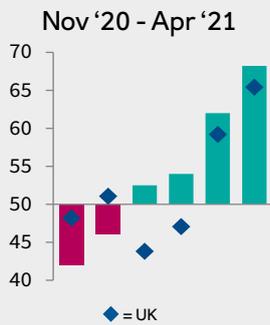


Royal Bank of Scotland Report on Jobs

Near record upturn in permanent placements during April

Scotland Permanent Placements Index



Key findings

Fastest increase in permanent staff appointments since July 2014

Temp billings rise at softer, but still solid, pace

Vacancies surge, while candidate availability declines further

Permanent staff appointments across Scotland rose at a faster pace during April, according to the latest Royal Bank of Scotland Report on Jobs. The rate of increase was the fastest since July 2014 and the second-strongest on record, amid reports of surging demand for staff due to more favourable economic conditions. Meanwhile, temp billings also rose at the start of the second quarter. The upturn softened from March, but was still solid overall. Stronger demand for staff was also reflected in the number of vacancies, which continued to surge, but recruiters signalled further reductions in the availability of candidates.

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

"The Scottish labour market continued to perform strongly into the second quarter of the year. Permanent appointments rose at the second-fastest rate since the survey began in 2003, while temp billings rose solidly, with anecdotal evidence noting that firms were upping their hiring activity due to better economic conditions."

"Further positive signs came from vacancies data, which highlighted further surges in demand for both short-term and permanent staff, a clear indication that companies across Scotland are stepping up hiring efforts in line with the easing of pandemic-related restrictions."

"The switch towards hiring permanent staff may also reflect improved confidence and a clearer outlook among Scottish firms. Overall, the data point to a sustained recovery of the labour market, as businesses anticipate a return to more normal business conditions over the summer."

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?".

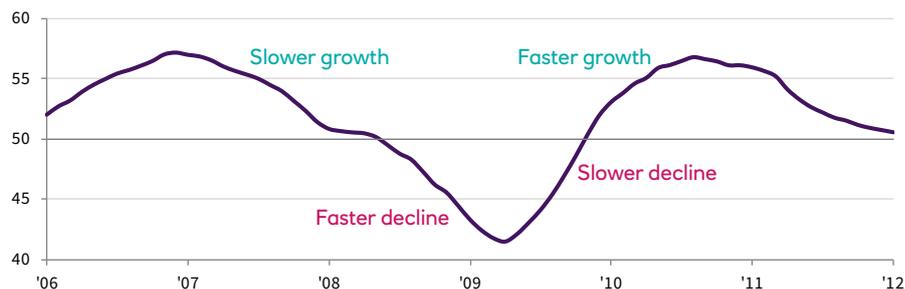
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

April data were collected 12-26 April 2021.

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

Index interpretation

50.0 = no change since previous month



Staff placements

Fastest rise in permanent staff appointments since July 2014

A fourth straight monthly rise in permanent placements across Scotland was recorded during April. Moreover, the rate of increase quickened sharply to the second-strongest on record, with only July 2014 seeing a more marked upturn. Panellists attributed the increase to greater demand for staff amid increased economic activity.

The UK also saw near record growth of permanent appointments in March, although the upturn in Scotland was faster than that seen at the national level.

Permanent Placements Index
sa, >50 = growth since previous month
68.2
Apr '21



Temp billings increase at softer rate in April

April data highlighted another uptick in temp billings across Scotland, extending the current sequence of increase to eight months. The latest rise was the slowest since January, but solid nonetheless. The upturn was generally linked by recruiters to firmer demand for staff in April.

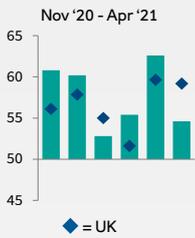
Temporary Billings Index
sa, >50 = growth since previous month
54.6
Apr '21



Permanent Placements Index
Nov '20 - Apr '21



Temporary Billings Index
Nov '20 - Apr '21



Labour supply

Permanent candidate availability drops at quickest rate for 13 months

For the third month in a row, Scottish recruiters registered a decrease in the availability of permanent candidates during April. Respondents noted that job seekers remained uncertain of switching roles due to the pandemic. Notably, the latest fall in permanent staff supply was the most marked since March 2020.

The trend in Scotland mirrored that seen at the UK level, which saw a steeper fall in permanent availability during April, albeit one that was slightly slower than in Scotland.

Permanent Candidate Availability Index **42.2**
 sa, >50 = growth since previous month
 Apr '21



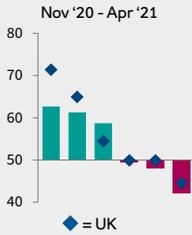
Further dip in temp staff supply during April

The supply of temporary staff across Scotland fell further during April. The respective seasonally adjusted index was unchanged on March's reading and signalled a modest decline in temp candidate availability overall. At the UK level, the availability of short-term staff contracted at the sharpest rate for over two years.

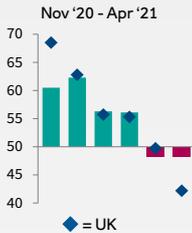
Temporary Candidate Availability Index **48.3**
 sa, >50 = growth since previous month
 Apr '21



Permanent Candidate Availability Index
 Nov '20 - Apr '21



Temporary Candidate Availability Index
 Nov '20 - Apr '21



Pay pressures

Starting salaries rise markedly again in April

April data highlighted a further steep rise in average salaries awarded to permanent new joiners across Scotland. According to panellists, a low supply of candidates had pushed up pay rates. Despite slowing slightly from March, the rate of salary inflation was nonetheless the second-quickest since January 2019.

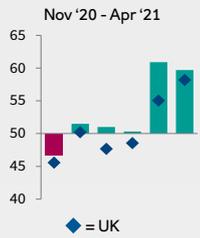
Meanwhile, inflationary pressures intensified across the UK, although the latest upturn in starting salaries remained slower than that seen in Scotland.

Temp wage inflation softens to five-month low

For the fifth successive month, short-term pay rates across Scotland rose during April amid reports that a shortage of candidates had led to further inflationary pressures. That said, the rate of wage inflation eased to the slowest in the aforementioned sequence and was only mild overall.

Across the UK as a whole, temp pay rates also rose in April, but the latest increase was much faster than that seen in Scotland.

Permanent Salaries Index



Temporary Wages Index



Permanent Salaries Index

sa, >50 = inflation since previous month

59.7

Apr '21



Temporary Wages Index

sa, >50 = inflation since previous month

52.0

Apr '21



Demand for permanent staff

Record upturn in permanent vacancies during April

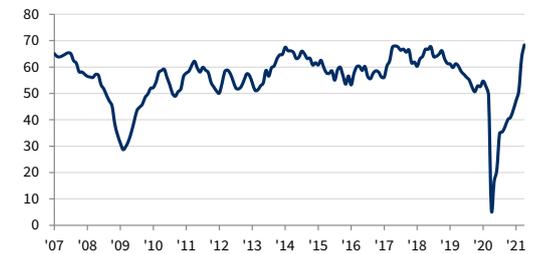
The Permanent Vacancies Index is derived from eight sectoral indices of the demand for permanent staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

April data highlighted a third successive monthly increase in demand for permanent staff across Scotland. Moreover, the rate of growth was the most marked on record and broadly in line with the UK-wide trend.

At the sector level, IT & Computing saw the strongest rise in vacancies during April, followed by Nursing/Medical/Care.

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

68.4
Apr '21



Permanent Vacancies Index by sector

Rank	Sector	Mar-21	Apr-21
1	IT & Computing	78.7	84.4
2	Nursing/Medical/Care	80.4	76.7
3	Accounts & Financial	64.8	72.0
4	Engineering & Construction	64.0	70.8
5	Secretarial & Clerical	61.2	65.8
6	Hotel & Catering	61.5	64.7
7	Executive & Professional	49.7	55.3
8	Blue Collar	45.5	53.0

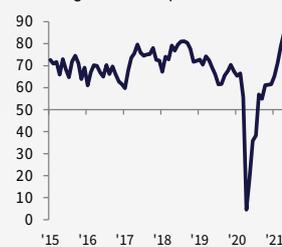
Permanent Vacancies Index
Nov '20 - Apr '21



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



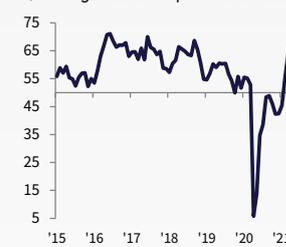
Hotel & Catering

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

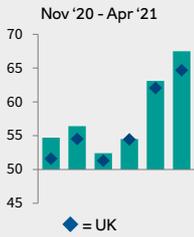
Demand for temp staff surges during April

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.

Recruiters across Scotland recorded another rise in temporary vacancies during April, with the latest upturn the steepest since July 2017. The expansion was also quicker than that registered across the UK as a whole.

Across the monitored job categories, demand for temp staff was greatest in IT & Computing, followed by Nursing/Medical/Care, although each of the sectors saw a rise in vacancies during April.

Temporary Vacancies Index
Nov '20 - Apr '21



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

67.5
Apr '21



Temporary Vacancies Index by sector

Rank	Sector	Mar-21	Apr-21
1	IT & Computing	77.1	83.2
2	Nursing/Medical/Care	73.6	79.8
3	Engineering & Construction	63.7	71.1
4	Accounts & Financial	64.1	66.5
5	Blue Collar	61.4	64.8
6	Secretarial & Clerical	60.9	62.8
7	Hotel & Catering	57.3	58.3
8	Executive & Professional	46.5	52.9

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



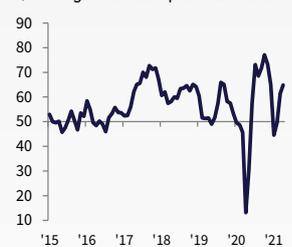
Engineering & Construction

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 '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
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

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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.

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.

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