

# OCTOBER 2011 QUARTERLY UPDATE

## IT recruitment levels continue to rise during the 3rd quarter 2011

This quarter's figures compiled by [www.jobadswatch.co.uk](http://www.jobadswatch.co.uk) show that during the third quarter of 2011 the IT jobs market for permanent staff continued to expand. Between the second and the third quarter of 2011 there were **1.0%** more jobs advertised. This is the ninth consecutive quarter that has seen higher demand. However the rate of improvement is considerably lower than that recorded in the first quarter of 2011 when vacancies were up by 5.7%. The impact of the financial crisis is still having an effect with vacancies down by over 50% since the peak in 2007.

During the third quarter of 2011 3,681 consultancies advertised 87.7% of all IT jobs with 3,426 companies placing jobs directly making up the remainder. Compared with the previous quarter, the number of consultancies advertising IT vacancies is up for the third successive quarter, but only by 0.9%. In contrast, company direct advertising is up by 2.4%.

The benchmark job function within IT is for software developers. This quarter, developers (all grades) made up 38.8% of all IT jobs advertised. This is followed by the design and project management group that make up 20.1% of the total. Demand for developers increased by 3.3% between the second and third quarters of 2011. This is in contrast to the design group where demand for their skills fell by 1.7%. Elsewhere demand for PC support is up by 6.0%, but for networking staff is down by 1.4%.

Historically, contractors are the first to be discarded and the first to be employed. This is a good indicator of the state of IT recruitment. Over the last quarter there has been an increase of **4.7%** in the number of advertisements for freelance IT staff. Whilst contractors will welcome this improvement, there is some way to go before the volumes of 2007 are seen again. Compared with the third quarter of 2007 vacancies are down by 61%.

**Demand for permanent IT jobs up by 1.0 per cent**

**Contract vacancies up by 4.7 per cent**

**Vacancies in the public sector down by 11.2 per cent**

**The north/south split increases with a downturn of 2.2% in the midlands/north**

### Key salary trends:

Advertised permanent salaries reflect the state of current employment levels with average pay in advertisements increasing by just **0.6%** 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 the southern counties are being offered salaries that are 18.3% higher than the north. When compared with London the figure soars to 47%. Developers with experience of C# and .NET can also expect to see a premium in the pay on offer.

Contract rates started to improve in the first quarter of 2010 and have continued to rise since then, with median rates for developers up by 1.9% 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 Server expertise. SQL is not far behind in sixth place, up by three places since the 2nd quarter 2011. Between these, the Microsoft development tools of C# and .NET have seen demand continue to rise with respectively 1.4% and 0.9% more jobs being advertised. Other newer skills such as Agile are seeing major interest from employers with vacancies up by 1.6%. This is complemented further down the table with other new skills such as VMware and Virtualisation up by 3.1% and 2.9%. More traditional skills such as Visual Basic however see demand down by 4.9%.

Contract skills also show an increase in demand for Agile with vacancies up by 7.7%. Elsewhere, contractors with C#, and .NET skills are looking at increases of 4.7% and 5.2% respectively.

### IT Permanent Software skills advertised – Quarter 3/2010 to Quarter 3/2011

Software	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
SQL	20,046	20,355	18,279	-1.5	9.7
C	15,131	15,058	15,043	0.5	0.6
C#	12,783	12,606	11,361	1.4	12.5
.NET	11,648	11,549	10,322	0.9	12.8
JAVA	8,758	8,687	7,237	0.8	21.0
SQL SERVER	8,523	8,408	8,414	1.4	1.3
ASP	7,891	7,837	7,777	0.7	1.5
JAVASCRIPT	6,582	6,504	5,365	1.2	22.7
HTML	6,228	6,181	5,268	0.8	18.2
AGILE	5,767	5,675	3,283	1.6	75.7
LINUX	5,347	5,307	5,080	0.8	5.3

### IT Contract Software skills advertised – Quarter 3/2010 to Quarter 3/2011

Software	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
SQL	3,199	3,044	2,880	5.1	11.1
C	2,417	2,366	2,101	2.2	15.0
C#	2,216	2,116	1,931	4.7	14.8
JAVA	1,958	1,896	1,673	3.3	17.0
.NET	1,691	1,607	1,370	5.2	23.4
ORACLE	1,613	1,598	1,345	0.9	19.9
AGILE	1,407	1,307	1,015	7.7	38.6
SQL SERVER	1,328	1,247	1,209	6.5	9.8
SAP	1,052	982	935	7.1	12.5
ASP	973	888	792	9.6	22.9

### Key regional findings:

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

- 77.2% 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 22.8%. In October 2008 the split was 70.8% of jobs in the south and 29.2% in the north. Each quarter for the past two years has seen the split increase in favour of the south.
- There are 877 more IT jobs being advertised in the south. By comparison the midlands and north is down by **2.2%**, with 378 fewer jobs being advertised. This trend has been evident for the past two years, but it is the first time a downturn in jobs has been recorded.
- The number of jobs in the London area as a whole are up by 1.3% since the second quarter 2011. Compared

with twelve months ago, the figures for inner and outer London show an increase of 24.0% and 7.4% respectively. The southern counties continues to be the largest area for IT employment with jobs increasing at a rate of 1.8%.

- The north west/east region sees jobs continuing to decline with 2.6% fewer jobs in the north west and 2.4% less in the north east. Jobs in Scotland continue on the downward trend with 4.3% fewer jobs than in the second quarter of 2011. Compared with a year ago, Scotland is the only region to see fewer jobs.

Contract vacancies continue to show a north/south split with 82.9% of all vacancies advertised based in the south. The quarterly movement shows the London area up by 5.4%, the midlands by 1.9%, but with the north down by 1.8%. Contracts in Scotland however are up by 2.6%.

### IT Permanent Job Advertising by Region – Quarter 3/2010 to Quarter 3/2011

Region	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
Inner London	8,971	8,838	7,232	1.5	24.0
Outer London	20,823	20,571	19,396	1.2	7.4
Southern England	24,702	24,261	20,754	1.8	19.0
West & Wales	7,423	7,372	6,838	0.7	8.6
East Midlands	5,745	5,728	5,117	0.3	12.3
West Midlands	3,642	3,774	3,582	-3.5	1.7
North West	4,206	4,317	3,951	-2.6	6.5
North East	3,078	3,155	3,011	-2.4	2.2
Scotland	1,654	1,729	1,743	-4.3	-5.1

### IT Contract Job Advertising by Region – Quarter 3/2010 to Quarter 3/2011

Region	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
Inner London	1,541	1,484	1,275	3.8	20.9
Outer London	7,128	6,743	5,913	5.7	20.5
Southern England	5,313	5,071	4,558	4.8	16.6
West & Wales	1,580	1,532	1,372	3.1	15.2
East Midlands	894	875	695	2.2	28.6
West Midlands	687	676	571	1.6	20.3
North West	648	654	753	-0.9	-13.9
North East	502	517	504	-2.9	-0.4
Scotland	471	459	456	2.6	3.3

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:

- The finance sector continues to recover despite having seen jobs suffer during the latter part of 2010. Since then the situation has improved somewhat with 1.5% more jobs advertised during the third quarter of 2011. Since the start of 2011, the recovery has seen an increase of 4.8% in the number of jobs on offer. 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 63.6% of all permanent jobs advertised. Demand in this sector is up by 1.7% since the previous quarter.
- Elsewhere there are more jobs being advertised for employment in the retail sector with vacancies up by 0.6%. Other sectors are not doing so well with media sector jobs down by 1.3% and manufacturing by 6.4%.

- The impact of the Government's policy on public sector recruitment has seen vacancies falling for each of the last eight quarters. During the third quarter of 2011 there were 12.9% fewer vacancies than in the second quarter. While over the last twelve months the figure is 40.6% fewer jobs. This trend is likely to continue.

In the contract market, the main driving force in recruitment is also from software houses and financial organisations that make up 47.4% and 35.9% of the market respectively. This time round, software house recruitment for contractors is up by 5.6%, and finance by 3.7%.

Elsewhere media recruitment is up by 5.0% and retail by 4.3%. For the first time in over two years, jobs in manufacturing are down with 3.7% less vacancies. Public sector use of contractors had been increasing in the second quarter of 2011. This trend has now been reversed with number of contracts down by 7.8% in the third quarter of 2011.

### IT Permanent Job Advertising by Industry – Quarter 3/2010 to Quarter 3/2011

Industry	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
Electr's/Communications	2,870	3,008	2,977	-4.6	-3.6
Software Houses/Consultancies	44,112	43,362	37,138	1.7	18.8
Finance	14,873	14,647	14,313	1.5	3.9
Retail	2,427	2,412	2,123	0.6	14.3
Media	2,986	3,026	2,748	-1.3	8.7
Manufacturing	1,449	1,548	1,420	-6.4	2.0
Public Sector	605	695	1,019	-12.9	-40.6

### IT Contract Job Advertising by Industry – Quarter 3/2010 to Quarter 3/2011

Industry	Quarter 3/2011	Quarter 2/2011	Quarter 3/2010	Quarter % change	Annual % change
Electr's/Communications	934	952	984	-1.9	-5.1
Software Houses/Consultancies	8,176	7,739	6,597	5.6	23.9
Finance	6,185	5,965	5,307	3.7	16.5
Retail	612	587	492	4.3	24.4
Media	673	641	570	5.0	18.1
Manufacturing	369	383	348	-3.7	6.0
Public Sector	297	322	514	-7.8	-42.2

#### 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 10,000 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)