APRIL 2011 QUARTERLY UPDATE

IT recruitment levels continue to rise during the 1st quarter 2011

This quarters figures compiled by jobadswatch.co.uk show that during the first quarter of 2011 the IT jobs market for permanent staff continued to expand. Between the fourth quarter of 2010 and the first quarter of 2011 there were **5.7%** more jobs advertised. This is the seventh consecutive quarter that has seen higher demand. The rate of improvement is slightly higher than that recorded in the fourth quarter of 2010 when vacancies were up by 4.6%, but lower than the 8.1% and 7.6% recorded in the second and third quarters of 2010. This improvement should mean better job prospects for those IT professionals who suffered during the financial crisis. However it should be noted that the levels of recruitment are still down by some 70% compared with the peak period of 2007. Employers are therefore very much in the driving seat and can pick from a large pool of available UK based personnel.

During the fourth quarter 3,594 consultancies advertised 87.7% of all IT jobs with 3,172 companies placing jobs directly making up the remainder. Compared with the previous quarter the number of consultancies advertising IT vacancies is up for the first time in over 12 months, but only by 1.4%. In contrast company direct advertising up by 2.8%.

The benchmark job functions within IT are for software developers. This quarter developers (all grades) made up almost 40% of all IT jobs advertised. This is followed by the design and project management group who make up 20% of the total. It is here where demand has been highest with 9.2% more jobs being advertised during this quarter. Elsewhere prospects are equally as good with virtually all job types such as support, administration and networking seeing more offers.

Historically contractors are the first to be discarded and the first to be employed. This is a good indicator on the state of IT recruitment. Over the last quarter there has been an increase of **11.1%** in the number of advertisements for freelance IT staff.

Demand for permanent IT jobs up by 5.7 per cent

Contract vacancies leap by 11.1 per cent

Developer pay offers up by 3.1 per cent

Vacancies in the public sector down by 1.0 per cent

Key salary trends:

Advertised permanent salaries reflected the state of current employment levels with average pay in advertisements increasing by just 0.9% compared with a year ago. This is less than the 1.1% recorded in the fourth quarter 2010. 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 **3.1%** over the past year. For other job functions there are 3.2% increases for project managers, 1.6% for system administrators and 3.3%, for IT auditors. Other support staff fared less well with pay for PC support down by 0.6%.

Contract rates started to improve in the first quarter of 2010 and have continued to rise since then, with median rates in the latest quarter up by 2.1% 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. SQL server is not far behind in fifth place, virtually unchanged since the last quarter. Between these the microsoft development tools of C# and .NET have seen demand continue to rise with respectively 5.4% and 5.7% more jobs being advertised since the last quarter of 2010. Other newer skills such as Agile are seeing major interest from employers with vacancies up by 47.7%. This is complemented further down the table with other new skills such as Vmware and Scrum up by equivalent amounts. More traditional skills such as C++ however see demand down by 11.7%. Contract skills also show an increase in demand for Agile with vacancies up by 22.9%. Elsewhere contractors with Oracle, C, and .NET skills are looking at more than 10% of jobs being advertised. Employers do tend to use contractors with traditional skills whilst retraining in house staff.

IT Permanent Software skills advertised – Quarter 1/2010 to Quarter 1/2011

Software	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
SQL	19,896	18,831	17,956	5.7	10.8
C	14,932	14,446	13,426	3.4	11.2
C#	12,303	11,674	10,223	5.4	20.3
.NET	11,226	10,620	8,745	5.7	28.4
SQL SERVER	8,369	8,377	8,087	-0.1	3.5
JAVA	8,324	7,398	6,452	12.5	29.0
ASP	8,187	8,066	7,338	1.5	11.6
JAVASCRIPT	6,094	5,536	4,815	10.1	26.6
HTML	6,037	5,382	5,007	12.2	20.6
LINUX	5,379	5,293	4,366	1.6	23.2
*AGILE	5,193	3,516	0	47.7	N/A

IT Contract Software skills advertised – Quarter 1/2010 to Quarter 1/2011

Software	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
SQL	2982	2900	2436	2.8	22.4
C	2362	2136	1978	10.6	19.4
C#	2014	1964	1551	2.5	29.9
JAVA	1797	1708	1521	5.2	18.1
ORACLE	1573	1408	1371	11.7	14.7
.NET	1526	1386	1122	10.1	36.0
SQL SERVER	1307	1398	1145	-6.5	14.1
*AGILE	1262	1027	0	22.9	N/A
SAP	998	1003	935	-0.5	6.7
ASP	859	825	786	4.1	9.3

* Monitored from 3rd quarter 2010

Key regional findings:

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

• 76% 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 24%. A year ago the split was 73% of jobs in the south and 27% in the north.

• In the south 2,583 more IT jobs were advertised whilst the midlands and north managed only an additional 422 jobs. However this is the second consecutive quarter where job counts in the midlands/north have increased. Prior to this jobs in these regions had been in decline.

• The number of jobs in the London area as a whole are up by 5.3%. However this disguises an increase of 13.3% in Inner London and a more modest increase of 2.2% in Outer London. Compared with twelve months ago the figures for Inner and Outer London show an increase of 40.4% and 23.0% respectively. The southern region continues to be the largest area for IT employment with 23,661 jobs advertised this quarter, an increase of 3.9%

• The northern region improvement sees 4.5% more jobs in the north west and 2.7% more in the north east. The east midlands has jobs up by 3.1%, but does not do so well in the west midlands with jobs up by just 0.3%. Completing the picture jobs in Scotland are the only region to show a fall, with 1.4% fewer vacancies on offer.

Contract vacancies continue to show a north/south split with 81.8% of all vacancies advertised in the south. In general the quarterly movement in jobs show the London area up by 10.4%, the midlands by 10.6%, but with the north down by 3.9% and Scotland down by 1.9%.

IT Permanent Job Advertising by Region – Quarter 1/2010 to Quarter 1/2011

Region	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
Inner London	8,632	7,621	6,147	13.3	40.4
Outer London	20,126	19,687	16,366	2.2	23.0
Southern England	23,661	22,783	17,482	3.9	35.3
West & Wales	7,283	7,028	5,969	3.6	22.0
East Midlands	5,547	5,382	4,682	3.1	18.5
West Midlands	3,769	3,759	3,398	0.3	10.9
North West	4,349	4,161	4,021	4.5	8.2
North East	3,205	3,121	3,253	2.7	-1.5
Scotland	1,756	1,781	1,703	-1.4	3.1

IT Contract Job Advertising by Region – Quarter 1/2010 to Quarter 1/2011

Region	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
Inner London	1,396	1,253	1,063	11.4	31.3
Outer London	6,589	5,982	4,764	10.1	38.3
Southern England	4,891	4,594	3,768	6.5	29.8
West & Wales	1,426	1,406	1,147	1.4	24.3
East Midlands	831	708	608	17.4	36.7
West Midlands	657	575	521	14.3	26.1
North West	698	761	683	-8.3	2.2
North East	523	510	511	2.5	2.3
Scotland	476	485	395	-1.9	20.5

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

Key results by business sector:

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

- Recruitment in the finance sector recovered from the dismal performance during the last quarter of 2010 when the number of IT vacancies actually fell. Since then the situation has improved somewhat with 4.9% more jobs advertised during the first quarter of 2011. This effectively brings recruitment back to the same level as the third quarter 2010. The financial market for jobs has historically been subject to more volatility in recruitment than other sectors

- Software houses and outsource consultancies are the biggest recruiters of IT personnel in the UK and during this quarter made up over 63% of all permanent jobs advertised. Demand in this sector is up by 5.7% since the previous quarter. This may well be due to higher levels of outsourcing coming from the finance and public sectors, as they cut back on recruitment.

- Elsewhere there are more jobs being advertised for employment in the media sector with vacancies up by 5.6%, followed by retail up by 5.2% and manufacturing by 2.1%.

- The impact of the government's policy on public sector recruitment has resulted in vacancies tumbling by 18.4% in the third quarter of 2010, by 31.1% in the fourth quarter and by **1.0%** in the first quarter of 2011. More outsourcing may be evident in this sector as more public sector cuts are announced.

In the contract market the main driving force in recruitment is also from software houses and financial organisations that make up 46.4% and 35.8% respectively of the market. This time round software house recruitment for contractors is up by 10.3%, and finance by 12.4%. Elsewhere retail is up by 9.9%, manufacturing by 8.7% and the media by 5.4%. Electronics is again down, this time by 19.4%. The major fall out from public sector cuts continues with 28.5% fewer vacancies.

IT Permanent Job Advertising by Industry – Quarter 1/2010 to Quarter 1/2011

Industry	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
Electr's/Communicationss	3,043	3,073	3,714	-1.0	-18.1
Software Houses/Consultancies	42,446	40,153	31,862	5.7	33.2
Finance	14,186	13,526	12,343	4.9	14.9
Retail	2,346	2,231	1,792	5.2	30.9
Media	2,955	2,798	2,282	5.6	29.5
Manufacturing	1,523	1,491	1,223	2.1	24.5
Public Sector	695	702	1,589	-1.0	-56.3

IT Contract Job Advertising by Industry – Quarter 1/2010 to Quarter 1/2011

Industry	Quarter 1/2011	Quarter 4/2010	Quarter 1/2010	Quarter % change	Annual % change
Electr's/Communicationss	974	928	1,209	5.0	-19.4
Software Houses/Consultancies	7,458	6,764	5,226	10.3	42.7
Finance	5,752	5,117	4,035	12.4	42.6
Retail	577	525	385	9.9	49.9
Media	623	591	488	5.4	27.7
Manufacturing	376	346	275	8.7	36.7
Public Sector	313	438	721	-28.5	-56.6

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 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 more than 10,000 IT job opportunities at any one time.

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