

IT contractor demand soars by 26% but there are still more contractors than contracts

IT contractors are back in demand, particularly those with certain key skills.

Statistics from the fourth quarter of 2009 published in the [latest e-skills Bulletin](#) show demand has soared by 26% from the previous quarter. This reverses the trend of six consecutive quarters of falling demand, putting demand at its highest since the fourth quarter of 2008.

The bulletin highlights that 'green shoots' were appearing in the ICT sector while the rest of the economy was still in recession. Drivers cited for this improvement include an increase in spending and a revival of the banking and finance sector.

But the bulletin says that there is unlikely to be a return to the skills shortages experienced before the recession as, with 59,000 ICT professionals unemployed there are 1.33 candidates for each job and contract advertised. According to [e-skills](#), there are £1.061m IT workers in the UK, an increase of 10,000 over the previous quarter and the highest level recorded for five years.

IT contractor skills in most demand

Demand for IT contractors is not consistent across all skills areas and, of all the skills monitored, 52 skills showed decreasing demand in the quarter versus 88 skills showing increasing demand. The most in-demand IT contractor skills included:

- o SQL
- o C
- o C#
- o .NET
- o SQL SVR
- o ASP
- o Java
- o Oracle HTML
- o Java Script.

Although not in the top ten for the quarter, some skills have shown positive demand over the longer term. For example, demand has risen for IT contractors skilled in Bluetooth, Tibco and RDBMS.

E-skills reports that less in-demand skills include Exchange, Prince, Windows 2000, Coldfusion and VPN, all of which have declined consistently over seven consecutive quarters.

London-based IT workers still earn the most

Combined figures for both contract and permanent IT workers show that London still offers the highest rates. For example, London-based IT workers are paid an average of £900 per week, compared to those in the North East, whose average pay is as low as £450 per week.

Computer engineers are the discipline that earns the least, at an average of £490 per week, whereas IT managers are paid an average of £900 per week, with annual pay at £25,300 and £46,600 per year respectively. Computer engineers are the only IT workers earning below the UK's national average salary, which is £27,300 per year.

Confidence is increasing, particularly in IT

Confidence is at its highest level since the final quarter of 2007, according to the Institute of Chartered Accountants in England and Wales' ([ICAEW](#)) Business Confidence Monitor (BCM) 3rd Quarter results, with IT clients nearly four times as confident as those the rest of the economy.

Fewer IT firms are going bust and the number of IT and communications companies going into liquidation actually fell by 3% in the third quarter of 2009, with compulsory liquidations down by 16%. This suggests that fewer firms were folding because of financial difficulties. And although the total turnover of IT firms remained flat, investment in the private sector on software rose 12% on the previous quarter.

“ According to e-skills, there are £1.061m IT workers in the UK, an increase of 10,000 over the previous quarter and the highest level recorded for five years ”

The results published in this bulletin are in line with a number of other positive economic indicators all suggesting that, whilst the good times have not returned, contractors are now operating in a marketplace that is turning a corner.

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