



June 2009 Newsletter

IT Recruitment Market Update

Demand for IT staff fell in June, but the news was not all bad, with the number of vacancies falling slower than in most other sectors and the rate of decline easing.

Some skills are still in demand, with .NET, Sharepoint, PHP, business intelligence and general IT skills all in short supply for permanent positions.

Contractors with CNC programmers, .NET, and Sharepoint skills should also find it easier to find jobs.

The KPMG and Recruitment and Employment Confederation (REC) report on jobs shows that the number of IT vacancies has declined. IT fared better than many sectors, sitting at number two on the vacancies league table. Only nursing and medical care saw a rise in vacancies last month.

Overall, the drop in demand was the slowest fall for seven months, and rates of decline continued to ease.

Mike Stevens, partner and head of business services at KPMG, said, "There is now some reason to hope that the UK jobs market has overcome the worst, at least for this phase of the recession. For the third successive month we have seen a slowing in the rate of decline in both temporary and permanent staff appointments. Demand for staff is still falling but much less fast than at the beginning of the year and many employers seem to be holding off shedding staff and contemplating recruitment."

But he added it is difficult to build real optimism, with public sector spending now in the balance as the Government starts to reign in outgoings and cut back on borrowing.

SQL again remained the most popular in the permanent market, followed by .NET, SQL Server, Windows, C#, Microsoft, Java, ASP.NET, Oracle and HTML.

The contract market also has SQL as the skill most advertised. The remaining skills making up the top ten for contractors are Oracle, Windows, .NET, Java, Microsoft, SQL Server, C#, UNIX and SAP.

Rullion Computer Personnel - Top roles in demand in June 2009

	Contract	Permanent
1.	Network Designers	SQL
2.	Implementation Support	Business Change
3.	MEP Engineers	PMO
4.	Technical Architects	.NET
5.	Systems Administrator	SAP

IT job offers double

Source: www.recruiter.co.uk; 15th June 2009

Job offers to IT contractors into financial services doubled between May and June, according to new research, raising hopes that the worst could be over for financial services recruiters. The research, by pre-employment firm Powercheck, also found employment offers increased in insurance (+23%) and banking (+19%).

However, the research found that compared with the same month last year, financial services recruitment was down across the board. Investment banks saw the largest decline with 83% fewer offers, followed by stockbrokers (-54%) and hedge funds (-56%)

Nick Walrond, managing director of IT and business change recruiter Sanderson, told Recruiter that while there had been an improvement since the first quarter, there had been no change on the permanent side. However, he says there are some tentative signs of improvement on the contracting side, though it remains less buoyant than this time last year.

“A lot of organisations are beginning to look at professional roles in the contracting space. A number of mergers and acquisitions and takeovers in that market is driving the need for business change professionals, such as project managers, and integration specialists.”

Alexandra Kelly, director at Powerchex, adds: “Most firms in the sector have an official or unofficial freeze in recruitment; however, firms continue to recruit selectively. We are seeing a split in strategy amongst firms that operate within financial services. There are those companies that are not actively recruiting and only replacing people who leave critical roles, and on the other hand there are those companies who believe now is the time to position themselves to take advantage of any upturn by hand picking new staff from a large and talented pool of people.”

IT services sector to avoid the worst of the jobs cull

More than half of business services jobs to go in the next five years, but IT services will grow six per cent, says research

Source: Computing; 22nd June 2009

IT services jobs are expected to be among the least affected by the downturn over the next couple of years, according to research by the Centre for Economics and Business Research (CEBR).

The survey warns that more than half of business services sector jobs in the UK will be cut by 2011, due to the credit crunch and recession.

The worst hit industry will be advertising, but in the IT services sector four per cent of 542,000 jobs will be lost by 2010 before a strong recovery to 573,000 jobs in 2013 – six per cent up compared to today.

The CEBR said the overall business services sector has contributed around one third of all new jobs created and five per cent per year GDP growth since 1997.

According to CEBR managing economist Ben Read, the advertising industry is forecast to shed 10,000 staff by 2013.

Read said the business services sector will find the operating environment for the next five years to be very different compared with the previous five.

"Steep drops in business investment, the collapse of the property market and construction industry, upcoming cuts in public sector spending as well as continued difficulty for firms to find capital imply difficult times ahead for this sector," he said.

Half of IT jobseekers still finding work quickly

Overall demand is falling, but most IT professionals able to find a new job within three months

Source: Computing; 10th June 2009

The recruitment market for IT jobs may be at its lowest ebb in years, but half of IT professionals looking for work are still managing to find a new employer within three months, according to research.

The survey of 350 jobseekers by recruitment consultancy First Point also suggests that only 16 per cent of candidates are taking a year or more to find work.

But the recession has affected IT professionals' attitudes, with 40 per cent of those polled saying they expect to stay in their current role longer than intended because of the downturn. A further 39 per cent would consider moving job, but only for the right opportunity.

"These figures clearly show just how in demand good IT people are," said Tom Fahey, managing director of First Point.

"Information technology remains a key business need across all industries. The fact that both permanent and temporary workers continue to find work in a short period of time demonstrates the value placed upon skilled personnel."

The survey found that the most in-demand skills are in software development and testing – in particular those with experience of agile programming, Scrum methodology, and Microsoft's .NET, Silverlight and SharePoint tools. Business analysis and project management expertise are also proving popular.

According to research earlier this month by the Recruitment and Employment Confederation (REC) and KPMG, the rate of decline in the demand for IT professionals has eased, but the number of jobs available is continuing to fall faster than in any of the past five years.

Demand for IT staff in May was down 25 per cent from April, although the speed at which the job market is contracting has eased since its peak in February when it fell 40 per cent per month – a six-year low. But job openings are still shrinking faster than at any rate pre-2009.



IT jobs in banking are still desired despite turmoil

Source: *Computer Weekly*; 2nd June 2009

A PhD course that combines financial computing skills with science and engineering has been inundated with applicants for its first year.

London's first centre for financial computing, the UK Doctoral Training Centre in Financial Computing, based at University College London (UCL), set a target of up to 15 students per year, but it has already received 300 applications.

This is despite thousands of IT workers in financial services companies being made redundant and fierce competition for the remaining jobs.

The course will train researchers to develop and use analytical tools for tasks such as risk modelling, algorithmic trading and managing compliance. Banks use high-powered systems that rely on mathematical models to predict risks associated with investments. These systems help banks to protect their financial positions by making safer investments alongside riskier ones.

Philip Treleaven, professor of computing at UCL, who heads the course, said he is pleased with the response but warned that many applicants will be disappointed. "We have had 300 applicants, including a lot from countries such as China. We are looking to start with between 10 and 15 students and we can only fund EU students."

1,600 staff to go at Lloyds TSB, but few IT jobs

Source: Computer Weekly; 9th June 2009

Relatively few IT jobs will go in the latest round of more than 1,650 redundancies at Lloyds TSB announced today.

The taxpayer-funded bank said it would close its 164-branch Cheltenham & Gloucester network on 6 November with the loss of 928 jobs. A spokeswoman for the bank said most of the people affected were branch staff.

The bank, which claims 30% of the UK mortgage market, also moved to rationalise its mortgage operations from 26 operational and support sites. Another 727 people would lose their jobs as a result.

The latest job cuts follow 510 last week from redundancies in the bank's retail division. The bank has cut 5,000 staff since it took over HBOS. According to union officials, some analysts predict it will eventually lose 25,000 of more than 40,000 jobs.

Steve Tatlow, assistant general secretary at the Lloyds TSB Group Union (LTU) said, "There is no justification for make C&G staff compulsorily redundant."

He said the union would insist that staff in nearby Lloyds and TSB branches be offered voluntary redundancy before C&G staff are sacked.

Tatlow said the union also objected to the bank's "jobs for India" policy. It said the bank employed more than 5,000 in India, and refused to repatriate any of those jobs to British workers.

"Having propped up the bank over recent months, taxpayers will now also have to bear the additional burden of unemployment and social security costs that could be reduced considerably if the bank returned work from India to the UK," the union said.

Tatlow called on the government to use its 43% share in the bank for force the bank to stop offshoring work in the interests of staff, the economy and local communities that faced big redundancies.

Legislation

Fivefold jump in prosecutions for hiring illegal immigrants

Businesses and recruitment agencies need to undertake more rigorous checks as new rules mean £10,000 fine per illegal worker

Source: www.recruitmentinternational.uk.com; 23rd June 2009

Businesses and recruitment agencies need to undertake more rigorous checks into candidate's backgrounds as the number of prosecutions for hiring illegal immigrants jumped 513% in 2008, warns giant precision, the outsourced solutions provider to the recruitment industry (www.giantprecision.com).

According to data obtained from the Home Office by giant precision, the introduction in February 2008 of a new penalty system led to a record 233 prosecutions of employers for employing illegal immigrants. Prior to the enactment of the new legislation, no more than 40 cases were brought against employers in any given year.

According to giant precision, the new system, which introduced a civil penalty of £10,000 for each illegal worker, means recruiters and employers should ensure that their background checking systems are up-to-date with the new legislation.

Matthew Brown, Managing Director of giant precision says: "The new civil penalty for employers who hire illegal immigrants has made a big difference to the UK Border Agency's activity in bringing cases against employers. More employers than ever before are finding themselves hit with big fines. In cases where an illegal immigrant is supplied by a staffing agency, the agency itself can be liable."

"Agencies and employers are required to carry out background checks by law, but the administrative burden has often meant that checks are sporadic and not always thorough."

Matthew Brown explains that employers often do not realise that they have hired illegal immigrants because they are given fraudulent paperwork such as P45s, P60s and passports.

Matthew Brown comments: "The new regulations are tough on employers and recruiters who may have checked into candidate's backgrounds and been duped by fraudulent documents. Even if checks are carried out, the UK Border Agency can still levy fines if it deems recruiters and employers have not been sufficiently rigorous."

According to giant precision, online identity checking systems which use document capture technology and automatically check that documents like passports are legitimate by linking directly to official databases can save businesses thousands in administrative costs and fines.



Matthew Brown says: “The new civil penalty introduced last year for hiring illegal immigrants has led to new compliance requirements that many recruiters and employers are not set up to handle. Paper based systems where recruiters or employers photocopy and check documents manually are laborious and prone to error.”

“Recruiters and employers can no longer afford to conduct background checking in a haphazard way. Robust online systems that are thorough can save huge amounts of back office time – and potentially thousands in fines.”

APSCo submission to BERR consultation

Temporary workers earning more than three times minimum wage

Source: www.recruitmentinternational.uk.com; 23rd June 2009

Temporary workers who earn more than three times the National Minimum Wage (NMW) should be excluded from a forthcoming law which will give agency workers the same rights as permanent employees, according to the Association of Professional Staffing Companies (APSCo). If this proposal is adopted, temporary workers earning more than £17.40 per hour or £33,930 per annum will be outside the legislation.

The Government is currently consulting on the implementation of the Temporary Agency Workers Directive (TAWD), which must become law in the UK by 2011. APSCo is the only stakeholder involved in the consultation process calling for highly paid temporary workers earning more than three times NMW, who operate through personal service companies or umbrella companies, to be completely excluded from this legislation.

APSCo is making the exclusion of professional level temporary workers the focal point of its submission on the draft legislation. APSCo says that an exclusion threshold set at three times NMW would mean that 90% of the workers supplied by APSCo staffing companies would be outside the legislation.

According to APSCo, whilst it supports enhancing the rights of ‘vulnerable’ workers, professional level temporary workers earning above £17.40 per hour or £33,930 per annum cannot reasonably be considered as ‘vulnerable’. Such workers would have their work prospects harmed by this legislation.

Ann Swain, Chief Executive of APSCo, comments: “The Government has acknowledged that this legislation is intended to enhance the rights of ‘vulnerable’ workers and is receptive to the idea of excluding professional level temporary workers. It has indicated to APSCo that an exclusion based on an income threshold which is a multiple of the National Minimum Wage could be an appealing solution.”

“We feel that three times the National Minimum Wage is about the right income level for the exclusion. It would mean that about 90% of workers placed by APSCo members are outside the scope of the legislation. This would be a workable solution which would be easy to understand and enforce.”



She adds: “The kind of business professionals placed by APSCo members are highly-skilled, highly-paid individuals who cannot be considered ‘vulnerable’ workers. Their inclusion in this legislation would significantly add to the costs to end users of using these workers, thereby damaging their employment prospects.”

APSCo has been holding meetings with the Department of Business Innovation and Skills (BIS, formerly BERR), the CBI and the Professional Contractors Group (PCG) over the last few years to discuss the Directive. Discussions have focused on ways of implementing the Directive without damaging the work prospects of highly paid, knowledge-based professionals. BIS, the CBI and the PCG have all been receptive to the idea of excluding professional level temporary workers from the legislation.

The TAWD will entitle agency workers who have worked on assignment with the same end user for at least 12 weeks to at least ‘equal treatment’ as permanent workers. The meaning of ‘equal treatment’ has yet to be precisely defined, but it will definitely include equal pay, and is likely to encompass basic working conditions, such as access to training, amenities, notice of termination, and so on.