IT SECTOR
REPORT

Methodology: The below report is based on an analysis of the number of jobs posted on Broadbean's database and the number of applications per vacancy over a set period.

"It's no surprise to see that IT vacancies are falling given the reports of mass layoffs in the sector that have emerged this year as the economy continues to struggle. However, it's important to highlight that many of these redundancies have followed overly optimistic hiring during the post-pandemic highs. What is concerning when we consider the need to strengthen the UK's tech skills is the limited pay increases that have been reported across the profession. With the cost of living increasing, there is the potential that we will see a further loss of expert skills unless a more sustainable approach is developed. In our view, that includes reforming international visas to provide more viable entry routes for IT contractors and the self-employed."

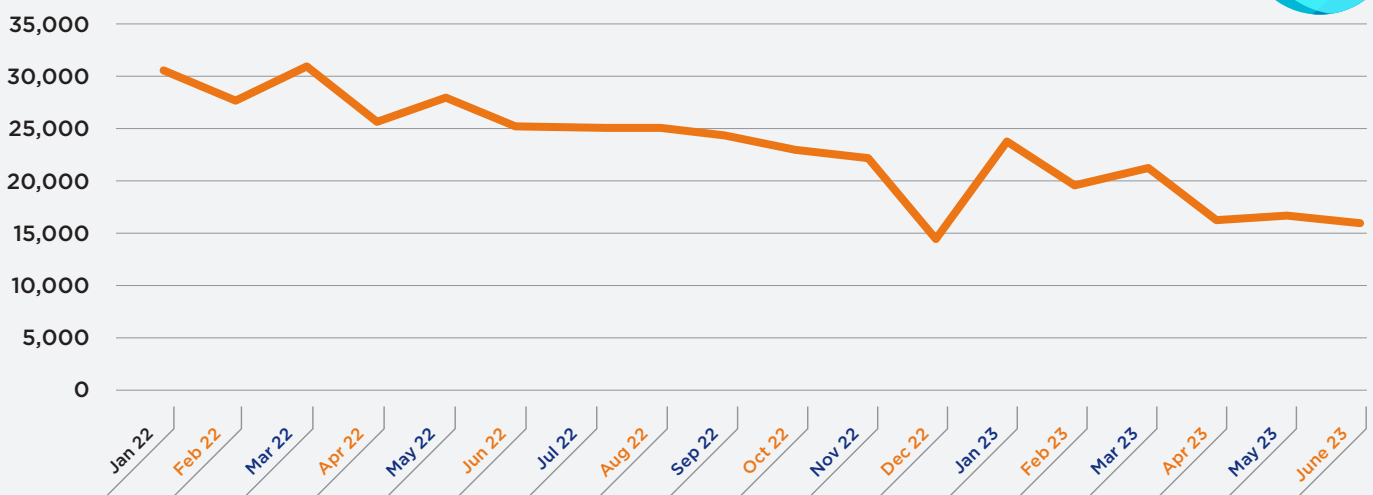**Ann Swain,
Global CEO, APSCo**

IT vacancy breakdown

The number of IT vacancies in Q2 2023 is not only significantly down on Q1, but has also dropped when compared to 2022 volumes. While there is still demand for specialist IT professionals, particularly in areas such as cybersecurity and digital, the economic slowdown is having a major impact on hiring, with many tech companies forced into making thousands of layoffs.

Key trends:

• The number of vacancies recorded in June 2023 (just under 16,000), which fell by over 4% month-on-month, was the lowest level recorded during the last 18 months (December 2022 excepted).

• The second biggest month-on-month fall was also April 2023's drop of 23%. Four of the six months of 2023 so far have posted sub-20,000 monthly figures (only December in 2022 achieved the same level).

• If we look at the year-on-year numbers, we see a 36% fall in June 2023 compared to the same month in 2022. Cumulatively, total Q2 2023 vacancies are down by 38% compared to Q2 2022.
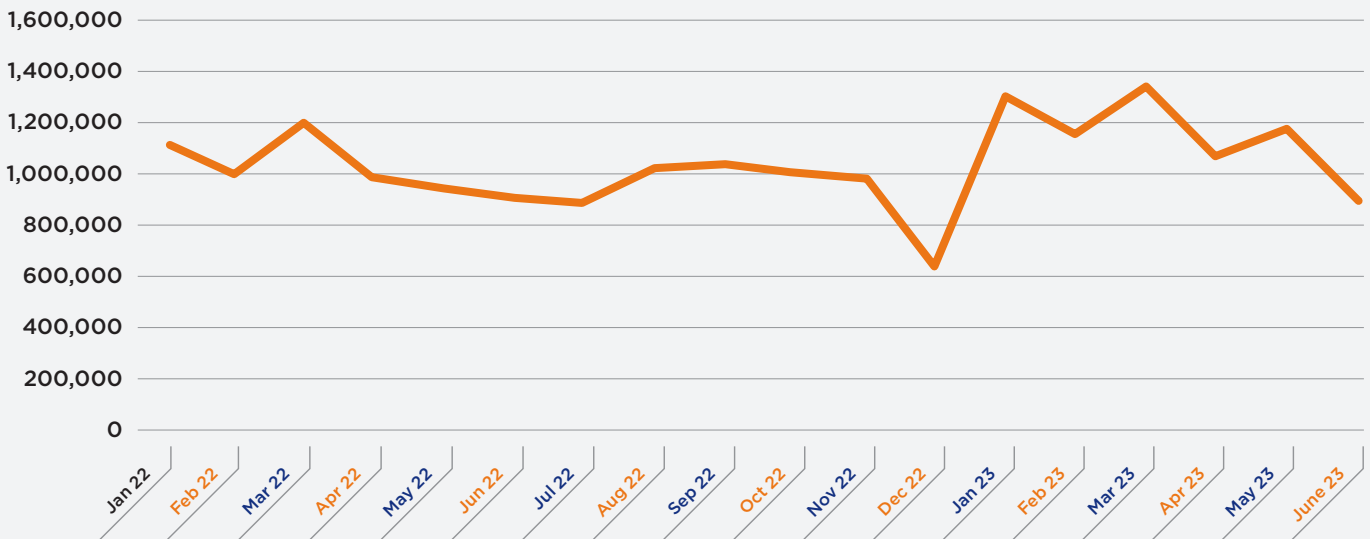
VACANCIES

Application numbers

Application numbers have remained steady throughout the period with most months registering in excess of one million. The application per vacancy (APV) rates have shot up in 2023, which is good news for employers looking for specialist IT talent. These numbers are not altogether surprising given that many IT professionals have either been made redundant or fear that they might be let go.

Key trends:

- The 23% month-on-month fall in people applying for IT roles in June was the highest of the period (if we exclude the 36% drop in December 2022). April put in the best performance, surpassing 1.3 million applications.

- Year-on-year applicant numbers in June 2023 are only very slightly down (0.06%) on June 2022 figures. However, Q2 2023 statistics reveal a year-on-year increase of 11% compared to 2023.

- Analysing APV rates, we observe that May recorded the highest number (70) followed by April (65). Indeed, APV numbers have been well above 50 for 2023, considerably higher than 2022.
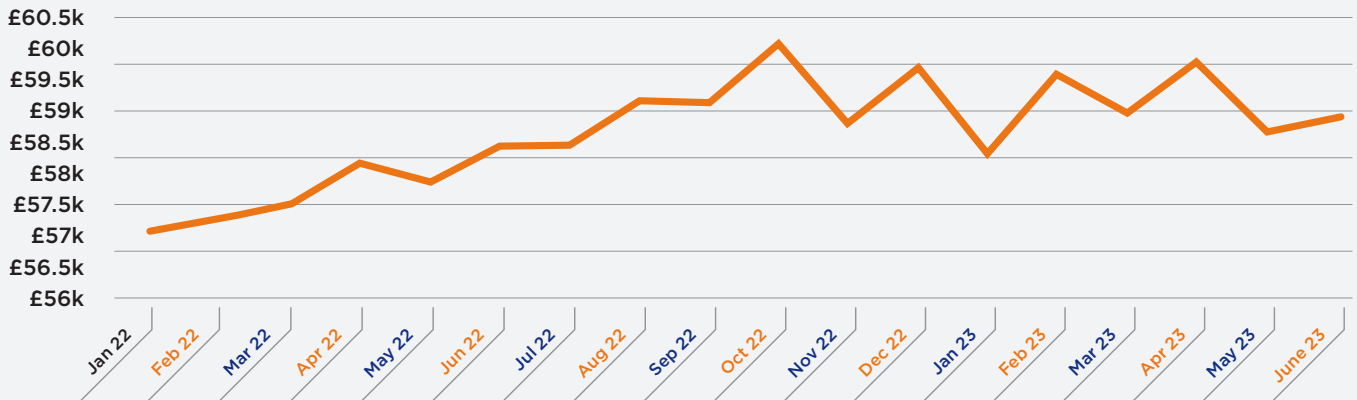
APPLICATIONS

Salary

There has been precious little movement in permanent IT salaries over the past 18 months with the average consistently around the £58-60k mark. The monthly rises that we have seen have been relatively small and have not kept up with the almost double-digit levels of inflation. Employers must however offer competitive rewards and benefits packages if they want to compete for top talent.

Key trends:

- Following the near 2% month-on-month drop in May, salaries rose fractionally in June 2023 by 0.4%. The best performer was October 2022, with average salaries reaching more than £60k for the only time recorded in the period.

- The biggest month-on-month drop was seen in January 2023 (-2%) but that was offset by the figure for February, which posted the biggest rise of more than 2%.

- Year-on-year numbers reveal a very similar picture, with June 2023 salaries less than 1% higher than June 2022. The cumulative average for H1 2023 shows a rise of 2.3% compared to 2022.

AVERAGE SALARY

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