

OCTOBER 2010 QUARTERLY UPDATE

IT recruitment levels continue to rise during the 3rd quarter 2010

This quarter's figures compiled by jobadswatch.co.uk show that during the third quarter of 2010 the IT jobs market for permanent staff continued to expand. Between the second quarter of 2010 and the third quarter 2010 there were **7.6%** more jobs advertised. This is the fifth consecutive quarter that has seen higher demand. This is in line with other economic indicators showing an improvement in the economy and coincides with the UK coming out of recession at the end of 2009. However the rate of increase in the latest quarter is slightly less than the 8.1% seen in the second quarter. Again this matches the lower economic figures published for the second quarter 2010. However compared with the start of the financial crisis IT recruitment is still down by 152%, and is down at levels not seen since January 2004.

During the third quarter 3,639 consultancies advertised 87.9% of all IT jobs with 2,932 companies placing jobs directly making up the remainder. Compared with the previous quarter the number of consultancies advertising IT vacancies is down by 2.9% and company direct advertising up by 20.9%. This is a significant swing toward more companies advertising directly.

The benchmark job functions within IT are for software developers. This quarter developers (all grades) made up over 39% of all IT jobs advertised. This is down from the 41% reported for the second quarter 2010. The main surge

this quarter is an increased demand for management up by 8.7% and business analysis/design with demand up by 9.6%. Elsewhere prospects are equally as good with virtually all job types such as support, administration and networking seeing more job prospects.

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 **13.3%** in the number of advertisements for freelance IT staff.

Demand for permanent IT jobs up by 7.6 per cent

North/South split of vacancies widens to 75.7/24.3 per cent

Vacancies in finance up by 7.5 per cent

Contract vacancies up 13.3 per cent

Key salary trends:

Advertised permanent salaries reflected the state of current employment levels with average pay in advertisements increasing by just 1.3% compared with a year ago. This is marginally higher than the 1.1% recorded in the first 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 4.3% over the past year. Elsewhere there are 2.8% increases for project managers, 1.8% for development managers and 2.5%, for network support engineers. Other support staff fared less with pay for PC support down by 1.1%.

Contract rates started to improve in the first quarter and have continued to improve in the second and third quarters with median rates up by 4.8% 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 fifth place, unchanged since the first quarter. Between these the microsoft development tools of C# and .Net has seen demand continue to rise with respectively 3.6% and 9.6% more jobs being advertised between quarters one and two. In another role people with experience of implementing and supporting Linux are increasingly being looked for with quarterly demand up by 8.2%.

Contract skills show demand for C# and .NET way up with 14.5% and 10.6% more vacancies available this quarter. Elsewhere Agile is in the table for the first time. Outside the top 10 there is increased demand for Scrum and Vmware.

IT Permanent Software skills advertised – Quarter 3/2009 to Quarter 3/2010

Software	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
SQL	18279	18887	17293	-3.2	5.7
C	15043	13876	12877	8.4	16.8
C#	11361	10961	8824	3.6	28.8
.NET	10322	9415	8042	9.6	28.4
SQL SERVER	8414	8574	7820	-1.9	7.6
ASP	7777	7721	6755	0.7	15.1
JAVA	7237	6746	6148	7.3	17.7
JAVASCRIPT	5365	5217	5344	2.8	0.4
HTML	5268	4933	5946	6.8	-11.4
LINUX	5080	4696	4623	8.2	9.9
C++	5034	4507	4499	11.7	11.9

IT Contract Software skills advertised – Quarter 2/2009 to Quarter 2/2010

Software	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
SQL	2880	2811	2726	2.5	5.6
C	2101	2039	1853	3.0	13.4
C#	1931	1687	1324	14.5	45.8
JAVA	1673	1741	1190	-3.9	40.6
.NET	1370	1239	1068	10.6	28.3
ORACLE	1345	1440	1394	-6.6	-3.5
SQL SERVER	1209	1182	1263	2.3	-4.3
*AGILE	1015	0	0	0.0	0.0
SAP	935	894	863	4.6	8.3
UNIX	866	828	904	4.6	-4.2

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%.
- In the south 4,273 more IT jobs were advertised whilst the midlands and north could only manage northern saw jobs falling with 124 fewer jobs being advertised. In total 54,220 jobs were advertised in the south, compared with 17,404 in the rest of the UK. The gap between the south and north has widened by over 8% in last year
- Compared with the first quarter of 2010 the third quarter of 2010 has seen jobs in Inner London going up by 7.7% and in Outer London by 8.6%. Compared with twelve months ago the figures for Inner and Outer London show an increase of 23.8% and 27.3% respectively. The east midlands has shown some improvement with jobs up by 3.2%. Further up the country the west midlands and northern regions have had fewer vacancies than in the second quarter. In contrast to this Scotland managed to show better prospects with 1.5% more jobs advertised.
- Contract vacancies show the same north/south split as seen for permanent recruitment, with 81.5% of all vacancies advertised in the south. Job movement reflected this with 12.8% more jobs in London, compared with 4.5% fewer jobs in the north east.

IT Permanent Job Advertising by Region – Quarter 3/2009 to Quarter 3/2010

Region	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
Inner London	7232	6714	5842	7.7	23.8
Outer London	19396	17859	15236	8.6	27.3
Southern England	20754	18929	16533	9.6	25.5
West & Wales	6838	6425	5865	6.4	16.6
East Midlands	5117	4958	4616	3.2	10.9
West Midlands	3582	3592	3594	-0.3	-0.3
North West	3951	4068	4281	-2.9	-7.7
North East	3011	3192	3558	-5.7	-15.4
Scotland	1743	1718	1801	1.5	-3.2

IT Contract Job Advertising by Region – Quarter 3/2009 to Quarter 3/2010

Region	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
Inner London	1275	1125	989	13.3	28.9
Outer London	5913	5249	4442	12.7	33.1
Southern England	4558	4137	3635	10.2	25.4
West & Wales	1372	1236	1238	11.0	10.8
East Midlands	695	640	605	8.6	14.9
West Midlands	571	553	617	3.3	-7.5
North West	753	770	763	-2.2	-1.3
North East	504	528	559	-4.5	-9.8
Scotland	456	421	518	8.3	-12.0

Key results by business sector:

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

- Software houses and outsource consultancies are the biggest recruiters of IT personnel in the UK and this quarter made up over 60% of all permanent jobs advertised. Demand in this sector is up by 8.3% since the previous quarter.
- Finance, with 23.2% of the market has seen 7.5% more job advertisement this quarter than in the previous quarter and again has been one of the main reasons for the improvement in job opportunities, particularly in London and the south.
- From the low points hit in 2008 jobs in manufacturing are up for the third successive quarter, with 7.9% more jobs on offer, followed by the media up by 7.4% and retail by 6.8%. The electronics industry seems to have suffered in that recruitment is down by 11.6%.

- Having seen some upward trends in public sector recruitment in the first quarter of 2010 this has now gone into reverse. The impact of the new government's policy has seen recruitment fall by 18.4% during the third quarter. Since the start of 2010 vacancies are down by 35.9%. This does not look good for future prospects in this sector.

In the contract market the main driving force in recruitment is also from software houses and financial organisations who make up 44.5% and 35.8% respectively of the market. This time round software house recruitment for contractors is up by 12.5% and for finance by 13.6%. Elsewhere manufacturing is up by 13.4%, retail by 9.2% and the media by 6.9%. Electronics is again down, this time by 10.8%. In addition to reducing permanent IT recruitment the public sector is also pulling back on contractors, with jobs advertised down by 20.1% since the last quarter.

IT Permanent Job Advertising by Industry – Quarter 3/2009 to Quarter 3/2010

Industry	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
Electr's/Communications	2977	3369	3421	-11.6	-13.0
Software Houses/Consultancies	37138	34303	30909	8.3	20.2
Finance	14313	13317	11004	7.5	30.1
Retail	2123	1987	1772	6.8	19.8
Media	2748	2558	2434	7.4	12.9
Manufacturing	1420	1316	1477	7.9	-3.9
Public Sector	1019	1249	1643	-18.4	-38.0

IT Contract Job Advertising by Industry – Quarter 3/2009 to Quarter 3/2010

Industry	Quarter 3/2010	Quarter 2/2010	Quarter 3/2009	Quarter % change	Annual % change
Electr's/Communications	984	1032	1243	-4.7	-20.8
Software Houses/Consultancies	6597	5866	5218	12.5	26.4
Finance	5307	4672	3845	13.6	38.0
Retail	492	439	339	12.1	45.1
Media	570	533	470	6.9	21.3
Manufacturing	348	307	417	13.4	-16.5
Public Sector	514	643	728	-20.1	-29.4

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