# Press Release Article Request

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## Article Header

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| **Article Title:** | Royal Bank of Scotland Report on Jobs – July 2023 |
| **Article Description:** | Permanent job placements rise for first time in Scotland since January |
| **Body copy: (please add here, or attach Word document version of press release in the email you send with this form***)* | * **Fresh expansion in permanent new starters across Scotland in July** * **Temporary billings fall further** * **Competition for skilled staff continues to drive salary inflation**   There was a fresh expansion in permanent placements across Scotland at the start of the third quarter, according to the latest Royal Bank of Scotland Report on Jobs survey. The upturn marked the first rise since January amid reports of improved confidence at clients and business expansion plans. However, recruitment consultancies recorded a contraction in temp billings for the tenth successive month, albeit one that was mild overall. Turning to pay, rates of starting salary and temp wage inflation were sharp in July, with recruiters often mentioning that competition for scarce and skilled candidates had pushed up pay.  **Renewed growth in permanent placements**  Recruitment agencies in Scotland signalled a fresh expansion in permanent staff appointments in July, thereby marking the first month of growth since January. Moreover, the rate of increase was the fastest in 13 months. According to panellists, greater confidence at clients and increased demand for staff supported the renewed upturn in permanent new joiners.  Furthermore, the expansion in Scotland compared with a sharper drop in permanent placements at the UK level that was the quickest for just over three years.  Temp billings across Scotland fell in July for the tenth month running. Recruiters noted that delays in project start dates hindered hiring activity for short-term workers. However, the overall pace of reduction slowed to the joint-weakest in the aforementioned sequence.  In contrast, temp billings continued to rise across the UK as a whole, albeit only fractionally.  **Quicker reduction in permanent staff availability**  The availability of candidates to fill permanent positions across Scotland deteriorated sharply during July, thereby stretching the current run of reduction to two-and-a-half years. The rate of decrease was the most pronounced in four months amid reports that people were more hesitant to seek new roles. In contrast, candidate availability expanded at an accelerated and rapid pace at the UK level.  The availability of temporary staff in Scotland fell in July for the twenty-ninth successive month. Recruiters linked the drop to more people looking to stay in their current roles due to concerns over the outlook, as well as a general lack of suitably-skilled candidates. That said, the rate of contraction was the softest since March and marginal overall.  Contrary to the contraction seen across Scotland, temp candidate supply expanded at the quickest pace since December 2020 across the UK as a whole.  **Growth in starting salaries remains rapid**  July data signalled a rise in salaries awarded to permanent new starters in Scotland. Though the rate of salary inflation cooled slightly on the month, it remained rapid overall and extended the current sequence of growth that began in December 2020. Competition for scarce and skilled workers was said to have driven up salaries.  Moreover, the rate of increase in salaries offered to permanent new joiners across Scotland was sharper than the UK-wide average.  Latest survey data highlighted greater wage pressures across Scotland for short-term workers. Moreover, the rate of temp pay growth picked up from June’s 31-month low and was sharp overall. Efforts to attract and secure suitably-skilled staff was commonly attributed to the latest uptick in hourly pay rates.  The upturn in wages across Scotland outpaced that recorded for the UK as a whole.  **Growth in permanent vacancies softens to 29-month low**  Demand for permanent staff in Scotland increased in July. However, the rate of growth cooled to a 29-month low and was only mild overall. Moreover, the upturn was weaker than that seen at the UK level.  Of the eight monitored sectors, Blue Collar and IT & Computing signalled the strongest expansions in vacancies during July.  Back-to-back expansions in temporary job openings were recorded across Scotland in July. The rate of growth quickened on the month and was faster than the UK-wide average.  IT & Computing posted the strongest upturn in temp vacancies, followed by Blue Collar.  **COMMENT**  Sebastian Burnside, Chief Economist at Royal Bank of Scotland, commented:  *“While the fresh expansion in permanent placements signals a positive sign for Scottish labour market conditions at the start of the second half of the year, the continued slowdown in the growth of vacancies does warrant some caution. Nonetheless, the rise in new permanent hires, following five consecutive months of decline, highlighted the return of confidence across businesses and the successful filling of long-standing vacancies amid the ongoing deterioration in staff availability.*  *"In terms of salary and wage inflation, growth rates were sharp. The historically strong increases in starting pay were often linked to a lack of suitable candidates, therefore businesses were keen to offer higher pay to secure talent.”*  **Contact**  Jonathan Rennie  Regional Media & Campaigns Manager  +44 7769 932102  [jonathan.rennie@natwest.com](mailto:jonathan.rennie@natwest.com) |
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