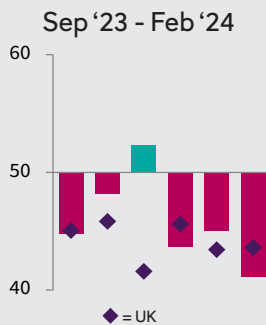


# Royal Bank of Scotland Report on Jobs

## Scottish recruitment activity continues to fall in February

### Scotland Permanent Placements Index



### Key findings

Accelerated fall in permanent placements...

...while downturn in temp billings moderates

Rates of starting pay continue to increase sharply

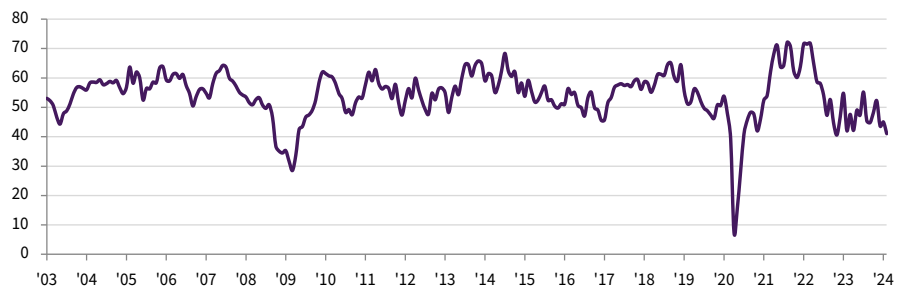
Hiring activity across Scotland fell again in February, according to the latest Royal Bank of Scotland Report on Jobs survey, compiled by S&P Global. Recruiters reported falls in both permanent staff appointments and temporary billings. However, trends diverged as permanent placements fell at the quickest pace in 15 months, while the downturn in temp billings moderated since January. According to anecdotal evidence, economic uncertainty and subdued demand for staff had weighed on hiring decisions. Demand weakness was highlighted by marked falls in both permanent and temporary vacancies during February. However, pay pressures persisted amid competition for suitably-skilled workers.

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

*"The latest recruitment survey continues to highlight reduced hiring activity across Scotland amid a backdrop of lingering economic uncertainty. While lower confidence meant that employers remain wary of taking on additional staff, there were also reports that shortages of suitably-skilled workers had impacted recruiters abilities to fill roles. At the same time, candidates were cautious to seek new opportunities, instead favouring security in their current roles or pausing their job search. With vacancies continuing to fall, this suggests that we could see a further deterioration in hiring conditions across Scotland in the months to come. However, starting pay for both permanent new joiners and temp workers continued to increase at marked rates, suggesting that while overall hiring activity is down, for the right skillset employers are willing to raise their offers."*

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 70 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?".

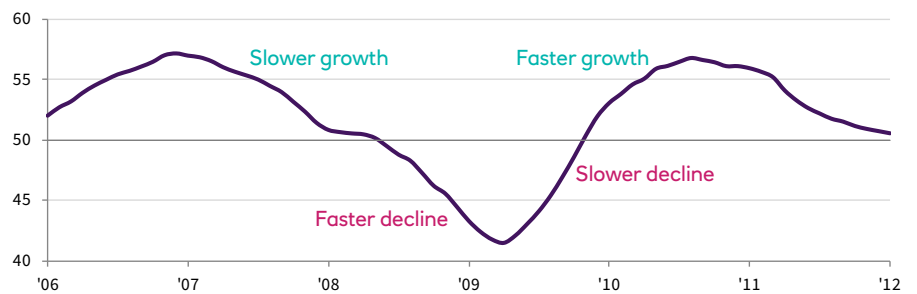
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

February data were collected 12-23 February 2024.

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

### Index interpretation

50.0 = no change since previous month



## Staff placements

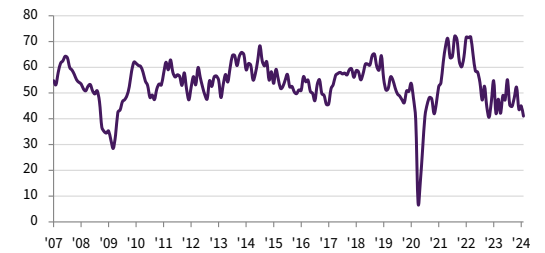
### Rapid reduction in permanent placements

February data revealed a third consecutive monthly fall in permanent staff appointments across Scotland. The rate of contraction quickened from January to the sharpest in 15 months. Anecdotal evidence generally linked the latest decline to fewer vacancies.

Permanent staff hires also fell across the UK as a whole. The rate of contraction was broadly unchanged from the previous survey period and sharp, albeit softer than that recorded for Scotland.

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

41.1  
Feb '24



Permanent Placements Index  
Sep '23 - Feb '24



Temporary Billings Index  
Sep '23 - Feb '24



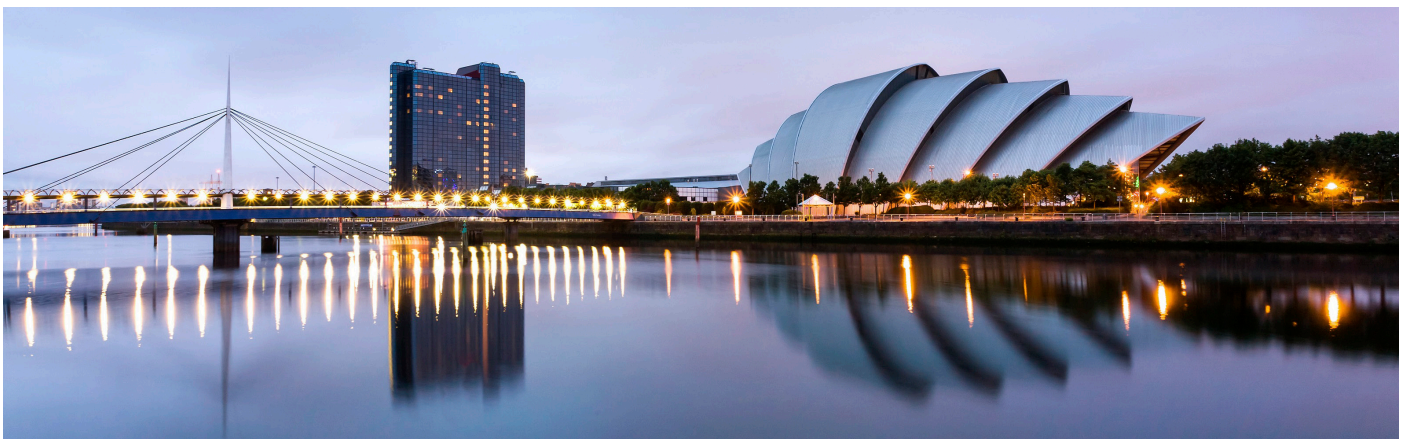
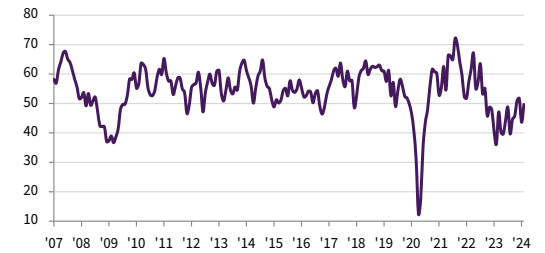
### Downturn in temp billings moderates

Scottish recruiters recorded a drop in billings received from temporary workers during February. That said, the respective seasonally adjusted index ticked up to signal only a fractional fall in temp billings overall. While some panel members reported reduced demand for short-term workers or that temp roles had often been converted to long-term positions, this was partially offset by reports of successful recruitment drives.

Meanwhile, temp billings at the UK level declined at an accelerated rate that exceeded that seen for Scotland.

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

49.6  
Feb '24



## Labour supply

### Sustained fall in permanent staff supply

Latest data showed a fall in permanent staff availability across Scotland, thereby extending the current run of decrease which began in February 2021. The pace of deterioration was only slightly weaker than January's 13-month record and rapid overall. According to panel members, the latest reduction was due to a lack of suitably-skilled workers and economic uncertainty making people more hesitant to seek out new roles.

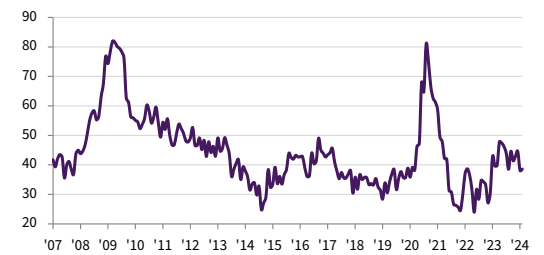
In contrast to the trend seen in Scotland, the availability of permanent candidates rose sharply at the UK level.

### Softest increase in temp candidates for four months

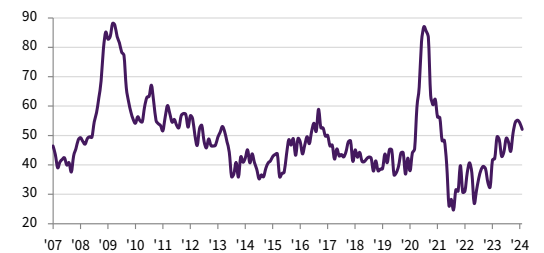
Scottish recruiters reported an expansion of temp staff supply for the fifth month in a row during February. Where a rise was seen, this was often linked to the completion or non-renewal of contracts. However, the rate of increase was the weakest since last October, with some recruiters noting a reduced willingness among candidates to pursue new opportunities.

The rate of growth in temp candidate availability across Scotland was also much slower than the UK-wide average.

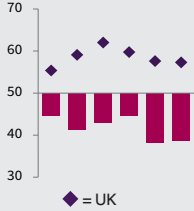
Permanent Candidate Availability Index **38.6**  
sa, >50 = growth since previous month  
 Feb '24



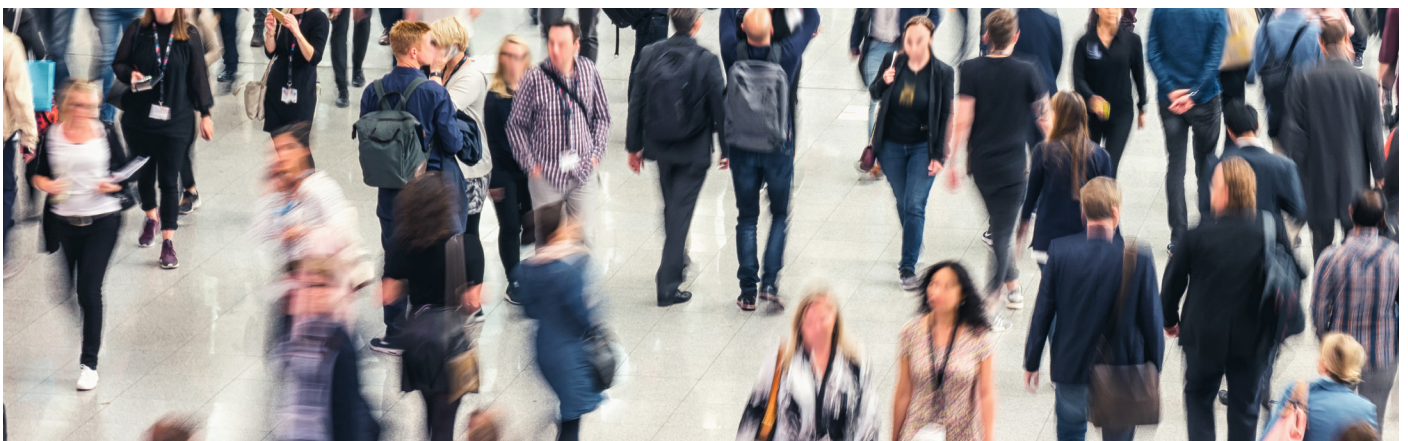
Temporary Candidate Availability Index **52.1**  
sa, >50 = growth since previous month  
 Feb '24



Permanent Candidate Availability Index  
 Sep '23 - Feb '24



Temporary Candidate Availability Index  
 Sep '23 - Feb '24



## Pay pressures

### Sharp rise in permanent starting salaries

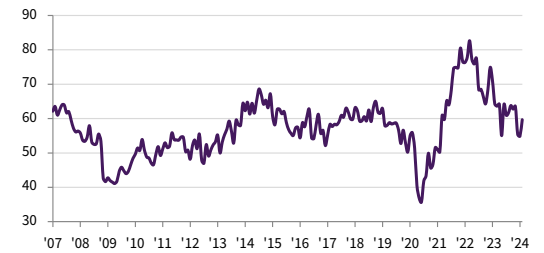
As has been the case in each month since December 2020, pay increased for permanent new joiners across Scotland during February. The rate of salary inflation quickened to the fastest since November, after having softened to a near three-year low in January. The rise in salaries was widely attributed to shortages of suitably-skilled candidates.

For the first time since November, the rate of salary inflation across Scotland was stronger than that seen for the UK as a whole.

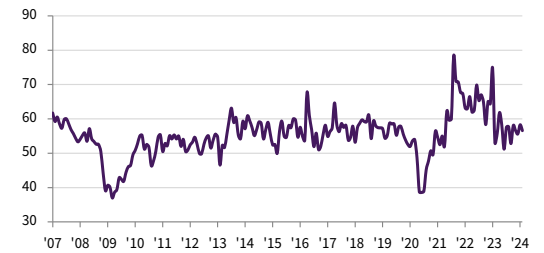
### Temp wage inflation eases in February, but remains sharp

Latest survey data signalled a sharp rise in temporary staff pay across Scotland in February. The rate of wage inflation softened since January but was slightly quicker than the long-run average. A rise in temp pay was also observed at the UK level, albeit one that was weaker than that seen for Scotland.

Permanent Salaries Index  
sa, >50 = inflation since previous month  
59.7  
Feb '24



Temporary Wages Index  
sa, >50 = inflation since previous month  
56.6  
Feb '24



Permanent Salaries Index



Temporary Wages Index



## Demand for permanent staff

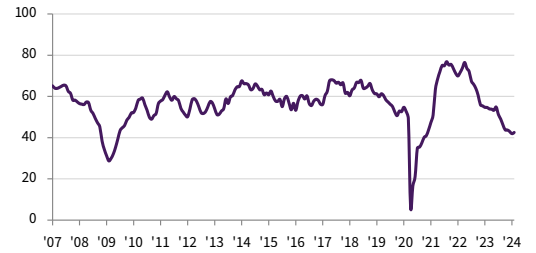
### Sustained fall in permanent vacancies

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.

Scottish recruiters signalled a fall in permanent vacancies during February, thereby extending the current run of contraction to seven months. The rate of decline moderated slightly from January, but was rapid overall and outpaced the UK-wide average.

Apart from the Nursing/Medical/Care category, all of the eight monitored employment groups registered lower demand for permanent staff.

Permanent Vacancies Index 42.5  
 sa, >50 = growth since previous month Feb '24



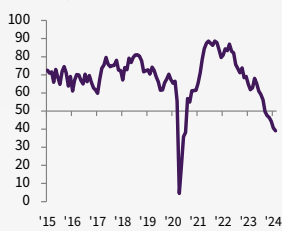
Permanent Vacancies Index by sector

Rank	Sector	Jan-24	Feb-24
1	Nursing/Medical/Care	57.0	51.8
2	Accounts & Financial	41.4	45.7
3	Engineering & Construction	43.6	44.8
4	Secretarial & Clerical	43.3	43.3
5	Blue Collar	41.0	41.6
6	Hotel & Catering	45.2	41.0
7	IT & Computing	40.7	39.1
8	Executive & Professional	33.5	35.6

## Permanent vacancies by sector

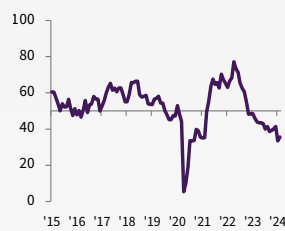
### IT & Computing

sa, >50 = growth since previous month



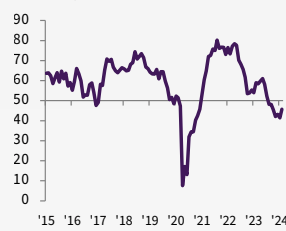
### Executive & Professional

sa, >50 = growth since previous month



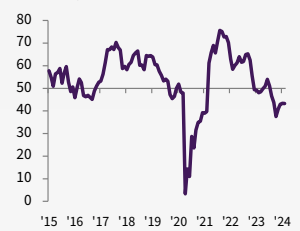
### Accounting & Financial

sa, >50 = growth since previous month



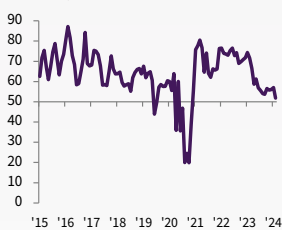
### Secretarial & Clerical

sa, >50 = growth since previous month



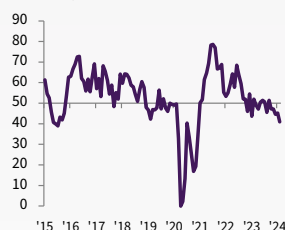
### Nursing, Medical & Care

sa, >50 = growth since previous month



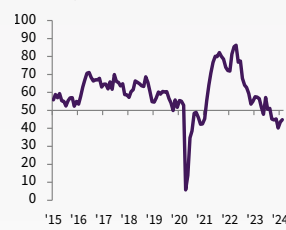
### Hotel & Catering

sa, >50 = growth since previous month



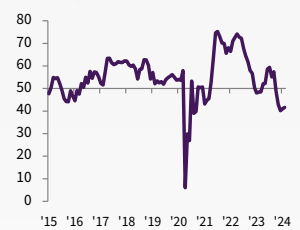
### Engineering & Construction

sa, >50 = growth since previous month



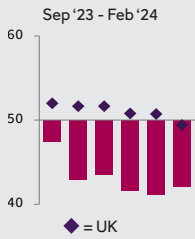
### Blue Collar

sa, >50 = growth since previous month



## Demand for temporary staff

Temporary Vacancies Index  
Sep '23 - Feb '24



### Temp vacancies decline sharply

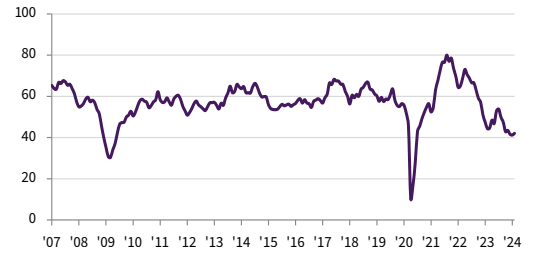
The Temporary Vacancies Index is derived from eight sectoral indices of the demand for temporary staff at recruitment consultancies. The Index is a weighted average of the eight individual sector indices.

February data revealed a seventh successive monthly fall in demand for short-term staff across Scotland. The rate of contraction softened from the previous survey period but was sharp overall. Short-term vacancies across the UK as a whole meanwhile declined for the first time in three-and-a-half years, albeit only marginally.

All of the eight monitored employment sectors registered a decline in temp vacancies, led by Executive & Professional.

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

42.1  
Feb '24



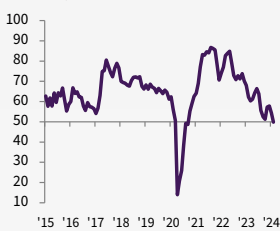
Temporary Vacancies Index by sector

Rank	Sector	Jan-24	Feb-24
1	IT & Computing	54.4	49.9
2	Secretarial & Clerical	39.7	45.2
3	Blue Collar	43.9	44.0
4	Nursing/Medical/Care	42.6	41.7
5	Accounts & Financial	40.8	40.7
6	Hotel & Catering	45.3	37.6
7	Engineering & Construction	32.3	36.2
8	Executive & Professional	34.6	35.9

## Temporary vacancies by sector

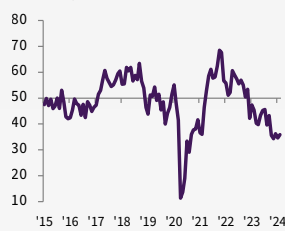
### IT & Computing

sa, >50 = growth since previous month



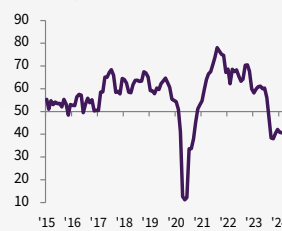
### Executive & Professional

sa, >50 = growth since previous month



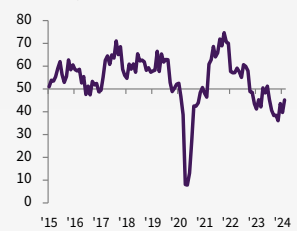
### Accounting & Financial

sa, >50 = growth since previous month



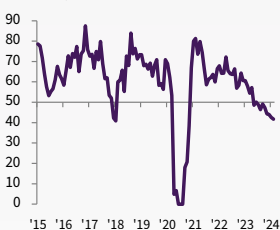
### Secretarial & Clerical

sa, >50 = growth since previous month



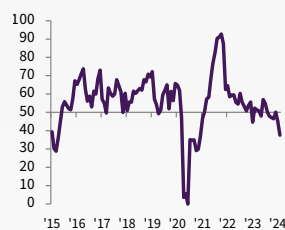
### Nursing, Medical & Care

sa, >50 = growth since previous month



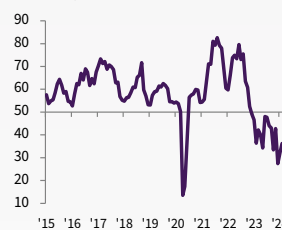
### Hotel & Catering

sa, >50 = growth since previous month



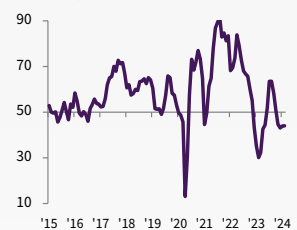
### Engineering & Construction

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 Billings	Permanent Availability	Temporary Availability	Permanent Salaries	Temporary Wages	Permanent Vacancies	Temporary Vacancies
Sep '23	44.8	44.5	44.6	44.6	63.8	52.8	46.2	47.5
Oct '23	48.2	45.8	41.4	50.8	62.8	58.0	43.8	42.9
Nov '23	52.3	50.9	42.9	54.5	63.6	56.6	43.7	43.5
Dec '23	43.7	51.7	44.6	55.2	55.4	55.6	42.9	41.6
Jan '24	45.0	43.6	38.1	54.2	54.9	58.3	41.9	41.2
Feb '24	41.1	49.6	38.6	52.1	59.7	56.6	42.5	42.1

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

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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.

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