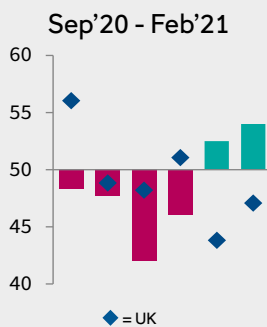


# Royal Bank of Scotland Report on Jobs

## Hiring activity increases at quicker pace in February

### Scotland Permanent Placements Index



### Key findings

Sustained upturn in permanent placements

Temp billings rise at faster pace

Demand for both permanent and temporary staff increases

The Scottish labour market continued to recover from the effects of the coronavirus disease 2019 (COVID-19) pandemic in February, according to the latest Royal Bank of Scotland Report on Jobs. Hiring activity rose again, with quicker upturns in both permanent placements and temp billings recorded amid reports that businesses were adapting to restrictions and beginning to fill roles. Subsequently, demand for permanent staff increased for the first time in a year, while the latest rise in temp vacancies was sharp. The supply of permanent candidates dipped slightly however, with panellists commenting that a number of candidates were reluctant to pursue new roles due to heightened uncertainty. Turning to pay, starting salaries rose at a much slower pace during February and neared stagnation, while the rate of temp wage inflation also eased since January.

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

"February data provided further positive signs for the Scottish labour market, as hiring activity continued to rise despite ongoing lockdown measures. Moreover, the upturns in both temp billings and permanent placements gathered pace on the month.

"With firms finding ways to continue operations in spite of restrictions, demand for workers increased during February, a clear sign that Scottish businesses are beginning to focus on growth opportunities when measures are eased.

"All in all, this is good news for job seekers. With more roles available, we should see further increases in placements over the coming months and if the trend continues, the labour market will make good progress in its recovery."

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?".

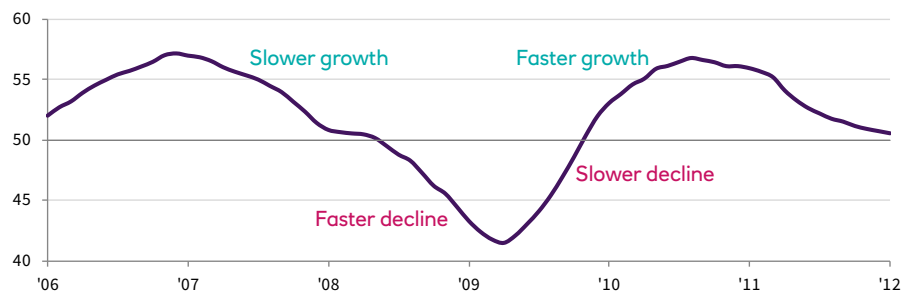
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

February data were collected 11-22 February 2021.

For further information on the survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### Index interpretation

50.0 = no change since previous month



## Staff placements

### Strong rise in permanent staff appointments

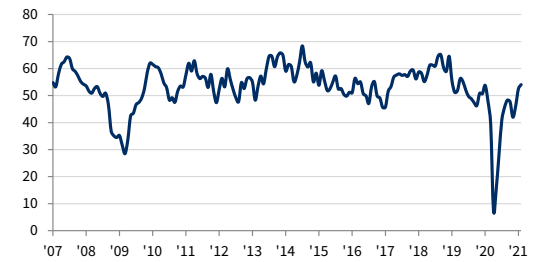
Recruiters across Scotland registered another uptick in the number of permanent placements during February, with the increase accelerating to a solid pace. Panellists attributed the rise to greater demand for candidates as businesses continue to adapt to COVID-19 measures.

The rise in Scotland also contrasted with the UK-wide trend in February, where permanent staff appointments declined again.

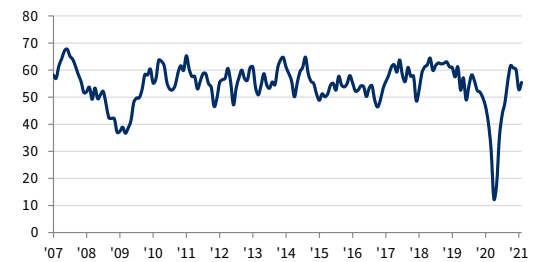
### Faster upturn in temp billings during February

February data highlighted a further upturn in the number of temporary billings across Scotland, thereby extending the current sequence of growth to six months. The rate of increase accelerated from January and was broadly in line with the series long-run trend. The expansion was also much stronger than that seen across the UK as a whole.

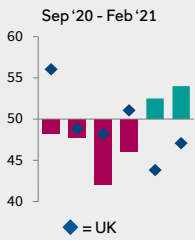
Permanent Placements Index  
sa, >50 = growth since previous month  
54.0  
Feb '21



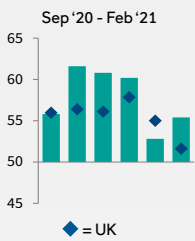
Temporary Billings Index  
sa, >50 = growth since previous month  
55.4  
Feb '21



Permanent Placements Index  
Sep '20 - Feb '21



Temporary Billings Index  
Sep '20 - Feb '21



## Labour supply

### First fall in permanent staff supply since May last year

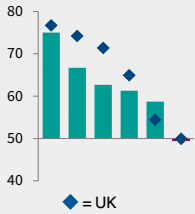
Adjusted for seasonal factors, the Permanent Candidate Availability Index registered below the neutral 50.0 mark in February, signalling the first reduction in permanent staff supply for nine months. According to respondents, many candidates were choosing not to move roles due to heightened uncertainty. That said, the rate of decline was only mild overall.

At the UK level, the availability of permanent candidates was largely unchanged on the month.

### Availability of temporary candidates rises sharply again

As has been the case in each month since April 2020, the availability of temporary candidates across Scotland increased during February amid reports that layoffs stemming from the pandemic had led to a greater number of people looking for roles. Although still sharp and faster than the UK average, the latest rise was the slowest in the aforementioned sequence.

Permanent Candidate Availability Index  
Sep '20 - Feb '21

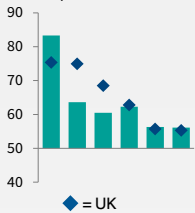


Permanent Candidate Availability Index  
sa, >50 = growth since previous month

49.5  
Feb '21



Temporary Candidate Availability Index  
Sep '20 - Feb '21



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

56.1  
Feb '21





## Pay pressures

### Starting salaries move closer to stagnation

Following modest increases in the previous two months, the seasonally adjusted Permanent Salaries Index registered only just above the no-change 50.0 mark in February. This signalled just a fractional rate of pay inflation, as permanent salaries came close to stagnating.

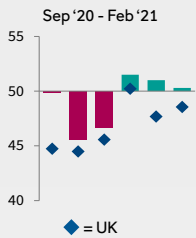
Nonetheless, this trend contrasted with that seen across the UK as a whole. Permanent salaries fell for the second month running at the national level.

### Slower increase in wages paid to short-term staff

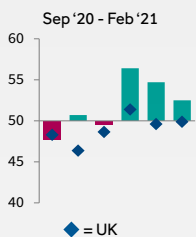
A third consecutive monthly increase in temporary wages across Scotland was recorded during February. The rate of inflation was the slowest in this sequence, however, and mild.

At the UK level, pay rates for short-term staff were broadly unchanged in February.

Permanent Salaries Index



Temporary Wages Index



Permanent Salaries Index

sa, >50 = inflation since previous month

50.3

Feb '21

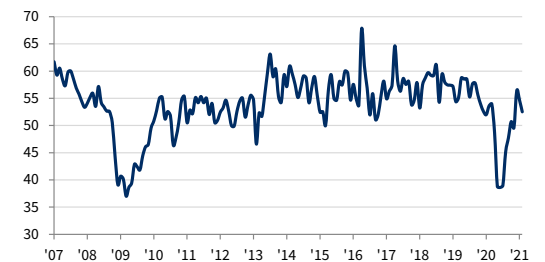


Temporary Wages Index

sa, >50 = inflation since previous month

52.5

Feb '21



## Demand for permanent staff

### Renewed increase in demand for permanent staff

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.

February data highlighted a renewed increase in the number of permanent vacancies across Scotland, with the respective seasonally adjusted index ticking above the neutral 50.0 level for the first time in a year. That said, the increase was only mild overall.

The trend in Scotland contrasted with that at the UK level, where demand for permanent staff fell for the second month in a row.

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

51.0  
Feb '21



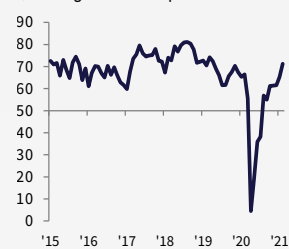
Permanent Vacancies Index by sector

Rank	Sector	Jan-21	Feb-21
1	Nursing/Medical/Care	75.8	77.7
2	IT & Computing	65.3	71.2
3	Accounts & Financial	53.2	60.4
4	Engineering & Construction	45.3	55.2
5	Hotel & Catering	50.1	51.7
6	Blue Collar	43.1	44.8
7	Secretarial & Clerical	39.0	39.8
8	Executive & Professional	35.0	35.3

## Permanent vacancies by sector

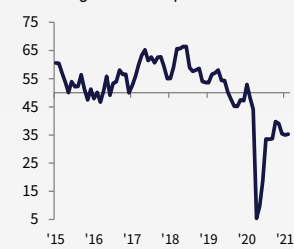
### IT & Computing

sa, >50 = growth since previous month



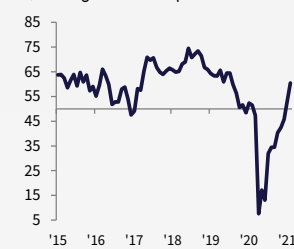
### Executive & Professional

sa, >50 = growth since previous month



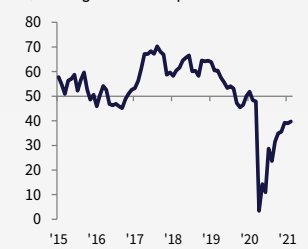
### Accounting & Financial

sa, >50 = growth since previous month



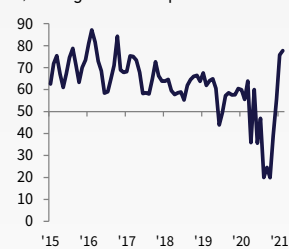
### Secretarial & Clerical

sa, >50 = growth since previous month



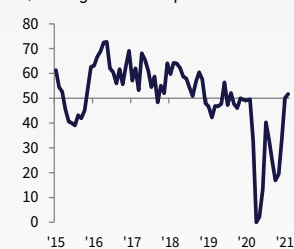
### Nursing, Medical & Care

sa, >50 = growth since previous month



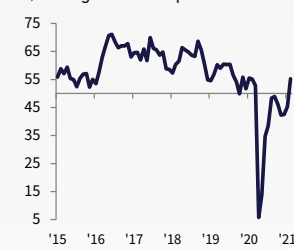
### Hotel & Catering

sa, >50 = growth since previous month



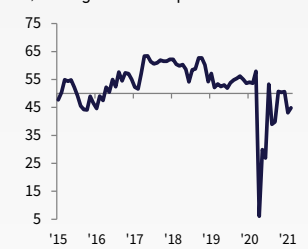
### Engineering & Construction

sa, >50 = growth since previous month



### Blue Collar

sa, >50 = growth since previous month



## Demand for temporary staff

### Upturn in temp vacancies continues into February

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 another rise in the number of temporary vacancies during February, extending the current sequence of increase to five months. Moreover, demand for temp staff rose at a quicker pace than in January, with vacancies expanding solidly overall.

The rate of increase in Scotland was also faster than that seen across the UK as a whole during February.

Temporary Vacancies Index **54.5**  
 sa, >50 = growth since previous month Feb '21



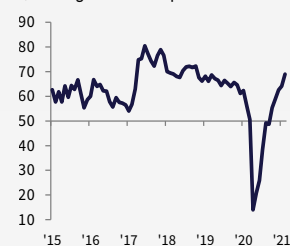
Temporary Vacancies Index by sector

Rank	Sector	Jan-21	Feb-21
1	Nursing/Medical/Care	80.0	81.3
2	IT & Computing	64.1	69.0
3	Accounts & Financial	54.7	59.5
4	Engineering & Construction	54.4	55.5
5	Hotel & Catering	46.7	50.4
6	Blue Collar	44.6	49.6
7	Secretarial & Clerical	48.0	46.5
8	Executive & Professional	36.6	36.0

## Temporary vacancies by sector

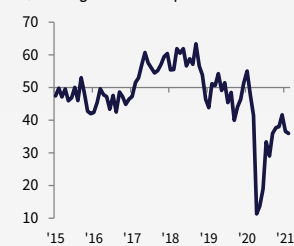
### IT & Computing

sa, >50 = growth since previous month



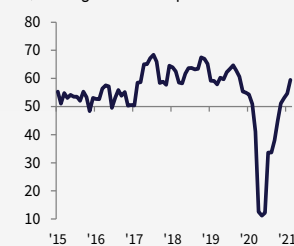
### Executive & Professional

sa, >50 = growth since previous month



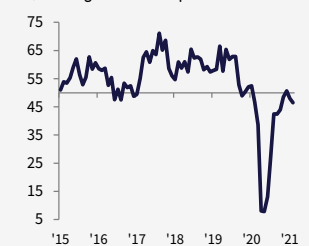
### Accounting & Financial

sa, >50 = growth since previous month



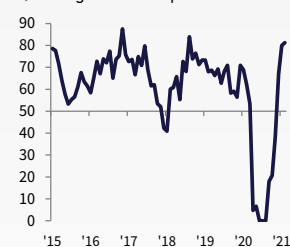
### Secretarial & Clerical

sa, >50 = growth since previous month



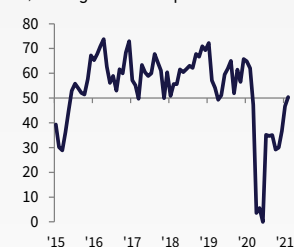
### Nursing, Medical & Care

sa, >50 = growth since previous month



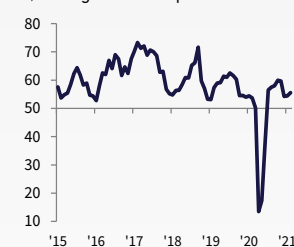
### Hotel & Catering

sa, >50 = growth since previous month



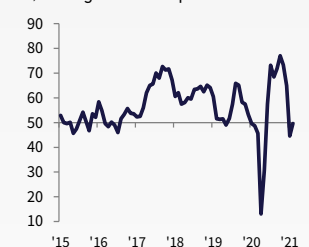
### Engineering & Construction

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
Sep '20	48.3	55.8	75.0	83.3	49.9	47.7	37.4	49.2
Oct '20	47.7	61.6	66.7	63.6	45.6	50.7	40.1	52.1
Nov '20	42.0	60.8	62.7	60.5	46.7	49.6	41.0	54.7
Dec '20	46.1	60.2	61.3	62.3	51.5	56.4	43.8	56.4
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

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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](http://www.rec.uk.com).

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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