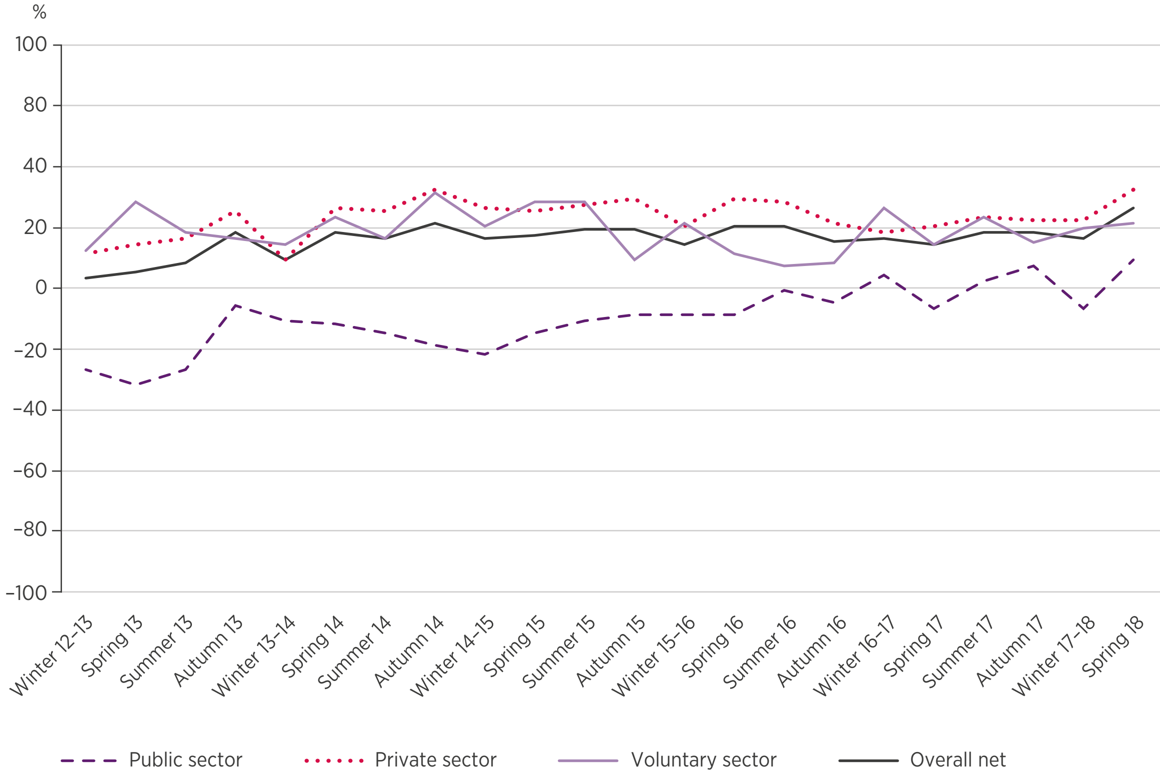
Figure 5: Recruitment intentions, by sector (%)



Base: spring 2018, all employers (total: n=1,008; private: n=795; public: n=103; voluntary: n=110)

What is the outlook for redundancies in the second quarter of 2018?

The proportion of LMO employers expecting to make redundancies remains unchanged compared with the previous report. Overall, around a fifth of organisations (21%) are planning to make redundancies the next three months. The proportion of organisations planning to make redundancies in the private sector (18%) remains unchanged compared with three months ago. However, redundancy intentions have increased 8 percentage points in the public (32%) and voluntary (23%) sectors (Figure 6).

Looking at the sub-sectors in more detail (Table 2), redundancy intentions in the three months to June 2018 are highest among education employers (33%) – up from almost one in five (19%) in the winter 2017/18 report – and healthcare (23%). Meanwhile, almost one in three (29%) London employers plan to make redundancies during the same period.

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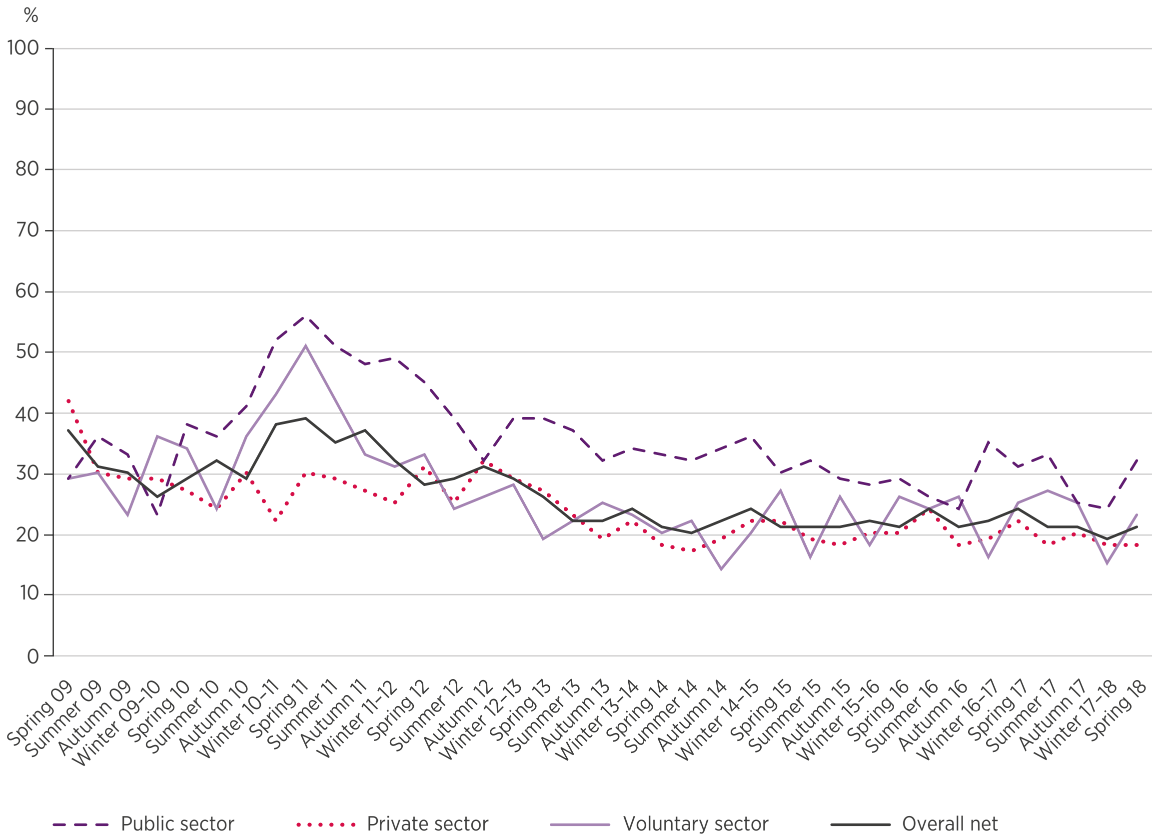
Figure 6: Redundancy intentions, by sector (%)



Base: all employers (total: n=1,008; private: n=795; public: n=103; voluntary: n=110)

Table 2: Redundancy intentions, by industry (%)

Sector	Spring 18	Winter 17–18	% point change
Healthcare* (n=84)	23	14	+9
Education* (n=67)	33	19	+14
Private sector services (n=532)	18	19	–1
Manufacturing and production (n=175)	18	17	+1

Base: spring 2018, all employers
*Note: Sample size is under n=100

4 Job vacancies

How prevalent are hard-to-fill vacancies?

Against the backdrop of buoyant demand for labour, it is no surprise that many organisations are having difficulty filling vacancies. Among employers who currently have vacancies in their organisation, three in five (61%) report that at least some of these vacancies are proving hard to fill. By comparison, a small majority (56%) of employers reported that they were having difficulty filling vacancies in their organisation during the same period in 2017.

When looking at the overall population of employers, including those who have not reported any current vacancies, over one in three (36%) state they currently have a hard-to-fill vacancy, which is consistent with the winter 2017/18 report (35%). The share of employers with recruitment difficulties is higher in the public sector (48%) than in the private sector (33%).

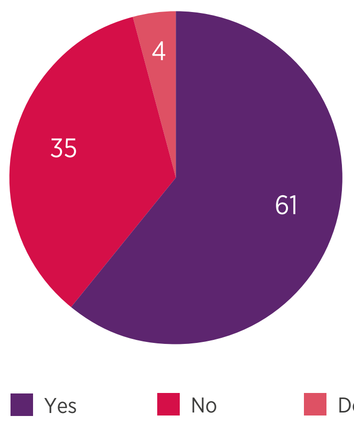
What is the density of hard-to-fill vacancies among those organisations that have hard-to-fill vacancies?

On average, organisations with hard-to-fill vacancies report that close to a third of their total vacancies (30%) are proving hard to fill, which is lower than the density of recruitment difficulties reported in the autumn 2017 LMO, where just over a third of all vacancies (35%) were hard to fill among those organisations that experienced recruitment difficulties.

To what extent are organisations experiencing skill-shortage vacancies and where is the impact the greatest?

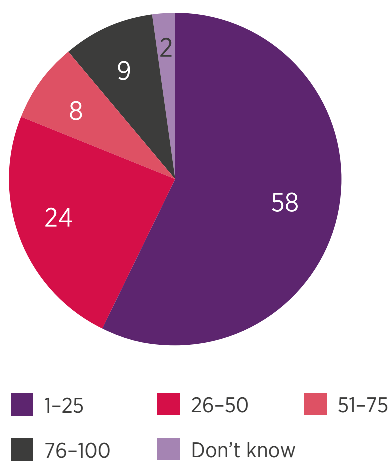
Overall, employers whose organisations are facing hard-to-fill vacancies report that on average two-thirds (66%) are skill-shortage vacancies, or vacancies that are proving difficult to fill because employers cannot find applicants with the appropriate skills, qualifications or experience. Meanwhile, just over a third (34%) of hard to fill vacancies are the result of labour shortages, which are unskilled or low-skilled vacancies that do not require a high level of skills, qualifications or experience.

Figure 7: Proportion of organisations with current vacancies who have hard-to-fill vacancies (%)



Base: spring 2018, all employers who currently have vacancies (n=451)

Figure 8: Proportion of total vacancies proving hard to fill among employers with hard-to-fill vacancies (%)

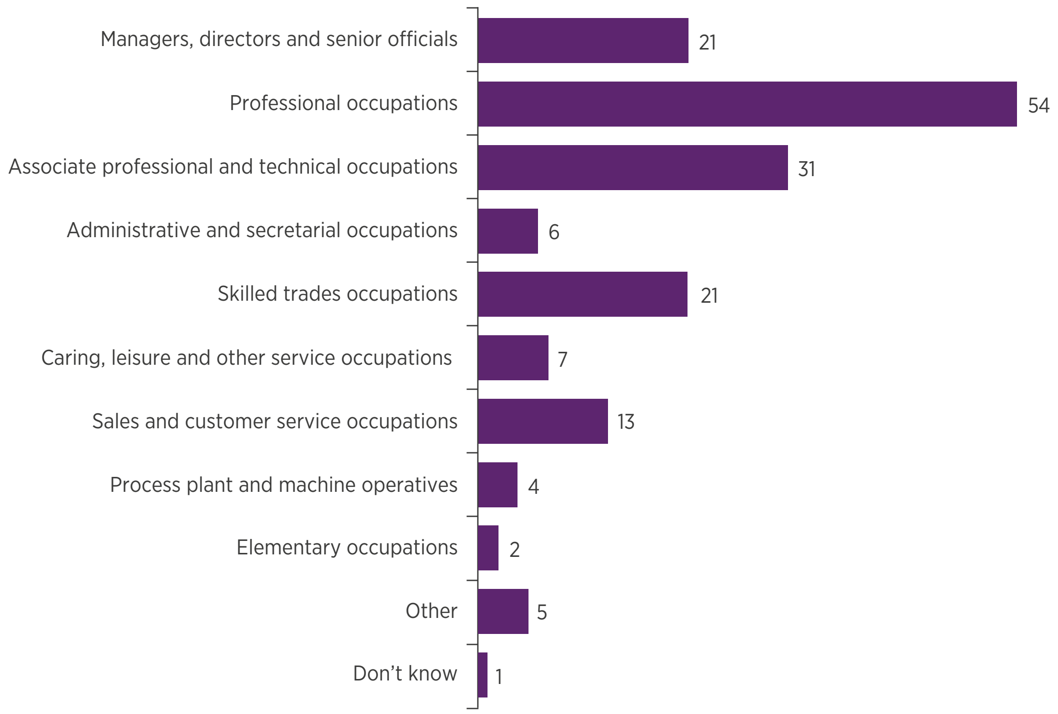


Base: spring 2018, all employers who have hard-to-fill vacancies (n=263)

By occupation, the incidence of skill-shortage vacancies among employers is particularly prevalent among professional occupations (for example scientists, engineers, IT, business analysts, and so on), where more than half (54%) of employers say that applicants do not have the required level of skills, qualifications or experience. Meanwhile, nearly a third (31%) say they are having difficulty filling positions for associate professional and technical occupations (for example science/engineering technicians, architectural technicians, and so on).

In addition, one in five employers report challenges recruiting managers, directors and senior officials (21%) and skilled trades occupations (21%). Meanwhile, employers are having less difficulty finding candidates with the required skills and experience for administrative and secretarial (6%), process, plant and machine (4%) or elementary (2%) occupations.

Figure 9: Occupation types proving most difficult to find candidates for with the necessary skills, work experience or qualifications (%)



Base: spring 2018, all employers who have a skill-shortage vacancy (n=244)

Thinking about role levels, employers with hard-to-fill vacancies indicate that intermediate- or experienced-level roles are proving most difficult to fill (49%), followed by middle-level management (30%) and first-level management (26%) roles. Employers seem to be having less difficulty finding candidates with the necessary skills or experience for senior, executive, or top-level management (14%) or entry-level (14%) roles.

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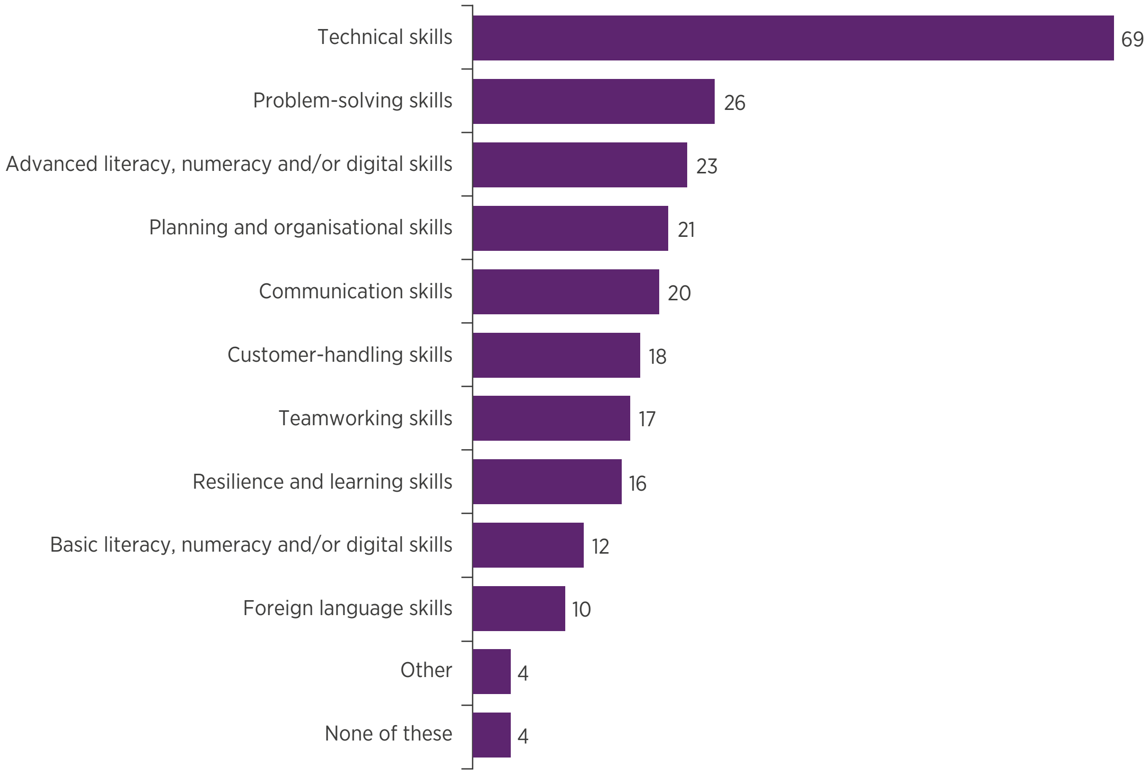
Figure 10: Role levels proving most difficult to find candidates for with the necessary skills, work experience or qualifications (%)

Base: spring 2018, all employers who have hard-to-fill vacancies (n=263)

Figure 11: Skills organisations are having difficulty finding among candidates (%)



Base: spring 2018, all employers who have hard-to-fill vacancies (n=263)

Where establishments struggle to find specific skills from the available labour supply, the skills perceived to be lacking in candidates are most likely to be technical skills (69%), problem-solving (26%), advanced literacy, numeracy and/or digital skills (23%) and planning and organisation skills (21%).

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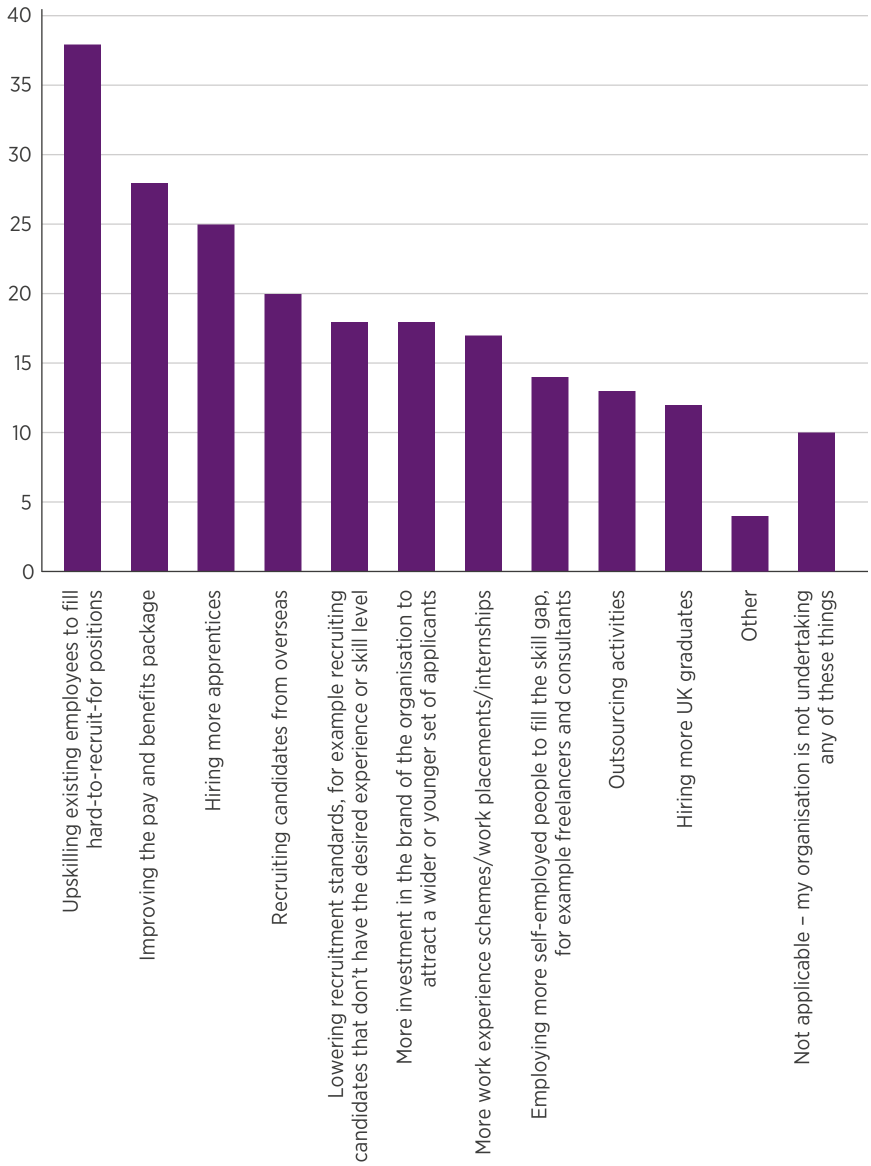
The vast majority of organisations are currently taking steps to tackle recruitment difficulties. As Figure 12 illustrates, upskilling remains at the forefront of organisations' approaches to tackling recruitment difficulties. Around two in five (38%) employers say that they plan to upskill existing staff to help offset hard-to-fill vacancies. Meanwhile, more than a quarter (28%) of employers are currently raising wages.

Figure 12: Top ten employer responses to recruitment difficulties (%)



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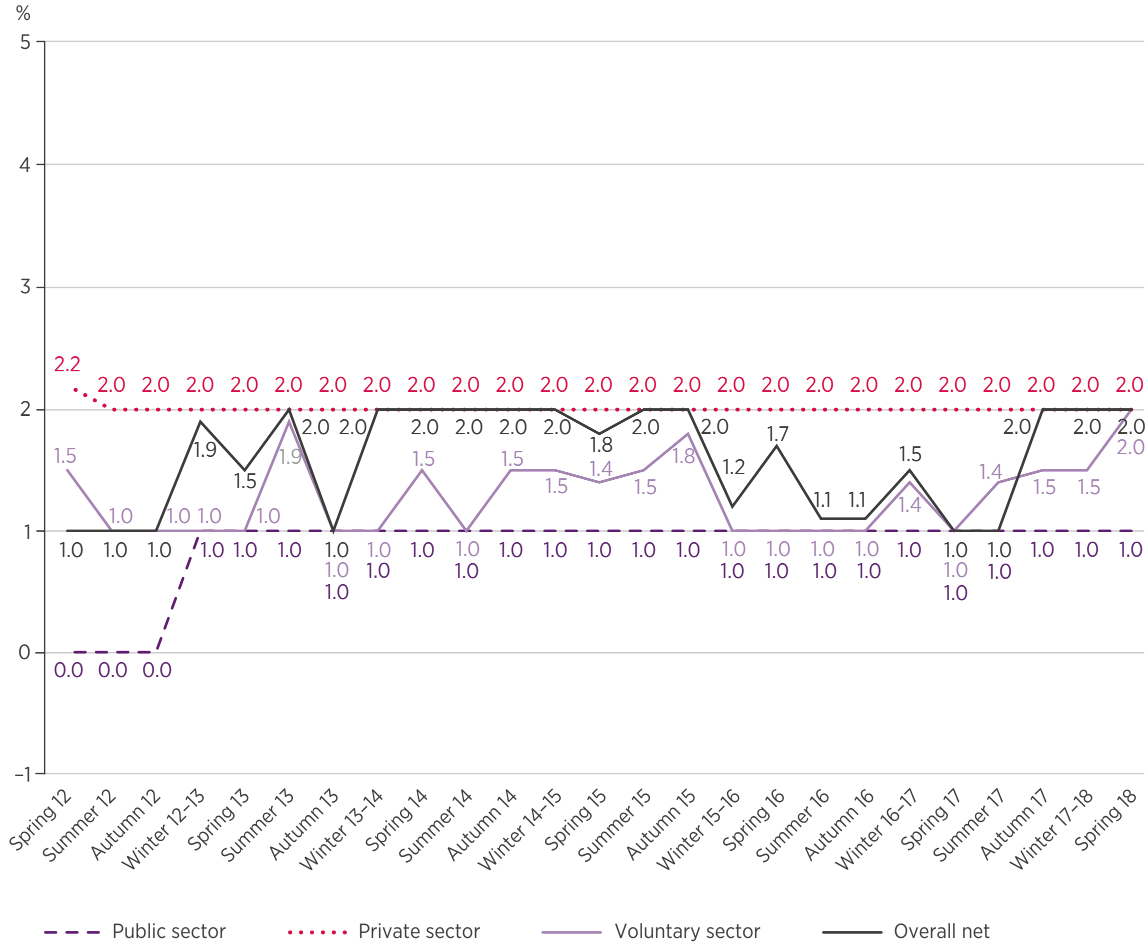
5 Pay outlook

What is likely to happen to wage inflation in the next 12 months?
According to the survey data, growth in basic pay awards is projected to remain broadly consistent with recent reports. Median basic pay expectations in the 12 months to March 2019 are 2%, which is consistent with recent LMO reports.

However, average basic pay award expectations during the same period have risen to 2.1% from 1.8%. This is consistent with other survey indicators, which also point to an increase in pay growth (Bank of England,[21] REC,[22] Xpert HR[23]), albeit at a more subdued level. A similar gap can be found between the LMO pay indicator and the official average weekly earnings (AWE) measure, which has increased by 2.8% over the past year.[24]

Median basic pay increase expectations are unchanged in the private sector (2%) and public sector (1%) compared with the previous report. However, basic pay expectations in the voluntary sector have increased to 2% from 1.5% (Figure 13). Looking at the sub-sectors, median basic pay award expectations in the manufacturing and services sectors are also 2%.

Figure 13: Average predicted annual *basic* pay awards (median), by business sector



Base: spring 2018, all employers who report an expected increase, decrease or pay freeze in the next 12 months (total: n=498; private: n=366; public: n=64; voluntary: n=68)

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Despite the modest fall in the share of organisations that are unable to predict their next basic pay awards, around two-fifths (41%) of organisations still do not know what their next basic pay award will be, so some care should be taken not to over-extrapolate from the data.

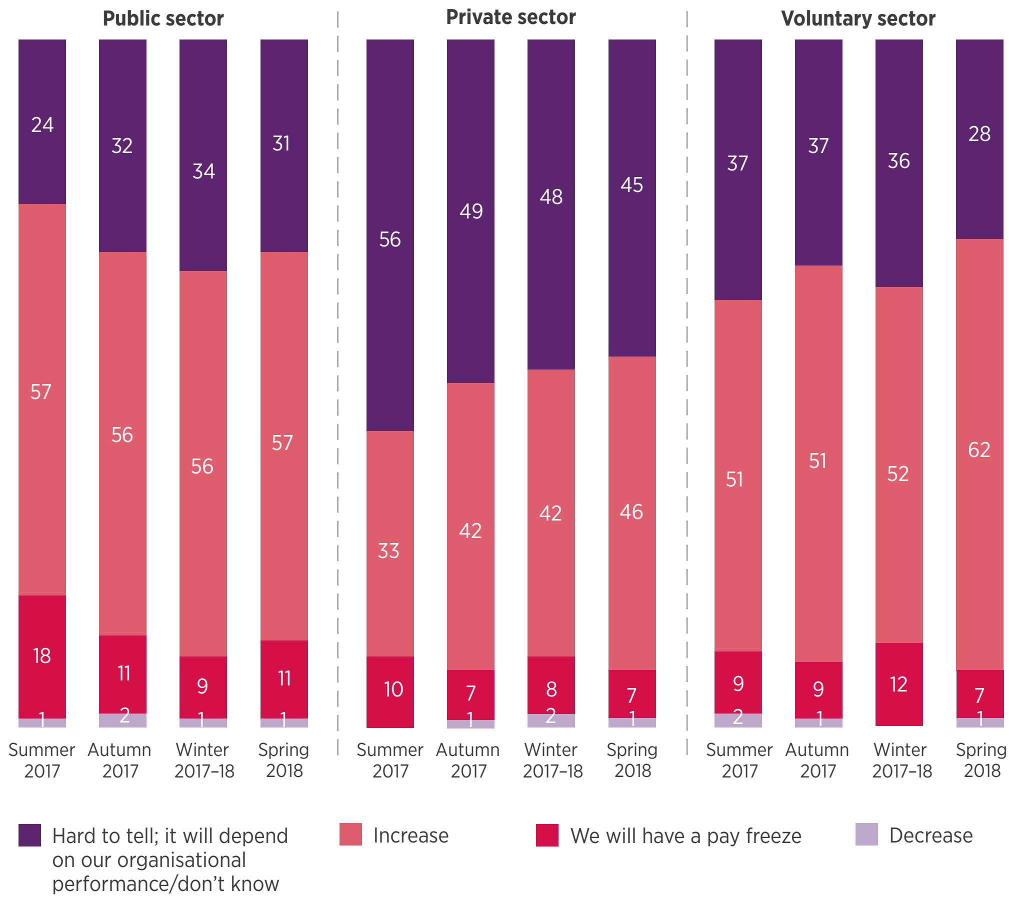
The data is consistent with the backward-looking data in this report, which indicate that the median basic pay award among employers that conducted a pay review in the 12 months to March 2018 was also 2%.

The modest upward movement in pay is reflected in the distribution of basic pay award expectations, which is being driven by a positive shift in basic pay expectations among public sector employers. Almost two in five (39%) public sector employers predict a basic pay increase of 2% or more in the year ahead, compared with less than a quarter (23%) of organisations three months ago.

What are the key factors behind employers' basic pay decisions?

External labour market and economic conditions continue to put upward pressure on pay for some organisations. The share of employers that cite the 'going rate of pay elsewhere' as a reason for a basic pay award of 2% or more has risen to more than one in

Figure 14: Likelihood of a basic pay increase, decrease or pay freeze, by business sector (%)



Base: spring 2018, all employers who expect a pay decision in the next 12 months (total: n=860; private: n=667; public: n=93; voluntary: n=100)

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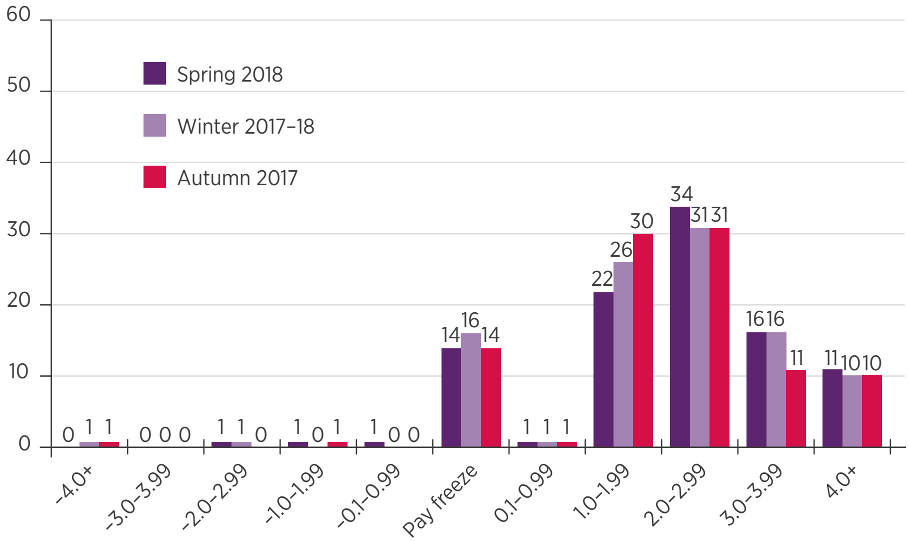
three (34%) from less than three in ten (29%) compared with a year ago. In addition, the proportion of organisations that cite recruitment and retention pressures has risen from around one in four employers (27%) to almost one in three employers (32%) compared with the spring 2017 report. The other change that reflects the further tightening of the labour market sees the proportion of employers reporting that a movement in market rates is a key factor behind their basic pay award increase of 2% or more, increase to almost three in ten (28%) employers from almost one in five (18%) employers. Additionally, more than a quarter (28%) say that the current official rate of inflation is a key factor in their decision to award a basic pay increase of 2% or more.

Among LMO employers who predict that average basic pay will increase at their organisation by less than 2%, or not increase at all, the three most popular reasons are restraint on public sector pay (36%), affordability (35%) and uncertainty around the UK's future access to the EU market (15%).

Figure 15: Distribution of forward-looking basic pay settlements (%)



Base: spring 2018, all employers who report an expected increase, decrease or pay freeze in the next 12 months (total: n=498; private: n=366; public: n=64; voluntary: n=68)

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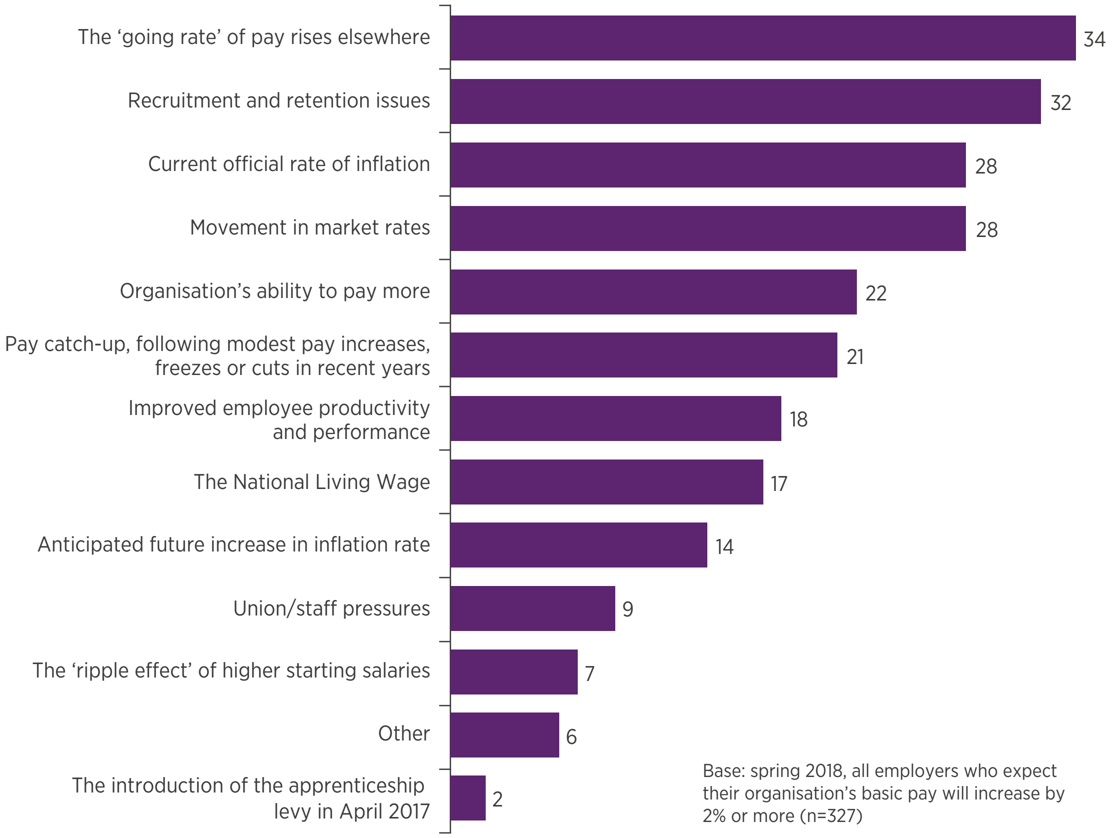
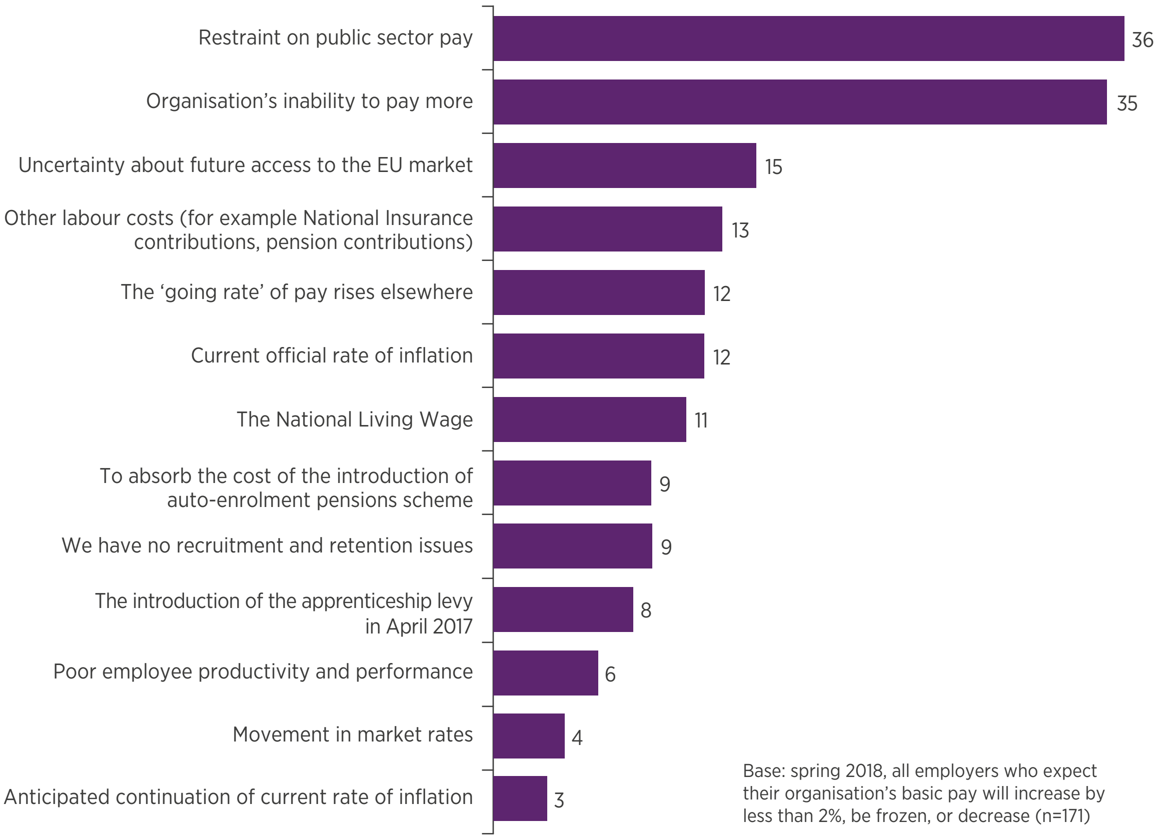
Figure 16: Main reasons behind average basic pay increases of 2% or more (%)



Base: spring 2018, all employers who expect their organisation's basic pay will increase by 2% or more (n=327)

Figure 17: Top factors restricting organisations, ability to match the inflation rate target of 2% (%)



Base: spring 2018, all employers who expect their organisation's basic pay will increase by less than 2%, be frozen, or decrease (n=171)

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6 Survey method

The fieldwork for the LMO survey is managed by YouGov Plc and this survey has been conducted using the bespoke YouGov online system administered to members of the YouGov Plc UK panel who have agreed to take part in surveys, and to the CIPD membership.

The survey is based on responses from 1,008 HR professionals and senior decision-makers. The sample is targeted to senior business leaders of senior officer level and above.

An email was sent to each respondent from the YouGov sample, who are selected at random from the base sample according to the sample definition, inviting them to take part in the survey and providing a link to the survey. The survey was carried out online and fieldwork was undertaken between 9 March and 30 March 2018.

Weighting

The quarterly LMO survey is sampled from the YouGov panel of senior decision-makers from UK businesses. The data is weighted to be representative of the UK public and private sector business population by size of employer and sector. Rim weighting is applied using targets on size and sector drawn from the *Business Population Estimates for the UK and Regions 2016*.

The delivered sample is drawn across all business sizes and in total 610 unweighted responses were received from small establishments (1–249 employees) and 398 from large employers (250+ employees). Additionally, the sample comprises 795 private sector employers, 103 public sector employers and 110 voluntary sector employers.

Table 3: Breakdown of the sample, by number of employees in organisation (%)

	Spring 2018	Winter 2017–18	Autumn 2017	Summer 2017	Spring 2017	Winter 2016–17	Autumn 2016	Summer 2016	Spring 2016	Winter 2015–16
2–9	14	14	14	14	14	14	14	14	14	14
10–49	14	14	14	14	14	14	14	14	14	14
50–99	6	6	6	6	6	6	6	6	6	6
100–249	7	7	7	7	7	7	7	7	7	7
250–499	10	10	10	15	10	10	9	8	8	8
500–999	10	9	9	7	10	10	7	8	6	8
1,000 or more	40	40	40	37	40	39	41	43	44	43
N	**1,008**	**2,066**	**2,007**	**1,139**	**1,060**	**1,051**	**1,024**	**1,050**	**1,014**	**1,007**

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Table 4: Breakdown of the sample, by sector (%)

	Spring 2018	Winter 2017–18	Autumn 2017	Summer 2017	Spring 2017	Winter 2016–17	Autumn 2016	Summer 2016	Spring 2016	Winter 2015–16
Private	73	73	73	73	73	73	73	73	73	73
Public	21	21	21	21	21	21	21	21	21	21
Voluntary	6	6	6	6	6	6	6	6	6	6
N	**1,008**	**2,066**	**2,007**	**1,139**	**1,060**	**1,051**	**1,024**	**1,050**	**1,014**	**1,007**

Table 5: Breakdown of the sample, by industry (%)

	Spring 2018	Winter 2017–18	Autumn 2017	Summer 2017	Spring 2017	Winter 2016–17	Autumn 2016	Summer 2016	Spring 2016	Winter 2015–16
MANUFACTURING AND PRODUCTION	**16**	**16**	**15**	**15**	**15**	**15**	**15**	**15**	**15**	**15**
Agriculture, forestry and fishing	1	1	1	1	1	1	1	1	1	1
Manufacturing	8	8	9	9	9	9	9	9	9	9
Construction	6	6	4	4	4	4	4	4	4	4
Mining and extraction	1	0	1	0	0	0	0	0	1	0
Energy and water supply	1	2	1	1	1	1	1	1	1	1
EDUCATION	**8**	**8**	**7**	**6**	**6**	**6**	**7**	**7**	**7**	**6**
HEALTHCARE	**12**	**11**	**12**	**11**	**12**	**12**	**12**	**11**	**11**	**11**
PRIVATE SECTOR SERVICES	**54**	**54**	**52**	**52**	**52**	**52**	**52**	**52**	**52**	**52**
Hotels, catering and leisure	9	8	8	8	8	8	8	8	8	8
Transport and storage	4	4	4	4	4	4	4	4	4	4
Finance, insurance	3	3	5	5	5	5	5	5	5	5
Information and communication	4	4	1	1	1	1	1	1	1	1
Wholesale, retail and real estate	16	16	16	16	16	17	17	17	17	16
Business services (for example consultancy, law, PR, marketing, scientific and technical services)	8	8	7	8	8	8	8	8	9	7
Administrative and support service activities and other business services	11	11	9	9	9	9	9	9	9	9
PUBLIC ADMINISTRATION AND DEFENCE	**9**	**10**	**9**	**9**	**9**	**9**	**9**	**9**	**9**	**9**
Public administration	7	8	8	8	7	8	8	8	8	8
Armed forces/police	1	2	0	1	2	1	1	1	1	1
N	**1,008**	**2,066**	**2,007**	**1,139**	**1,060**	**1,051**	**1,024**	**1,050**	**1,014**	**1,007**

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7 Endnotes

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[12] www.rec.uk.com/news-and-policy/press-releases/permanent-staff-appointments-increase-at-weakest-pace-for-four-months

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[15] www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults

[16] www.bankofengland.co.uk/inflation-report/2018/february-2018

[17] The LMO time series has not been de-seasonalised and does have a tendency for employment confidence to increase from winter to spring.

[18] Labour Force Survey data taken at quarterly intervals based on GB population aged 16+. Winter (November–January), autumn (August–October), summer (May–July), spring (February–April).

[19] Care should be taken not to over-extrapolate from the sectoral data because of small sample sizes.

[20] Care should be taken not to over-extrapolate from the sectoral data because of small sample sizes.

[21] www.bankofengland.co.uk/agents-summary/2018/2018-q1

[22] www.rec.uk.com/news-and-policy/press-releases/permanent-staff-appointments-increase-at-weakest-pace-for-four-months

[23] uk.reuters.com/article/uk-britain-wages/higher-uk-pay-awards-look-like-they-are-here-to-stay-xperthr-idUKKBN1HW35J

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