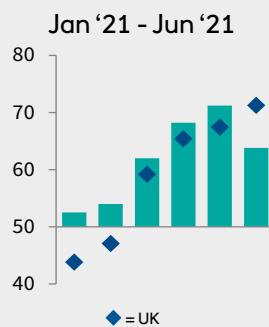


Royal Bank of Scotland Report on Jobs

Hiring activity continues to surge in June

Scotland Permanent Placements Index



Key findings

Slower, but still marked upturn in permanent staff appointments

Near record increase in temp billings

Vacancies rise at steepest pace on record, but staff supply drops again

June saw a further recovery of Scottish labour market conditions, according to the latest Royal Bank of Scotland Report on Jobs. Hiring activity surged again amid reports that companies were stepping up their hiring efforts in line with easing COVID-19 restrictions and rising economic activity. The latest upturn in permanent placements slowed noticeably from May's all-time high, but was still rapid overall, while temp billings growth also remained historically elevated. Meanwhile, vacancies for both permanent and short-term staff increased at the steepest rates in the survey's history. However, recruiters signalled steeper falls in staff supply, with respondents citing shortages in some sectors and a reluctance among candidates to switch roles due to COVID-19 related uncertainty.

Sebastian Burnside, Chief Economist at Royal Bank of Scotland, commented:

"June data pointed to a sustained rebound of the Scottish labour market, with further upturns in both permanent staff appointments and temp billings. The rate of increase in the former slowed from May's record, but remained rapid, while temp billings continued to rise at one of the quickest rates in the survey's history."

"Demand for staff surged again too, with vacancies for both permanent and contract staff rising at the strongest rates on record. At the same time, the supply of workers dropped steeply again, with respondents noting that caution among some candidates around moving roles had led to some shortages. With lockdown measures set to ease further and a return to more normal business conditions, these concerns should diminish, which should support a sustained rebound in Scottish labour market conditions over the coming months."

Scotland Permanent Placements Index

sa, >50 = growth since previous month



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About the Scotland Report on Jobs

The Royal Bank of Scotland Report on Jobs is compiled by IHS Markit from responses to questionnaires sent to a panel of around 100 Scottish recruitment and employment consultancies.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then

seasonally adjusted.

The headline figure is the Permanent Placements Index, calculated from responses to the question "Is the number of people placed in permanent jobs higher, the same or lower than one month ago?".

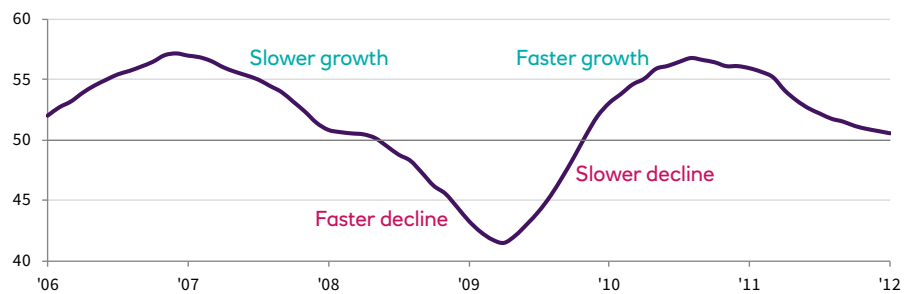
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

June data were collected 11-24 June 2021.

For further information on the survey methodology, please contact economics@ihsmarkit.com.

Index interpretation

50.0 = no change since previous month

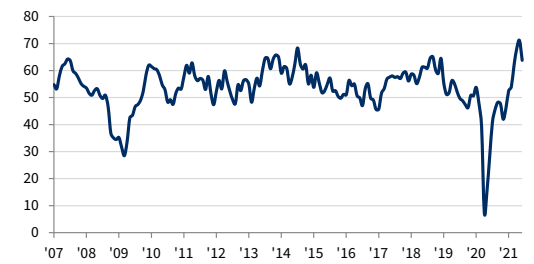


Staff placements

Permanent placements rise markedly again in June

The number of permanent staff appointments across Scotland rose further during June. Many firms had stepped up their hiring efforts amid looser COVID-19 restrictions and a rebound in economic activity, according to respondents. The rate of increase slowed from May's record pace, but remained among the quickest on record and sharp overall.

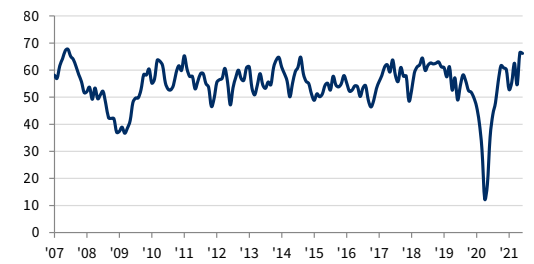
Permanent Placements Index 63.8
sa, >50 = growth since previous month Jun '21



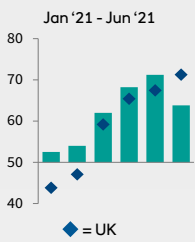
Increase in temp billings remains close to record high

June data highlighted a further upturn in temp billings across Scotland, extending the current sequence of growth to ten months. Anecdotal evidence attributed the latest rise to the reopening of many businesses due to looser COVID-19 restrictions and strong demand for staff. Despite slowing slightly on the month, the rate of increase was the second-quickest for 14 years and marked overall.

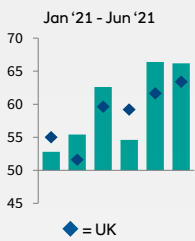
Temporary Billings Index 66.2
sa, >50 = growth since previous month Jun '21



Permanent Placements Index



Temporary Billings Index



Labour supply

Fastest fall in permanent candidate availability since March 2019

For the fifth month in a row, the supply of permanent candidates across Scotland fell in June. Concerns regarding the pandemic meant many people were unwilling to switch roles, according to respondents. The rate of decline accelerated noticeably on the month and was the fastest since March 2019.

Permanent Candidate Availability Index **31.4**
 sa, >50 = growth since previous month Jun '21



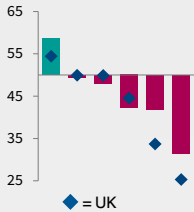
Record drop in temp staff supply

The availability of temporary candidates across Scotland declined substantially during June. The respective seasonally adjusted index fell just over 14 points on the month to an all-time low, signalling the steepest downturn in temp staff supply on record. Increased demand for staff, a reluctance among candidates to switch roles, Brexit and IR35 regulations were all attributed through anecdotal evidence to the latest fall in temp candidate numbers.

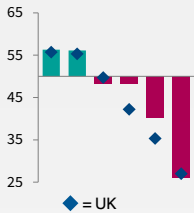
Temporary Candidate Availability Index **26.1**
 sa, >50 = growth since previous month Jun '21



Permanent Candidate Availability Index
 Jan '21 - Jun '21



Temporary Candidate Availability Index
 Jan '21 - Jun '21



Pay pressures

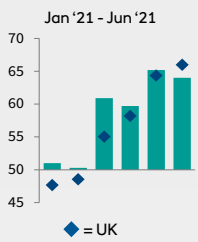
Starting salaries continue to rise sharply in June

A seventh consecutive monthly rise in permanent starting salaries across Scotland was registered in June. According to panellists, a shortage of candidates had placed upwards pressure on pay. The rate of increase slowed slightly on the month, but was still among the steepest on record.

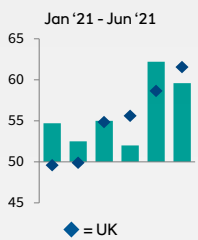
Further step increase in temp wages

Recruiters across Scotland recorded a further increase in average hourly wages for short-term staff during June, amid reports that difficulties finding staff had led firms to raise pay rates. The rate of inflation slowed only slightly from May's 49-month record, and was the second-quickest since July 2018 and rapid. Temp wages have now risen in all but one of the past nine months.

Permanent Salaries Index



Temporary Wages Index



Permanent Salaries Index

sa, >50 = inflation since previous month

64.0

Jun '21

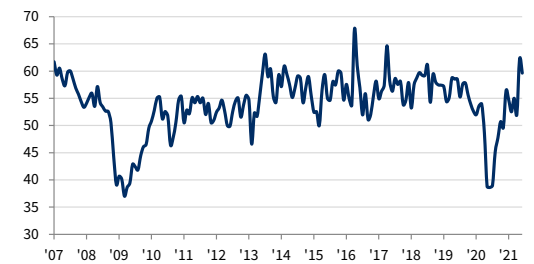


Temporary Wages Index

sa, >50 = inflation since previous month

59.6

Jun '21



Demand for permanent staff

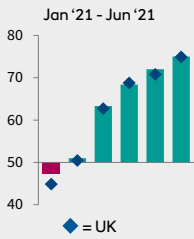
Unprecedented upturn in permanent vacancies

The Permanent Vacancies Index is derived from eight sectoral indices of the demand for permanent staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

Demand for permanent staff across Scotland rose sharply again during June. The respective seasonally adjusted index reached a fresh series high to signal the fastest rise in permanent vacancies since data collection began in January 2003. The rate of increase was also broadly in line with that seen across the UK as a whole.

Across the monitored sectors, IT & Computing registered the quickest increase in vacancies, followed by Engineering & Construction.

Permanent Vacancies Index
Jan '21 - Jun '21



Permanent Vacancies Index
sa, >50 = growth since previous month

75.0
Jun '21



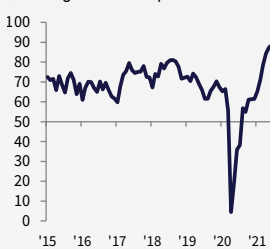
Permanent Vacancies Index by sector

Rank	Sector	May-21	Jun-21
1	IT & Computing	87.4	88.7
2	Engineering & Construction	76.7	80.1
3	Hotel & Catering	69.4	78.2
4	Accounts & Financial	72.6	75.7
5	Blue Collar	63.4	74.7
6	Nursing/Medical/Care	64.6	74.1
7	Executive & Professional	63.7	67.6
8	Secretarial & Clerical	69.0	65.6

Permanent vacancies by sector

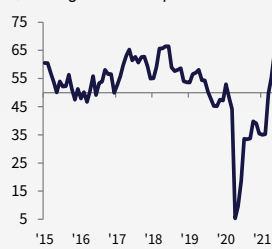
IT & Computing

sa, >50 = growth since previous month



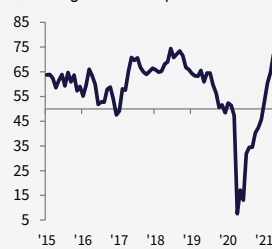
Executive & Professional

sa, >50 = growth since previous month



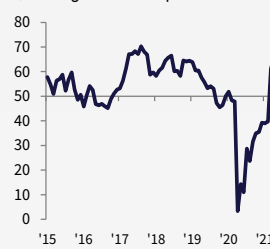
Accounting & Financial

sa, >50 = growth since previous month



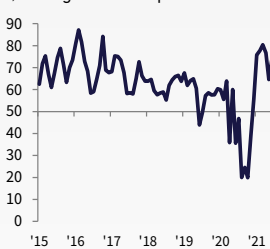
Secretarial & Clerical

sa, >50 = growth since previous month



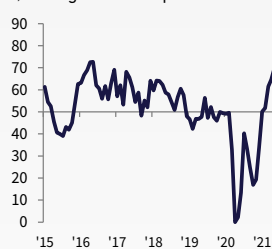
Nursing, Medical & Care

sa, >50 = growth since previous month



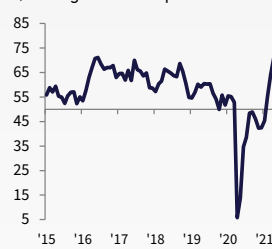
Hotel & Catering

sa, >50 = growth since previous month



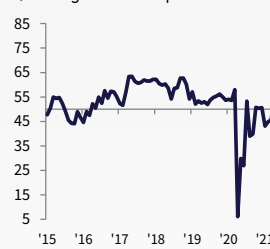
Engineering & Construction

sa, >50 = growth since previous month



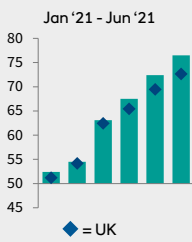
Blue Collar

sa, >50 = growth since previous month



Demand for temporary staff

Temporary Vacancies Index
Jan '21 - Jun '21



Demand for temp staff rises at steepest rate on record

The Temporary Vacancies Index is derived from eight sectoral indices of the demand for temporary staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

Recruiters across Scotland registered a further rise in the number of temporary vacancies during June, extending the current sequence of strengthening demand to nine months. The rate of increase quickened to a fresh series record and was rapid overall, also outpacing the UK-wide trend.

Blue collar saw the strongest rise in vacancies of the monitored sectors during June, followed by IT & Computing.

Temporary Vacancies Index
sa, >50 = growth since previous month

76.5
Jun '21



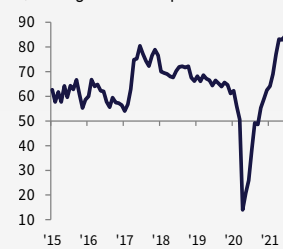
Temporary Vacancies Index by sector

Rank	Sector	May-21	Jun-21
1	Blue Collar	77.5	86.8
2	IT & Computing	83.0	84.5
3	Engineering & Construction	71.0	81.0
4	Hotel & Catering	68.3	76.7
5	Accounts & Financial	67.6	70.7
6	Nursing/Medical/Care	74.4	66.6
7	Secretarial & Clerical	68.7	64.1
8	Executive & Professional	58.6	61.2

Temporary vacancies by sector

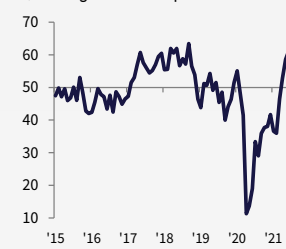
IT & Computing

sa, >50 = growth since previous month



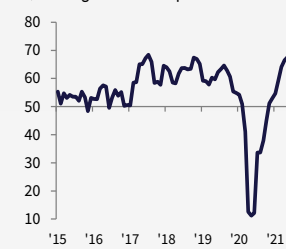
Executive & Professional

sa, >50 = growth since previous month



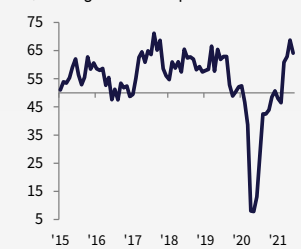
Accounting & Financial

sa, >50 = growth since previous month



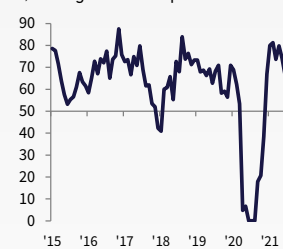
Secretarial & Clerical

sa, >50 = growth since previous month



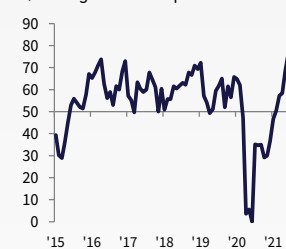
Nursing, Medical & Care

sa, >50 = growth since previous month



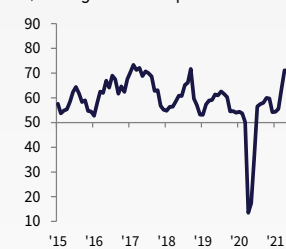
Hotel & Catering

sa, >50 = growth since previous month



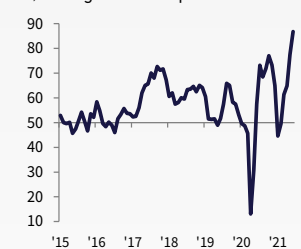
Engineering & Construction

sa, >50 = growth since previous month



Blue Collar

sa, >50 = growth since previous month



Index summary

Scotland

sa, 50 = no change over previous month

	Permanent Placements	Temporary Placements	Permanent Availability	Temporary Availability	Permanent Salaries	Temporary Wages	Permanent Vacancies	Temporary Vacancies
Jan '21	52.5	52.8	58.7	56.3	51.0	54.7	47.3	52.4
Feb '21	54.0	55.4	49.5	56.1	50.3	52.5	51.0	54.5
Mar '21	62.0	62.6	48.0	48.3	60.9	55.0	63.3	63.1
Apr '21	68.2	54.6	42.2	48.3	59.7	52.0	68.4	67.5
May '21	71.2	66.4	41.9	40.2	65.2	62.2	72.0	72.4
Jun '21	63.8	66.2	31.4	26.1	64.0	59.6	75.0	76.5

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About Royal Bank of Scotland

Royal Bank of Scotland has paved the way in banking ever since it was established in 1727. From the world's first overdraft, and the first house purchase loan by a UK bank, to the first fully-fledged internet banking service and mobile banking app the bank has a history of making life easier for its customers.

The bank has commitment to retain its close connections with the Scottish communities it serves.

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The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.

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