

JANUARY 2011 QUARTERLY UPDATE

IT recruitment levels continue to rise during the 4th quarter 2010

The fourth quarter figures for 2010 compiled by jobadswatch.co.uk show that the IT jobs market for permanent staff continued to expand; between the third quarter of 2010 and the fourth quarter of 2010 there were 4.6% more jobs advertised. This is the sixth consecutive quarter that has seen higher demand. The rate of improvement is somewhat lower than the 8.1% and 7.6% recorded in the second and third quarters of 2010. This may indicate that IT recruitment is starting to stabilise. However this is at a level that has seen demand for IT people almost half since the start of the financial crisis. This lower level of vacancies lines up the lower levels of economic activity currently being published.

During the fourth quarter 3,546 consultancies advertised 87.5% of all IT jobs with 3,083 companies placing jobs directly making up the remainder. Compared with the previous quarter, the number of consultancies advertising IT vacancies is down by 2.6% and company direct advertising up by 5.1%. This small consistent trend toward more direct company advertising has been in evidence now for over eighteen months.

The benchmark job functions within IT are for software developers. This quarter developers (all grades) made up over 39% of all IT jobs advertised. It is also the group accounting for much of the overall increase in IT vacancies with 4.5% more jobs being advertised this quarter.

Elsewhere prospects are equally as good with virtually all job types such as support, administration and networking seeing more job prospects.

Traditionally contractors are the first to be discarded and the first to be employed which makes this a strong indicator on the state of IT recruitment. Over the last quarter there has been an increase of 0.9% in the number of advertisements for freelance IT staff. This may indicate a slowdown in overall IT recruitment activity in the coming year.

Demand for permanent IT jobs up by 4.6 per cent

Contract vacancies are up by 0.9 per cent

Vacancies in finance down by 5.5 per cent for the first time since 2009

Vacancies in software houses/consultancies up by 8.1 per cent

Key salary trends:

Advertised permanent salaries reflected the state of current employment levels with average pay in advertisements increasing by just 1.1% compared with a year ago. This is less than the 1.3% recorded in the third quarter 2010. However, these general figures can 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 4.8% over the past year. For other job functions there are 3.0% increases for project managers, 0.6% for development managers and 1.3%, for network support engineers. Other support staff fared less with pay for PC support down by 0.5%. Contract rates started to improve in the first quarter and have continued to rise throughout 2010, with median rates in the latest quarter up by 5.0% 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 SQL expertise. SQL server is not far behind in fifth place, unchanged since the first quarter. Between these, the Microsoft development tools of C# and .Net have seen demand continue to by 2.8% and 2.9% respectively between quarters three and four. In another role, people with experience implementing and supporting Linux are increasingly being looked for with quarterly demand up by 4.2%.

Contract skills show demand for SQL Server way up with 15.6% more vacancies available this quarter. New entries introduced into the survey during the third quarter such as Agile, Scrum and Vmware continue to be much in demand.

IT Permanent Software skills advertised – Quarter 4/2009 to Quarter 4/2010

Software	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
SQL	18,831	18,279	17,432	3.0	8.0
C	14,446	15,043	12,565	-4.0	15.0
C#	11,674	11,361	9,164	2.8	27.4
.NET	10,620	10,322	8,414	2.9	26.2
SQL SERVER	8,377	8,414	8,007	-0.4	4.6
ASP	8,066	7,777	6,825	3.7	18.2
JAVA	7,398	7,237	6,357	2.2	16.4
JAVASCRIPT	5,536	5,365	4,806	3.2	15.2
HTML	5,382	5,268	5,781	2.2	-6.9
LINUX	5,293	5,080	4,788	4.2	10.5
C++	4,872	5,034	4,585	-3.2	6.3

IT Contract Software skills advertised – Quarter 4/2009 to Quarter 4/2010

Software	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
SQL	2,900	2,880	2,597	0.7	11.7
C	2,136	2,101	1,802	1.7	18.5
C#	1,964	1,931	1,431	1.7	37.2
JAVA	1,708	1,673	1,125	2.1	51.8
ORACLE	1,408	1,345	1,357	4.7	3.8
SQL SERVER	1,398	1,209	1,175	15.6	19.0
.NET	1,386	1,370	1,078	1.2	28.6
*AGILE	1,027	1,015	0	1.2	0.0
SAP	1,003	935	826	7.3	21.4
ASP	825	792	753	4.2	9.6

* Monitored from 3rd quarter 2010

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

Key regional findings:

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

- 75.5% 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 less than 25%. A year ago the North/South split stood at 72%/28%.
- In the South 2,098 more IT jobs were advertised whilst the Midlands and North managed an additional 911 jobs. Compared with the third quarter of 2010 this represents a major turnaround in the fortunes of the Midlands and North, where previously jobs were declining.
- Overall the number of jobs in the London area remained unchanged between quarters three and four. However this disguises an increase of 5.4% in Inner London and a surprising fall of 2.3% in Outer London. Compared with twelve months ago the figures for Inner and Outer London show an increase of 28.9% and 22.53% respectively. Jobs in the remaining Southern region made up the shortfall with 9.3% more vacancies advertised.
- The Northern resurgence has seen 7.8% more jobs in the North West and 3.7% more in the North East. The East Midlands sees jobs up by 5.4% and the West Midlands by 4.9%. Completing the picture jobs in Scotland are up by 2.2%.
- Contract vacancies continue to show a North/South split with 81.3% of all vacancies advertised in the south. In general the quarterly movement in jobs show the South up by 0.9%, the Midlands by 1.1%, the North by 1.3% and Scotland by 6.4%.

IT Permanent Job Advertising by Region – Quarter 4/2009 to Quarter 4/2010

Region	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
Inner London	7,621	7,232	5,912	5.4	28.9
Outer London	18,946	19,396	15,466	-2.3	22.5
Southern England	22,683	20,754	16,582	9.3	36.8
West & Wales	7,068	6,838	5,794	3.4	22.0
East Midlands	5,393	5,117	4,467	5.4	20.7
West Midlands	3,759	3,582	3,426	4.9	9.7
North West	4,261	3,951	4,111	7.8	3.6
North East	3,121	3,011	3,363	3.7	-7.2
Scotland	1,781	1,743	1,610	2.2	10.6

IT Contract Job Advertising by Region – Quarter 4/2009 to Quarter 4/2010

Region	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
Inner London	1,253	1,275	977	-1.7	28.2
Outer London	5,982	5,913	4,302	1.2	39.1
Southern England	4,594	4,558	3,429	0.8	34.0
West & Wales	1,406	1,372	1,095	2.5	28.4
East Midlands	708	695	586	1.9	20.8
West Midlands	575	571	505	0.7	13.9
North West	761	753	707	1.1	7.6
North East	510	504	524	1.2	-2.7
Scotland	485	456	421	6.4	15.2

Key results by business sector:

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

- Recruitment by the finance sector suffered a setback with the first decline in the number of advertised jobs seen since 2009. This quarter there are 5.5% fewer vacancies. This lines up with the slow down in London area jobs where the majority of vacancies are located. The effect of this is that finance now represents 21.1% of all jobs compared with 23.2% in the third quarter of 2010.
- Software houses and outsource consultancies are the biggest recruiters of IT personnel in the UK and this quarter made up over 62% of all permanent jobs advertised. Demand in this sector is up by 8.1% since the previous quarter. This may well be due to further outsourcing coming from the finance and public sectors, as they cut back on recruitment.

- From the low points hit in 2008 jobs in retail are up for the fourth successive quarter, with 5.1% more jobs on offer, followed by manufacturing up by 7.4% and the electronics sector up by 3.2%.
- The impact of the government's policy on public sector recruitment has resulted in vacancies tumbling by 18.4% in the third quarter and by 31.1% in the fourth quarter. More outsourcing may be evident in this sector in the future.

In the contract market the main driving force in recruitment is also from software houses and financial organisations that make up 46.0% and 34.8% respectively of the market. This time around software house recruitment for contractors is up by 2.5%, but for finance down by 3.6%. A similar trend to that seen for permanent recruitment. Elsewhere retail is up by 6.7% and the media by 3.7%. Electronics is again down, this time by 5.7%, alongside a small fall in manufacturing of just 0.6%. The fall out from public sector cuts continues with 14.8% fewer vacancies this quarter.

IT Permanent Job Advertising by Industry – Quarter 4/2009 to Quarter 4/2010

Industry	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
Electr's/Communications	3,073	2,977	3,326	3.2	-7.6
Software Houses/Consultancies	40,153	37,138	31,553	8.1	27.3
Finance	13,526	14,313	11,175	-5.5	21.0
Retail	2,231	2,123	1,723	5.1	29.5
Media	2,798	2,748	2,234	1.8	25.2
Manufacturing	1,491	1,420	1,258	5.0	18.5
Public Sector	702	1,019	1,544	-31.1	-54.5

IT Contract Job Advertising by Industry – Quarter 4/2009 to Quarter 4/2010

Industry	Quarter 4/2010	Quarter 3/2010	Quarter 4/2009	Quarter % change	Annual % change
Electr's/Communications	928	984	1,105	-5.7	-16.0
Software Houses/Consultancies	6,764	6,597	4,948	2.5	36.7
Finance	5,117	5,307	3,678	-3.6	39.1
Retail	525	492	342	6.7	53.5
Media	591	570	424	3.7	39.4
Manufacturing	346	348	323	-0.6	7.1
Public Sector	438	514	701	-14.8	-37.5

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