

# JULY 2011 QUARTERLY UPDATE


## IT recruitment levels continue to rise during the 2nd quarter 2011

The most recent figures compiled by jobadswatch.co.uk for CWJobs show that during the second quarter of 2011 the IT jobs market for permanent staff continued to expand. Between the first quarter and the second quarter of 2011 there were **2.3%** more jobs advertised. This is the eighth consecutive quarter that has seen higher demand. However the rate of improvement is slightly lower than that recorded in the first quarter of 2011 when vacancies were up by 5.3%. The overall levels are still way down when compared with the peaks of 2007. Since then, recruitment for permanent staff has almost halved.

During the second quarter, 3,648 consultancies advertised 87.9% of all IT jobs with 3,346 companies placing jobs directly making up the remainder. Compared with the previous quarter the number of consultancies advertising IT vacancies is up for the second successive quarter, but only by 1.5%. In contrast, company direct advertising is up by 5.4%.

The benchmark job function within IT is for software developers. Last quarter, developers (all grades) made up over 39% of all IT jobs advertised. This is followed by the design and project management group which makes up 20% of the total. Here demand is only up by 1.6%. Elsewhere demand for support and networking staff is up by 4.8% and 3.1% respectively. In contrast to this, vacancies for management grades are down by 0.3%.

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 **3.3%** in the number of advertisements for freelance IT staff. This is somewhat less than the growth of 11.1% recorded in the first quarter of the year.



**Demand for permanent  
IT jobs up by 2.3 per cent**  
**Contract vacancies up by 3.3 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 **0.8%** compared with a year ago. 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 the south with experience of C# and .NET can expect to see salaries that are 37% higher than the equivalent job in manufacturing in the north.

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 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. SQL Server is not far behind in eighth place, down three places since the 1st quarter 2011. Between these, the Microsoft development tools of C# and .NET have seen demand continue to rise with respectively 2.5% and 2.9% more jobs being advertised. Other newer skills such as Agile are seeing major interest from employers with vacancies up by 9.3%. This is complemented further down the table with other new skills such as VMware and Scrum up by 1.8% and 6.7%.

More traditional skills such as C++ however see demand down by 10.7%. Contract skills also show an increase in demand for Agile with vacancies up by 3.6%. Elsewhere contractors with C# and .NET skills are looking at an increase of more than 5% in the count of jobs advertised.

### IT Permanent Software skills advertised – Quarter 2/2010 to Quarter 2/2011

Software	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
SQL	20,355	19,896	18,887	2.3	7.8
C	15,058	14,935	13,876	0.8	8.5
C#	12,606	12,303	10,961	2.5	15.0
.NET	11,549	11,226	9,415	2.9	22.7
JAVA	8,687	8,324	6,746	4.4	28.8
SQL SERVER	8,408	8,369	8,574	0.5	-1.9
ASP	7,837	8,187	7,721	-4.3	1.5
JAVASCRIPT	6,504	6,094	5,217	6.7	24.7
HTML	6,181	6,037	4,933	2.4	25.3
*AGILE	5,675	5,193	N/A	9.3	N/A
ORACLE	5,392	5,049	4,171	6.8	29.3

### IT Contract Software skills advertised – Quarter 2/2010 to Quarter 2/2011

Software	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
SQL	3,044	2,982	2,811	2.1	8.3
C	2,366	2,362	2,039	0.2	16.0
C#	2,116	2,014	1,687	5.1	25.4
JAVA	1,896	1,797	1,741	5.5	8.9
.NET	1,607	1,526	1,239	5.3	29.7
ORACLE	1,598	1,573	1,440	1.6	11.0
*AGILE	1,307	1,262	N/A	3.6	N/A
SQL SERVER	1,247	1,307	1,182	-4.6	5.5
SAP	982	998	894	-1.6	9.8
ASP	888	859	804	3.4	10.4

\* 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:

- 76.5% 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 23.5%. Two years ago, the split was 69.7% of jobs in the south and 30.3% in the north. Each quarter for the past two years has seen the split increase in favour of the south.
- In the south, 1,340 more IT jobs were advertised whilst the midlands and north managed only an additional 77 jobs. However this is the third 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 is up by 2.3% on the first quarter 2011. Compared with twelve

months ago, the figures for inner and outer London show an increase of 31.6% and 15.2% respectively. This indicates that the growth in jobs seen over the last six months of 2010 rapidly slowed. The southern region continues to be the largest area for IT employment with jobs increasing at a rate of 3.9%.

- The north west/east region saw jobs declining for the first time in over twelve months with 0.7% fewer jobs in the north west and 1.6% less jobs in the north east. Scotland mirrors this trend with 1.5% fewer jobs than in the first quarter 2011.

Contract vacancies continue to show a north/south split with 82.3% of all vacancies advertised in the south. In general the quarterly movement in jobs show the London area up by 3.0%, the midlands by 4.2%, but with the north down by 4.1% and Scotland down by 3.6%.

### IT Permanent Job Advertising by Region – Quarter 2/2010 to Quarter 2/2011

Region	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
Inner London	8,838	8,632	6,714	2.4	31.6
Outer London	20,571	20,126	17,859	2.2	15.2
Southern England	24,261	23,661	18,929	2.5	28.2
West & Wales	7,372	7,283	6,425	1.2	14.7
East Midlands	5,728	5,547	4,958	3.3	15.5
West Midlands	3,774	3,769	3,592	0.1	5.1
North West	4,317	4,349	4,068	-0.7	6.1
North East	3,155	3,205	3,192	-1.6	-1.2
Scotland	1,729	1,756	1,718	-1.5	0.6

### IT Contract Job Advertising by Region – Quarter 2/2010 to Quarter 2/2011

Region	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
Inner London	1,484	1,396	1,125	6.3	31.9
Outer London	6,743	6,589	5,249	2.3	28.5
Southern England	5,071	4,891	4,137	3.7	22.6
West & Wales	1,532	1,426	1,236	7.4	23.9
East Midlands	875	831	640	5.3	36.7
West Midlands	676	657	553	2.9	22.2
North West	654	698	770	-6.3	-15.1
North East	517	523	528	-1.1	-2.1
Scotland	459	476	421	-3.6	9.0

For further information go to [www.jobadswatch.co.uk](http://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 poor performance during the last quarter of 2010 when the number of IT vacancies actually fell. Since then, the situation has improved somewhat with 2.2% more jobs advertised during the second quarter of 2011. Since the end of 2010, the recovery has seen an increase of 8.3% in the number of jobs on offer. This effectively brings recruitment back to the same level as the third quarter of 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 3.2% on 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 retail sector with vacancies up by 2.8%, followed by media up by 2.4% and manufacturing by 1.6%.
- The impact of the Government's policy on public sector recruitment has resulted in vacancies falling by 18.4% in the third quarter of 2010, by 31.1% in the fourth quarter, by 1.0% in the first quarter of 2011 and by 2.0% in the latest quarter. Further 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 making up 46.7% and 36.0% of the market respectively. This time round software house recruitment for contractors is up by 3.8%, and finance by 3.7%. Elsewhere media recruitment is up by 2.9%, retail by 1.7% and manufacturing by 1.9%. Public sector use of contractors seems to have resumed with 2.9% more contracts available, while jobs are down by almost 50% on last year.

### IT Permanent Job Advertising by Industry – Quarter 2/2010 to Quarter 2/2011

Industry	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
Electr's/Communications	3,008	3,043	3,369	-1.2	-10.7
Software Houses/Consultancies	43,362	42,446	34,303	2.2	26.4
Finance	14,647	14,186	13,317	3.2	10.0
Retail	2,412	2,346	1,987	2.8	21.4
Media	3,026	2,955	2,558	2.4	18.3
Manufacturing	1,548	1,523	1,316	1.6	17.6
Public Sector	681	695	1,249	-2.0	-45.5

### IT Contract Job Advertising by Industry – Quarter 2/2010 to Quarter 2/2011

Industry	Quarter 2/2011	Quarter 1/2011	Quarter 2/2010	Quarter % change	Annual % change
Electr's/Communications	952	974	1,032	-2.3	-7.8
Software Houses/Consultancies	7,739	7,458	5,866	3.8	31.9
Finance	5,965	5,752	4,672	3.7	27.7
Retail	587	577	439	1.7	33.7
Media	641	623	533	2.9	20.3
Manufacturing	383	376	307	1.9	24.8
Public Sector	322	313	643	2.9	-49.9

#### 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 322,000 unique users each month, attracted by the opportunity to search an average of more than 12,000 IT job opportunities at any one time.

The full survey may be ordered online by going to [www.jobadswatch.co.uk](http://www.jobadswatch.co.uk)