

## Contractor calculator market report - February 2008

### Key Contractor Market Statistics

- o IT demand increased 62% over December 2007
- o Engineering demand increased 52%
- o Continuing rise in construction despite mortgage slump
- o 7% job growth is strongest employment growth in UK since 1997 says Office of National Statistics

While those who work in the offices of Members of Parliament are perhaps seeing a static job market at the moment, quite the opposite is being seen on the market for contracting.

### Meaningful Increases in Demand

Says Karen McDermott, head of marketing at the Colchester-based job board [Jobserve](#): "As expected, JobServe has seen strong growth in January following on from a traditionally quieter December. Job advertising increased across all 4 sectors - for construction (25%), electronics (11%), engineering (52%) and IT (62%)."

While there is always a pick up after the New Year holiday, McDermott points out that even a look at year-on-year statistics show meaningful increases. "For a more meaningful view of these trends, comparing job numbers with January 2007 reveals a fully robust picture. The number of jobs posted on construction rose by 120% to 3,252; electronics by 24% to 4,928 and engineering by 73% to 13,284. This increase in jobs advertised in these three sectors is also reflected in the number of people who are applying for these jobs - up by 26% for construction, 22% for electronics and 9% for engineering," McDermott enthuses.

### Regional Differences, But Holding Up Overall

This altogether rosy picture does take a different tinge if you are based in some parts of the country.

IT salaries in London continue to outstrip all others according to a report by the High Wycombe-based IT Recruitment Agency [CV Screen](#).

The analysis of over 4000 IT positions found that salaries had increased by 4.3% over the last 12 months for those working in the London area. By contrast, this compared to a 3.4% increase in the South East region for example, the survey shows.

CVScreen account manager for London Alex Lawson commented on the findings, "There is obviously a premium attributed to working in London and the survey shows that salaries are 15% higher than those in the rest of the South East region. The London IT jobs market remains strong and we are currently experiencing very high demand for staff at the beginning of 2008.

“ Job advertising increased across all 4 sectors meaning construction and electronics and engineering and IT ”  
Karen McDermott - Jobserve

"Obviously many commentators are predicting the next 12 months to be more testing but the early signs are that the IT jobs market is holding up well." Most of this demand is from the financial services sector notwithstanding all reports to the contrary; a recent survey by [Silicon.com](#) showed that 50% of UK financial services companies can't find the IT workers they need, but that most prefer to use local contractors rather than to look overseas for talent.

### Skills and Experience

In a number of articles, we've pointed out that the skills currently most in demand for contractors in IT are database analysis, project management, C#, Java, to name just the top few. But a recent report by the US-based research consultancy [Global Knowledge](#) suggests that experience plays as much of a role in determining contractor fees as does specific skills ownership. The report cites: "a number of factors are involved, and fee level determination can be a combination of skill level, certification, years of experience, and the broadening of education to include management skills."

### Engineers Still Enjoying Shortage

Demand for contractors in engineering is still driven hard by the lack of them. The official skills shortage list (for immigration purposes) maintained by the government includes 15 different categories of engineers that are in such short supply, even migrants are welcome. Areas like nuclear energy and geology-related engineering are in high demand, but all categories are required.

### Construction Strong Despite Residential Slump

There is no question that residential property construction rates have dropped drastically since the end of last year. Nonetheless, the

construction industry in the UK continues to thrive, according to Peter Fordham of the London-based research firm Davis Langdon.

"Order books are full to the end of 2008," Fordham says. "Tender offers are slightly increased in value, up 1.7% in the past quarter and 7% over the year for London, with a slightly smaller rate of increase for the rest of the country. The building cost index shows a rise of 5.2% over the year to the third quarter 2007, compared with a rate of 5.9% at the end of last year. This reflects an easing in materials price inflation, but 6% labour increase next June will push the annual figure back up."

Obviously, there is sufficient compensation from the business and public sectors to make up for the drop in private residential construction.

### And How Fares the Nation?

Without getting into the intricacies of macroeconomics and international finance, there is one, good-old plain vanilla indication that the British economy isn't doing too badly.

With growth of about 7%, employment growth over the last quarter was the strongest since 1997, according to research by the Office for National Statistics. Employment minister Caroline Flint commented that the figures show employment growth for both younger and older workers. "With record numbers of vacancies in the economy the opportunities exist for people to make the most of their skills and talents," Flint said.

### Need We Say More?

We should nuance all that a bit with an explanation that there is a real imbalance in the UK economy. The Bank of England is not planning rate cuts for the moment, but it is difficult to see how rate cuts would help to rebuild consumer confidence levels which are at extreme lows for the moment. The retail sector is suffering most in this context, but the rest of the economy does not seem to be following suit. There has been no perceptible drop in GDP, and the oil crisis is the main factor in driving up inflation. Most observers predict a short slowdown followed by a return to growth although possibly only at 1% - plus levels. Nonetheless, contractors do not seem to feel the pinch as the demand statistics show.

“ The early signs are that the IT jobs market is holding up well ”  
Alex Lawson - CVScreen

Published: Tuesday, February 05, 2008

[Tweet](#)

© 2011 All rights reserved. Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#). If you want to use any content you have seen on this site then please [request our media pack](#) and ask for details of our Content Licencing Service.

### Readers Comments...

 Be the first to comment on this article

### Also of interest...

#### Related Guides:

- [Steps to Become a Contractor](#)
- [How to Find a Contract:](#)

#### Related Calculators:

- [Contractor Calculator](#)
- [Contract Comparison Calculator](#)
- [Permanent To Contracting Calculator](#)
- [Target Income Calculator](#)
- [Permanent Salary Comparison Calculator](#)

#### Related Internet Links:

- [Jobserve](#)
- [Global Knowledge](#)
- [CV Screen](#)



ABCe verified website - last audit confirmed **130,682 monthly unique visitors**

© Copyright 2011 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)