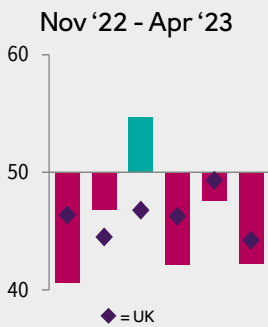


Royal Bank of Scotland Report on Jobs

Hiring activity continues to decline across Scotland in April

Scotland Permanent Placements Index



Key findings

Steep drop in permanent placements

Pay pressures strengthen amid candidate shortages

Permanent vacancy growth moderates to 26-month low

According to the latest data from the Royal Bank of Scotland Report on Jobs, hiring conditions across Scotland deteriorated at the start of the second quarter. Sharp and accelerated contractions were recorded for both permanent placements and temp billings as lingering economic uncertainty impacted recruitment plans. At the same time, candidate availability fell further - albeit at softer rates than seen for much of the last two years - amid reports of general skills shortages and an increased reluctance among workers to take on new roles due to the prevailing economic climate. Consequently, pay pressures continued to build in April, with both starting salary and temp wage inflation accelerating from March as firms bid higher to attract suitably-skilled candidates. Lastly, growth of demand for permanent staff continued to cool, while temp vacancies fell for the fourth straight month.

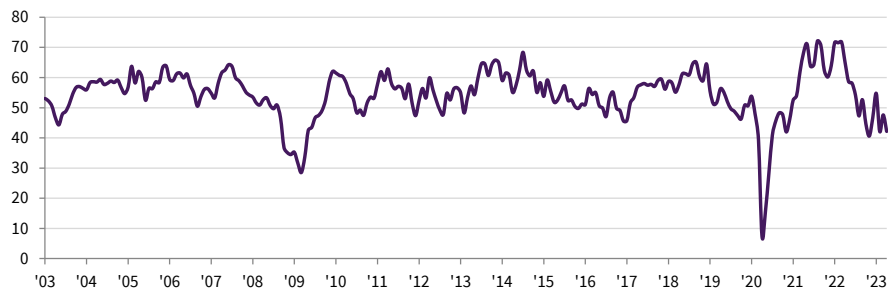
Sebastian Burnside, Chief Economist at Royal Bank of Scotland, commented:

"The latest data revealed a further deterioration in the health of the Scottish jobs market in April, as recruiters registered reduced hiring activity for both permanent and temp staff. The drop in recruitment reflected current market conditions, as the uncertain economic climate was said to have weighed on firms' hiring plans. Filling roles also remains difficult, as ongoing skill shortages and a further drop in overall candidate availability continue to limit recruiters' abilities to match people with vacancies.

"Competition for scarce talent exerted further upward pressure on pay. Firms were willing to raise their offers in order to attract and secure candidates with the right skillset, with April data signalling sharp increases in both starting salaries and temp hourly wages."

Scotland Permanent Placements Index

sa, >50 = growth since previous month



Contents

- [About the report](#)
- [Placements](#)
- [Labour supply](#)
- [Pay pressures](#)
- [Demand for permanent staff](#)
- [Demand for temporary staff](#)
- [Contact](#)

About the Scotland Report on Jobs

The Royal Bank of Scotland Report on Jobs is compiled by S&P Global 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?".

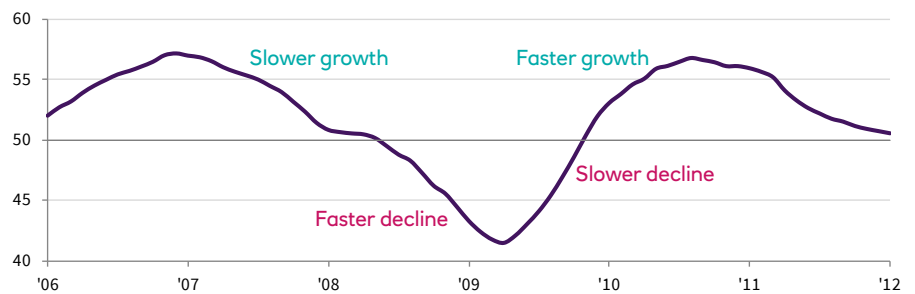
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

April data were collected 12-24 April 2023.

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

Index interpretation

50.0 = no change since previous month



Staff placements

Permanent staff appointments fall at accelerated pace

The number of permanent placements across Scotland fell for the third consecutive month in April. The rate of contraction steepened from March, signalling a marked decrease in permanent new joiners. Anecdotal evidence attributed the latest downturn to skill shortages as well as current economic uncertainty, which had led to greater caution among both clients and candidates.

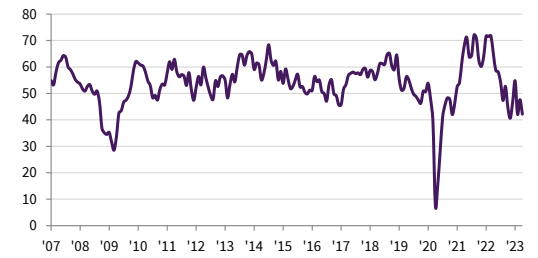
The rate of decrease in permanent staff hires in Scotland was stronger than the UK-wide average.

Rapid contraction in temp billings

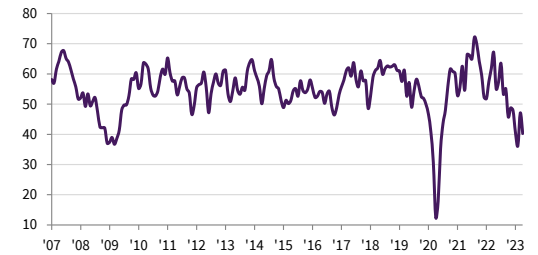
Scottish recruitment agencies' billings from the employment of temporary staff fell rapidly at the start of the second quarter, thereby extending the current run of contraction to seven months. The respective seasonally adjusted index ticked down from March and was among the lowest readings seen since the initial phase of the COVID-19 pandemic. When explaining the drop, recruiters mentioned labour scarcity and project delays.

The decrease in temp billings in Scotland contrasted with a strong and accelerated expansion across the UK as a whole.

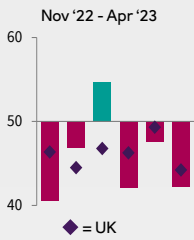
Permanent Placements Index
sa, >50 = growth since previous month
42.2
Apr '23



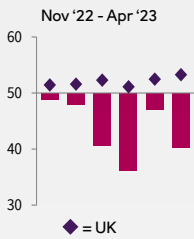
Temporary Billings Index
sa, >50 = growth since previous month
40.3
Apr '23



Permanent Placements Index
Nov '22 - Apr '23



Temporary Billings Index
Nov '22 - Apr '23



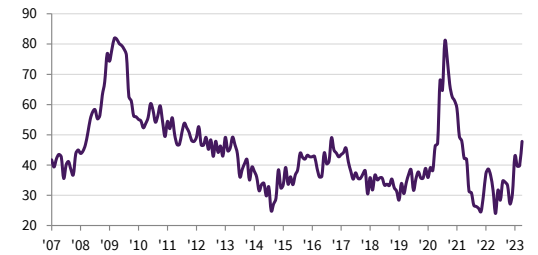
Labour supply

Softest drop in permanent staff supply in 25 months

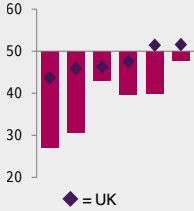
The availability of permanent staff in Scotland contracted for the twenty-seventh successive month in April. Recruiters often blamed the subdued economic climate for lower candidate supply. Though the rate of deterioration eased notably from March to the weakest in 25 months, the fall contrasted with an improvement in candidate numbers at the UK level for the second straight month.

Permanent Candidate Availability Index
sa, >50 = growth since previous month

47.8
Apr '23



Permanent Candidate Availability Index
Nov '22 - Apr '23

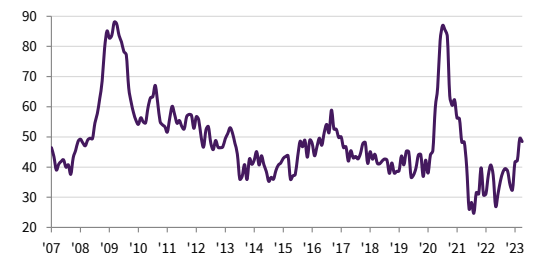


Modest downturn in temp candidate availability

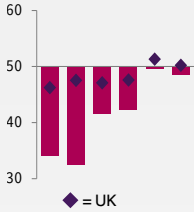
As has been the case since March 2021, short-term candidate availability across Scotland contracted in April. The pace of decrease quickened slightly from March but was the second-softest in the aforementioned sequence. The latest reduction was linked to general labour shortages, Brexit and an increased reluctance among workers to seek new roles due to worries over job security.

Temporary Candidate Availability Index
sa, >50 = growth since previous month

48.5
Apr '23



Temporary Candidate Availability Index
Nov '22 - Apr '23



Temp staff availability at the UK level expanded during April, albeit fractionally.



Pay pressures

Sustained growth in permanent starters' salaries

April data highlighted a marked rise in salaries awarded to permanent new joiners across Scotland. The rate of growth quickened slightly from March's near two-year low, but was softer than the average recorded in the current 29-month sequence of inflation. Recruiters often noted that salaries were increased in line with rising living costs and to attract scarce candidates.

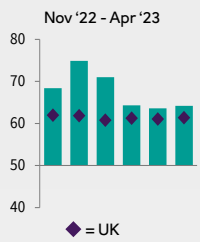
The rise in new starter salaries across Scotland outpaced that seen for the UK as a whole.

Temp wage growth hits three-month high

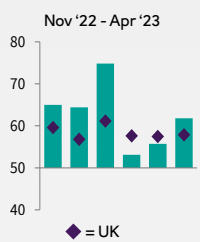
Scottish recruiters reported a sharp and accelerated rise in temp wages during April. The rate of temp wage inflation was the fastest seen since the start of 2023. The latest upturn in pay was attributed to the higher cost of living.

Temp wages across Scotland rose at a sharper pace than that seen at the UK level.

Permanent Salaries Index



Temporary Wages Index

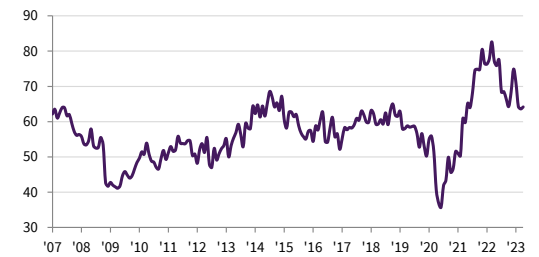


Permanent Salaries Index

sa, >50 = inflation since previous month

64.2

Apr '23

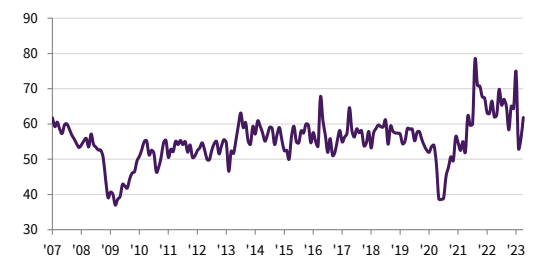


Temporary Wages Index

sa, >50 = inflation since previous month

61.8

Apr '23



Demand for permanent staff

Softest upturn in permanent vacancies in 26 months

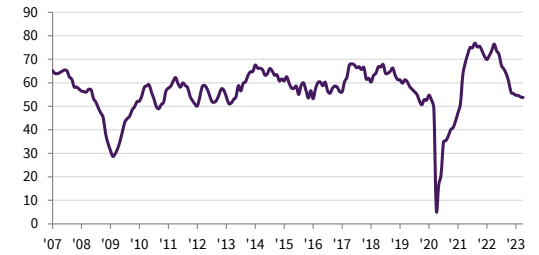
The Permanent Vacancies Index is derived from eight sectoral indices of the demand for permanent staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

April data signalled a solid rise in the number of permanent vacancies across Scotland. However, the rate of increase was the softest seen since the current period of expansion began in December 2021.

Of the eight monitored sectors, IT & Computing recorded the sharpest rise in vacancies followed by Accounts & Financial.

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

53.8
Apr '23



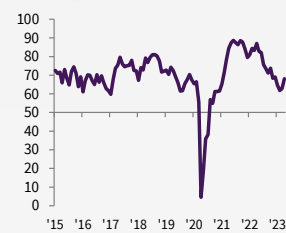
Permanent Vacancies Index by sector

Rank	Sector	Mar-23	Apr-23
1	IT & Computing	62.9	68.0
2	Accounts & Financial	58.5	59.8
3	Nursing/Medical/Care	66.5	58.7
4	Blue Collar	48.5	52.1
5	Engineering & Construction	56.5	51.9
6	Secretarial & Clerical	48.5	49.9
7	Hotel & Catering	49.0	47.2
8	Executive & Professional	44.0	43.5

Permanent vacancies by sector

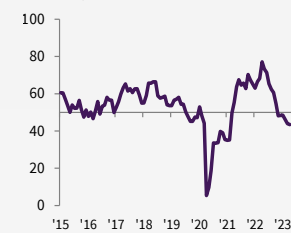
IT & Computing

sa, >50 = growth since previous month



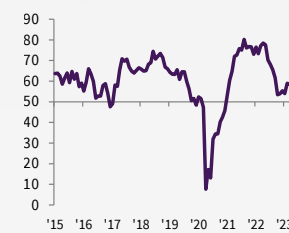
Executive & Professional

sa, >50 = growth since previous month



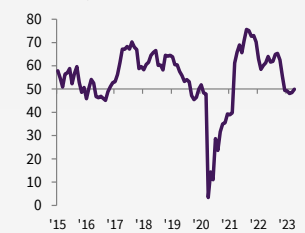
Accounting & Financial

sa, >50 = growth since previous month



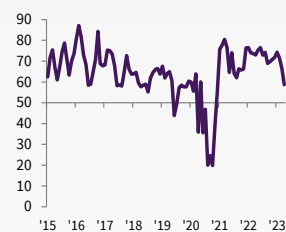
Secretarial & Clerical

sa, >50 = growth since previous month



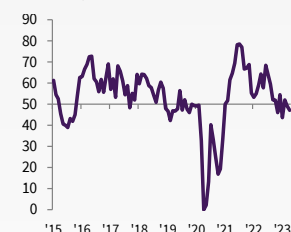
Nursing, Medical & Care

sa, >50 = growth since previous month



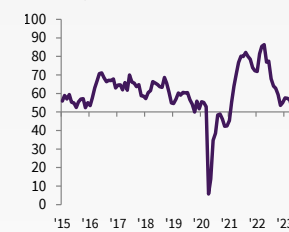
Hotel & Catering

sa, >50 = growth since previous month



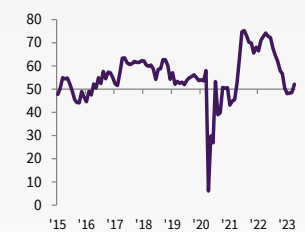
Engineering & Construction

sa, >50 = growth since previous month



Blue Collar

sa, >50 = growth since previous month



Demand for temporary staff

Demand for temp staff falls for fourth month running

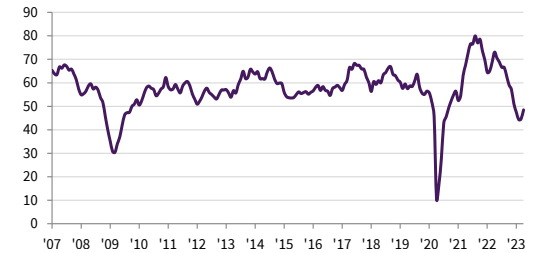
The Temporary Vacancies Index is derived from eight sectoral indices of the demand for temporary staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

Temp staff vacancies fell modestly across Scotland in April. Furthermore, the rate of decrease was the slowest in the current four-month sequence of contraction.

Sector data indicated that the decrease was led by marked falls in demand across the Executive & Professional and Engineering & Construction categories.

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

48.5
Apr '23



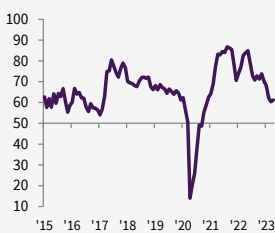
Temporary Vacancies Index by sector

Rank	Sector	Mar-23	Apr-23
1	IT & Computing	60.3	61.2
2	Accounts & Financial	60.9	61.1
3	Nursing/Medical/Care	54.5	57.2
4	Hotel & Catering	51.4	50.8
5	Secretarial & Clerical	42.1	50.5
6	Blue Collar	32.2	42.6
7	Engineering & Construction	42.1	40.0
8	Executive & Professional	40.3	39.8

Temporary vacancies by sector

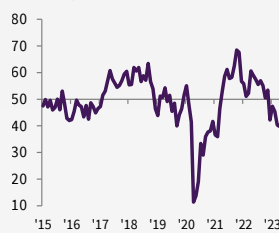
IT & Computing

sa, >50 = growth since previous month



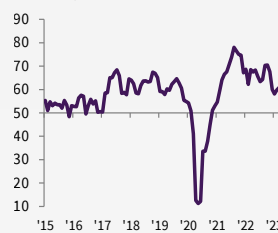
Executive & Professional

sa, >50 = growth since previous month



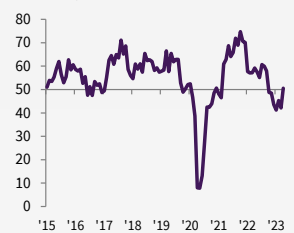
Accounting & Financial

sa, >50 = growth since previous month



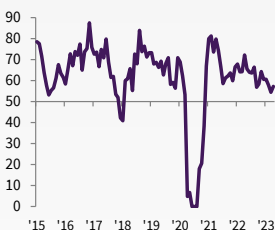
Secretarial & Clerical

sa, >50 = growth since previous month



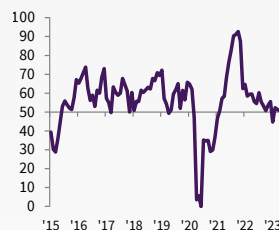
Nursing, Medical & Care

sa, >50 = growth since previous month



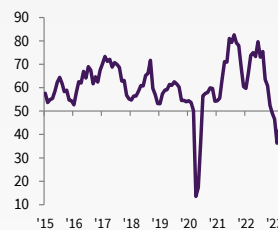
Hotel & Catering

sa, >50 = growth since previous month



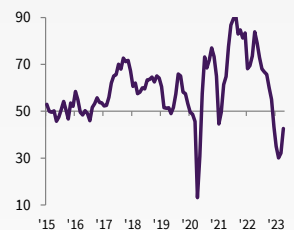
Engineering & Construction

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
Nov '22	40.6	48.8	27.1	34.0	68.4	65.0	55.9	57.1
Dec '22	46.8	47.9	30.5	32.5	74.9	64.4	55.4	51.0
Jan '23	54.7	40.6	42.9	41.6	71.0	74.8	54.7	47.5
Feb '23	42.1	36.2	39.6	42.2	64.3	53.1	54.6	44.3
Mar '23	47.6	47.1	39.9	49.5	63.6	55.7	53.9	44.7
Apr '23	42.2	40.3	47.8	48.5	64.2	61.8	53.8	48.5

Contact

Jonathan Rennie
Regional Media & Campaigns Manager
Royal Bank of Scotland
+44 7769 932 102
jonathan.ennie@natwest.com

Maryam Baluch
Economist
S&P Global Market Intelligence
+44 134 432 7213
maryam.baluch@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
+44 796 744 7030
sabrina.mayeen@spglobal.com

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.

About REC

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.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Royal Bank of Scotland uses the above marks under licence.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.