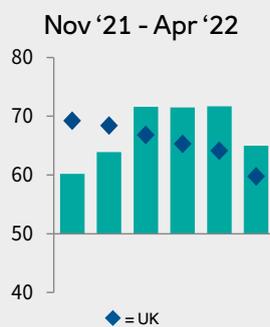


Royal Bank of Scotland Report on Jobs

Permanent placement growth eases to four-month low in April

Scotland Permanent Placements Index



Key findings

Permanent hires grow at softer pace, but temp billings rise sharply

Steeper drop in candidate supply, as demand for staff strengthens

Starting pay continues to increase rapidly

The start of the second quarter saw a further marked increase in hiring activity across Scotland, according to the latest Royal Bank of Scotland Report on Jobs survey. That said, the seasonally adjusted Permanent Placements Index slid from 71.7 in March to 65.0 in April, to signal the softest increase in permanent staff appointments in the year to date. In contrast, temp billings expanded at the quickest rate since last September. Recruiters also noted that candidate availability fell more sharply, while demand for staff surged higher during the latest survey period. Consequently, there was further upwards pressure on rates of pay, with both starting salaries and wages increasing rapidly.

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

"April data signalled a further steep rise in hiring activity across the Scottish labour market, marking the sixteenth consecutive month in which permanent staff appointments have increased. Though the latest upturn was a fair bit slower than those seen earlier this year, it indicated a further strong recovery as pandemic-related pressures continued to subside.

"Recruiters also saw growing demand for staff, with both permanent and temporary vacancies expanding at quicker rates than in March, despite reports of difficulties filling roles. Panellists noted acute skills shortages, with the supply of workers shrinking at a much faster pace than in the previous survey period. Subsequently, rates of starting pay continued to increase substantially."

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 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?".

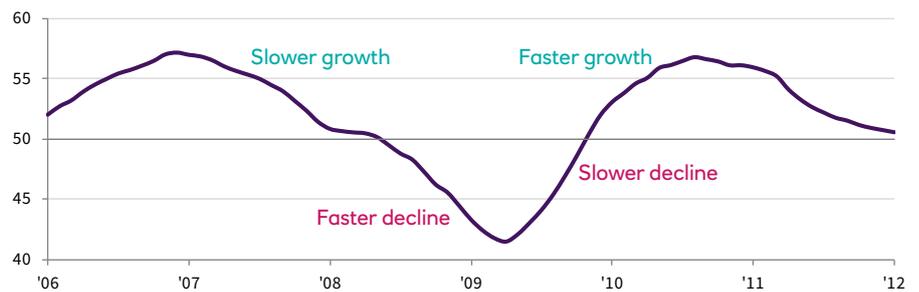
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

April data were collected 11-25 April 2022.

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 rise at slowest pace since December 2021

Recruitment consultancies across Scotland noted a sixteenth successive monthly increase in permanent staff appointments during April. Although marked and quicker than the UK-wide trend, the latest upturn in permanent placements was the slowest in four months. Panellists often mentioned that greater activity at clients and improved market confidence drove the latest upturn in placements.

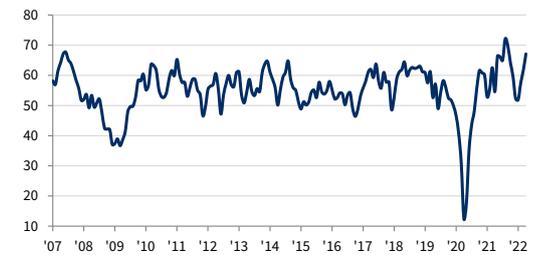
Permanent Placements Index
sa, >50 = growth since previous month
65.0
Apr '22



Temp billings growth quickens to seven-month high

April data indicated a sharp rise in billings received from the employment of temporary staff at Scottish recruiters. The rate of expansion has now picked up in each of the past three months, with the latest increase the fastest since September 2021. Strong demand for staff, the filling of vacancies and recommencement of projects that had previously been on hold due to COVID-19 were all attributed to the latest upturn.

Temporary Billings Index
sa, >50 = growth since previous month
67.1
Apr '22



The rate of increase in temp billings in Scotland was quicker than the UK average, which in contrast to Scotland, slowed slightly in April.



Labour supply

Supply of permanent candidates declines steeply in April

Recruiters across Scotland reported a substantial fall in the availability of permanent candidates during April. The decline extended the current sequence of contraction to 15 months, with the latest drop the quickest in the year to date. Survey respondents often blamed ongoing skills shortages and a reluctance among workers to switch roles due to the pandemic for the latest decline.

Moreover, the rate of decrease in Scotland was faster than that seen at the UK level for the first time in four months.

Downturn in temp candidate availability quickest in three months

As has been the case for the last 14 months, temporary candidate availability dropped during April. The rate of decline quickened from March and was sharp overall. Increased demand for staff and fewer foreign workers were attributed to the latest fall in temporary staff supply.

Scotland registered a slightly quicker decrease in temp candidate numbers than that seen across the UK as a whole.

Permanent Candidate Availability Index
Nov '21 - Apr '22



Temporary Candidate Availability Index
Nov '21 - Apr '22



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

31.5
Apr '22



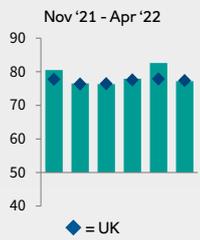
Temporary Candidate Availability Index
sa, >50 = growth since previous month

37.3
Apr '22



Pay pressures

Permanent Salaries Index



Rate of permanent salary inflation softens from record-high in March

April data signalled a steep rise in permanent starting salaries across Scotland. Panellists stated that businesses were more willing to increase starting pay for necessary skills amidst a very competitive job market and candidate shortages. Despite easing from the survey record seen in March, the rate of starting salary inflation remained one of the fastest seen since data collection began in 2003.

The rise in Scotland was broadly similar to that seen across the UK as a whole.

Permanent Salaries Index

sa, >50 = inflation since previous month

77.2

Apr '22



Temporary Wages Index



Softest rise in temp wages for nine months

Scottish recruiters signalled an increase in average wages for temp staff for the seventeenth consecutive month in April. The rate of inflation slowed to the softest since July 2021 but remained rapid overall. Firms linked the latest rise to low candidate availability and robust demand for workers.

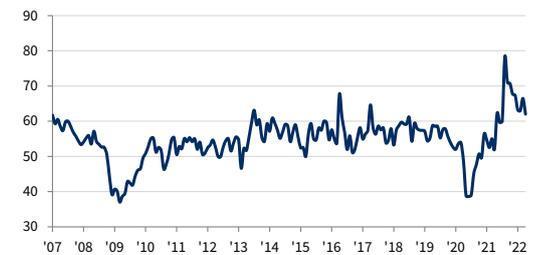
However, the rate of wage inflation remained slower than the UK-wide average.

Temporary Wages Index

sa, >50 = inflation since previous month

62.0

Apr '22



Demand for permanent staff

Permanent vacancies increase at fastest rate in eight 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 indicated a further increase in permanent vacancies across Scotland. The respective seasonally adjusted index rose for the third month running to the highest since August 2021. Moreover, the rate of increase was steeper than that seen across the UK as a whole.

At the sector level, IT & Computing recorded the fastest expansion in vacancies, followed closely by Engineering & Construction.

Permanent Vacancies Index
sa, >50 = growth since previous month
76.5
Apr '22



Permanent Vacancies Index by sector

Rank	Sector	Mar-22	Apr-22
1	IT & Computing	83.3	87.0
2	Engineering & Construction	85.4	86.3
3	Accounts & Financial	77.1	78.4
4	Executive & Professional	68.3	77.1
5	Blue Collar	72.7	74.1
6	Nursing/Medical/Care	73.6	73.0
7	Hotel & Catering	59.2	64.3
8	Secretarial & Clerical	60.1	61.3

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



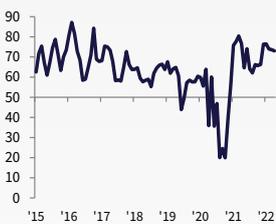
Secretarial & Clerical

sa, >50 = growth since previous month



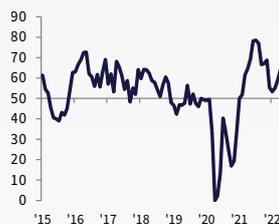
Nursing, Medical & Care

sa, >50 = growth since previous month



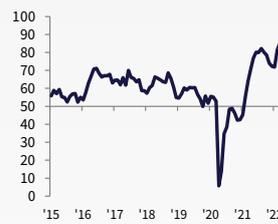
Hotel & Catering

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

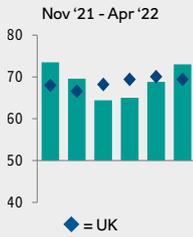
Temp staff vacancies surge in April

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.

Scottish recruiters recorded a nineteenth consecutive monthly rise in temporary staff demand in April. The rate of expansion quickened from March to the sharpest in five months. Moreover, the upturn in temp vacancies outpaced the UK-wide trend.

Of the eight monitored job sectors, vacancies rose at the sharpest rate in Blue Collar, with IT & Computing only fractionally behind.

Temporary Vacancies Index
Nov '21 - Apr '22



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

73.0
Apr '22



Temporary Vacancies Index by sector

Rank	Sector	Mar-22	Apr-22
1	Blue Collar	73.6	83.9
2	IT & Computing	82.7	83.8
3	Engineering & Construction	73.8	74.9
4	Nursing/Medical/Care	64.3	72.1
5	Accounts & Financial	68.5	67.5
6	Executive & Professional	52.2	60.6
7	Hotel & Catering	59.4	59.5
8	Secretarial & Clerical	57.2	59.2

Temporary vacancies by sector

IT & Computing

sa, >50 = growth since previous month



Executive & Professional

sa, >50 = growth since previous month



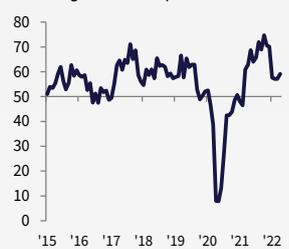
Accounting & Financial

sa, >50 = growth since previous month



Secretarial & Clerical

sa, >50 = growth since previous month



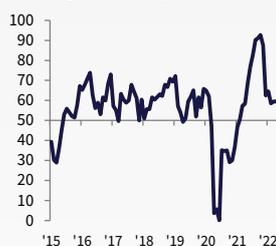
Nursing, Medical & Care

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
Nov '21	60.2	59.7	24.6	39.8	80.5	67.7	73.5	73.5
Dec '21	63.9	52.3	30.0	30.8	76.5	67.3	71.2	69.6
Jan '22	71.6	51.8	37.1	31.2	76.3	63.2	69.9	64.4
Feb '22	71.5	57.5	38.7	37.4	77.9	63.0	71.6	65.0
Mar '22	71.7	61.7	36.5	40.7	82.6	66.5	73.7	68.8
Apr '22	65.0	67.1	31.5	37.3	77.2	62.0	76.5	73.0

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

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