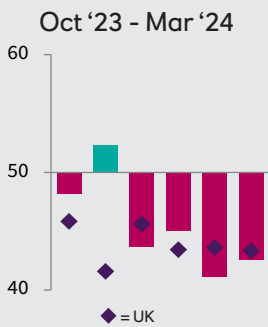


Royal Bank of Scotland Report on Jobs

Further drop in permanent placements amid worsening demand for labour

Scotland Permanent Placements Index



Key findings

Permanent staff appointments down sharply in March

Vacancies fall for the eighth successive month

Pressures on pay historically muted

The latest Royal Bank of Scotland Report on Jobs survey, compiled by S&P Global signalled a sustained deterioration in permanent staff placements across Scotland during March. Although the rate of decline eased from the month before, the number of people placed into permanent roles fell rapidly. Demand for both permanent and temp workers also deteriorated sharply and for the eighth successive month. Additionally, pressures on salaries and hourly wages were historically muted, the former recording the weakest increase in over three years.

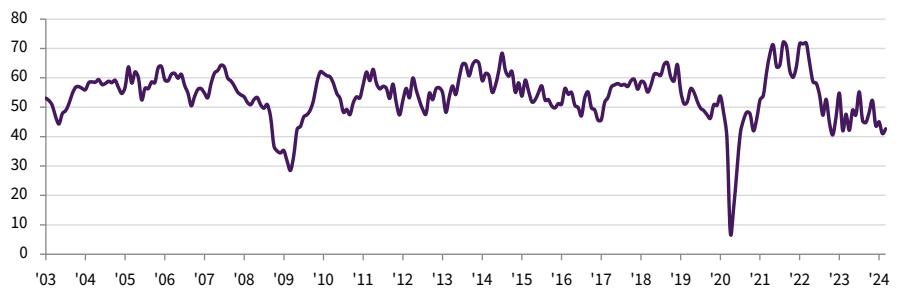
Sebastian Burnside, Chief Economist at Royal Bank of Scotland, commented:

"The Scottish labour market continued to exhibit weakness which has now existed for the most part of the last one-and-a-half years. Latest survey data highlighted that uncertainty regarding the outlook and firms looking to cut expenses impeded hiring activity. Additionally, demand for both permanent and short-term workers worsened for the eighth successive month, with recruiters recording fewer jobs available across Scotland.

"Meanwhile, though scarcity of suitably-skilled labour drove a further increase in permanent starting salaries during March, worsening hiring conditions meant pressures on pay eased. The rates of both starting salary and hourly wage inflation trended below their respective long-run averages."

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?".

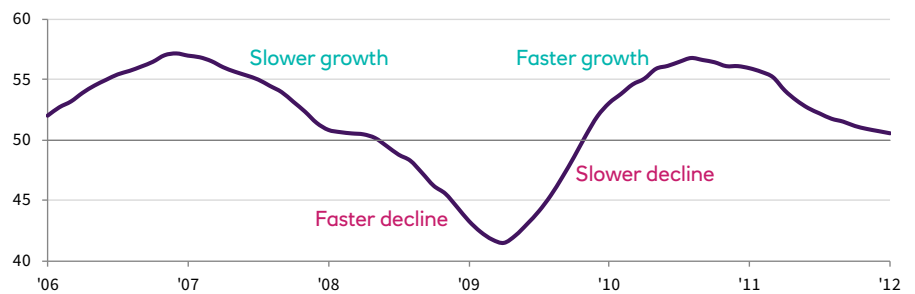
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

March data were collected 12-22 March 2024.

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

Index interpretation

50.0 = no change since previous month



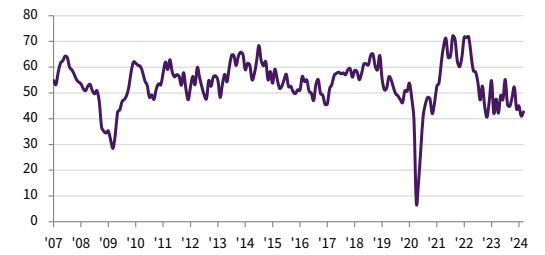
Staff placements

Sustained downturn in permanent placements

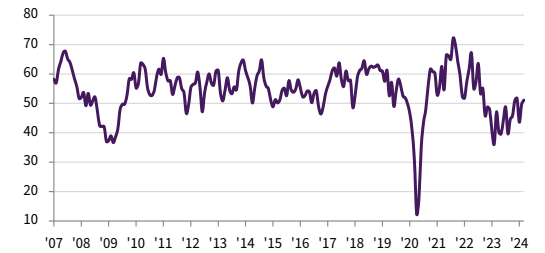
Scottish recruiters recorded a fourth consecutive monthly fall in permanent staff appointments during March. The rate of contraction eased slightly from February's 15-month high but remained rapid overall. According to respondents, the latest downturn was linked to fewer vacancies, companies looking to cost-cut and increased market uncertainty.

Permanent placements also fell at the UK level, although at a softer pace than that seen in Scotland.

Permanent Placements Index
sa, >50 = growth since previous month
42.6
Mar '24



Temporary Billings Index
sa, >50 = growth since previous month
51.1
Mar '24

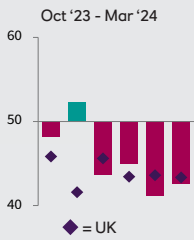


Fresh rise in temp billings

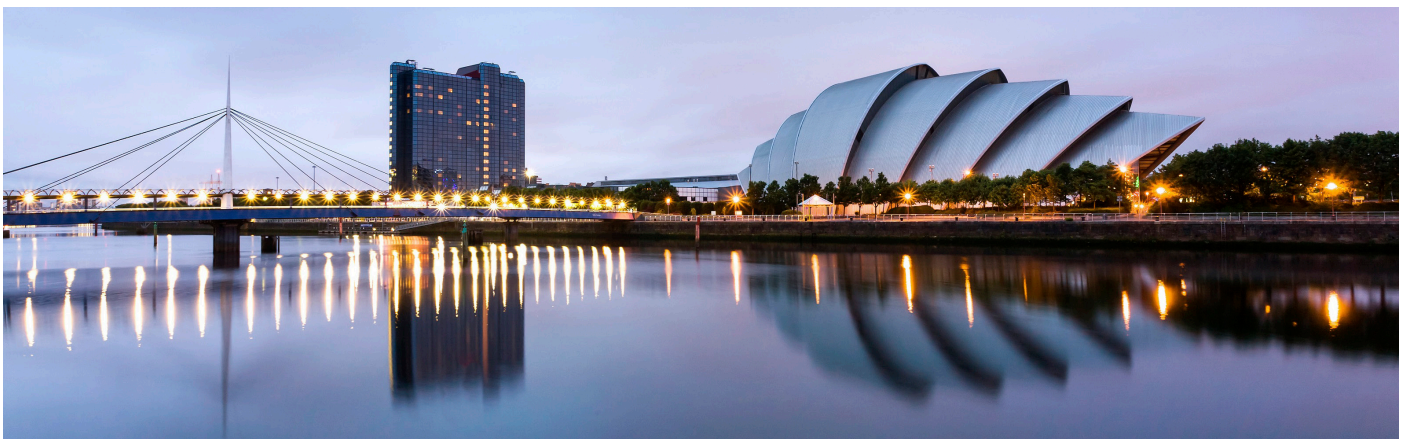
Temp billings rose across Scotland during March. The respective seasonally adjusted index increased for the second straight month to post above the neutral 50.0 mark for the first time since last December. The rate of expansion was modest though and weaker than the average recorded over the series history.

Meanwhile, the downturn in temp billings across the UK as a whole continued into March and was the most pronounced since July 2020.

Permanent Placements Index
Oct '23 - Mar '24



Temporary Billings Index
Oct '23 - Mar '24



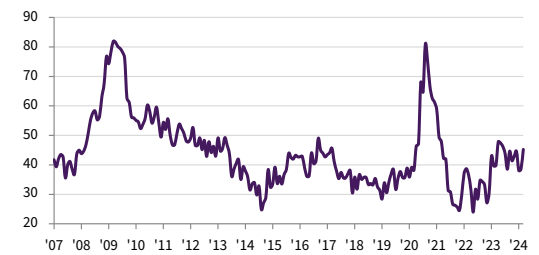
Labour supply

Sharp, albeit weaker decline in permanent staff supply

March data revealed a fall in permanent candidate availability in Scotland, thereby extending the current run of decrease to 38 months. Despite the rate of contraction easing to the weakest since mid-2023, it remained sharp overall.

In contrast, the supply of permanent staff expanded across the UK as a whole, the rate of growth ticking up to a four-month high.

Permanent Candidate Availability Index
sa, >50 = growth since previous month
45.2
Mar '24



Permanent Candidate Availability Index
Oct '23 - Mar '24

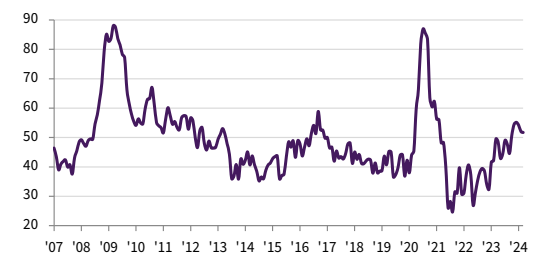


Growth in short-term staff supply moderates further

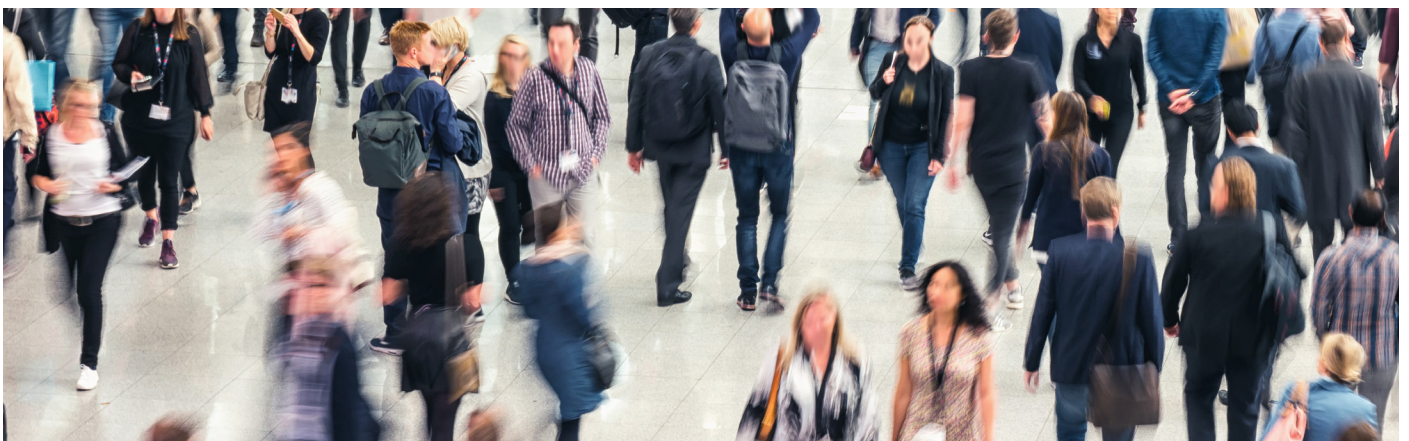
A sixth successive monthly rise in temp candidate availability was recorded across Scotland during March. Recruiters linked the upturn to projects coming to an end, which helped free up labour. The rate of growth softened to a five-month low and was modest overall, however.

The rate of growth across the UK as a whole strengthened and outpaced that recorded for Scotland.

Temporary Candidate Availability Index
sa, >50 = growth since previous month
51.7
Mar '24



Temporary Candidate Availability Index
Oct '23 - Mar '24



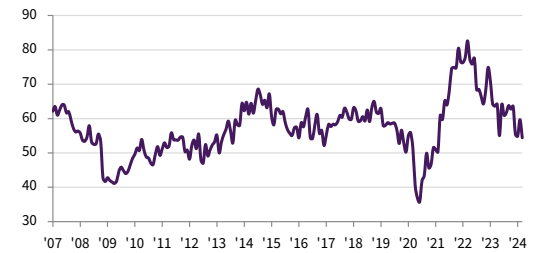
Pay pressures

Starting salary growth moderates to 37-month low

Average starting salaries for permanent new joiners rose across Scotland in March. Labour shortages and increased bids to secure suitably-skilled candidates exerted upward pressure on pay, noted panellists. That said, the rate of inflation moderated notably to the weakest in just over three-years.

Salaries awarded to new permanent joiners also rose at a weaker pace across the UK as a whole. Moreover, the pace of inflation was softer than that recorded for Scotland.

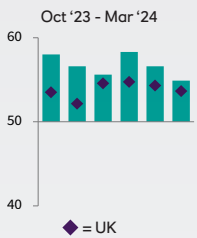
Permanent Salaries Index
sa, >50 = inflation since previous month
54.4
Mar '24



Permanent Salaries Index
Oct '23 - Mar '24



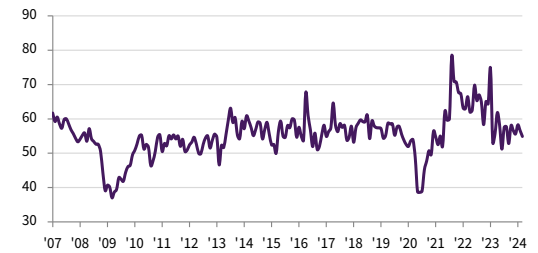
Temporary Wages Index
Oct '23 - Mar '24



Temp wage inflation eases in March

The first quarter of the year ended with a further rise in temp wages across Scotland, thereby extending the current run of inflation that began in December 2020. While the rate of growth across Scotland trended above the UK-wide average, the increase was the weakest in six months and historically muted.

Temporary Wages Index
sa, >50 = inflation since previous month
54.9
Mar '24



Demand for permanent staff

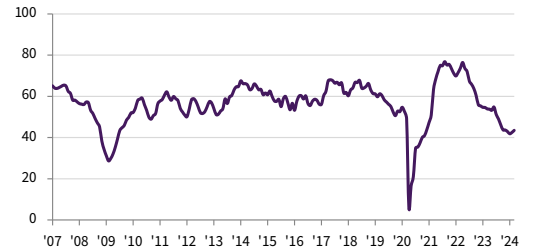
Sharp decline in permanent vacancies

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.

Recruiters across Scotland recorded an eighth consecutive monthly fall in the number of permanent vacancies in March. Despite easing for the second straight month, the rate of decrease remained sharp and steeper than the UK-wide average.

Demand for permanent staff deteriorated across all the eight monitored sectors, with Hotel & Catering recording the fastest drop in permanent vacancies.

Permanent Vacancies Index 43.5
 sa, >50 = growth since previous month Mar '24



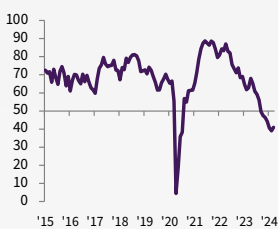
Permanent Vacancies Index by sector

Rank	Sector	Feb-24	Mar-24
1	Nursing/Medical/Care	51.8	49.0
2	Engineering & Construction	44.8	47.6
3	Accounts & Financial	45.7	45.6
4	Secretarial & Clerical	43.3	44.6
5	Blue Collar	41.6	43.0
6	IT & Computing	39.1	40.9
7	Executive & Professional	35.6	36.7
8	Hotel & Catering	41.0	35.8

Permanent vacancies by sector

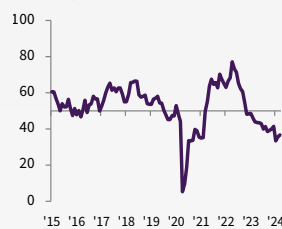
IT & Computing

sa, >50 = growth since previous month



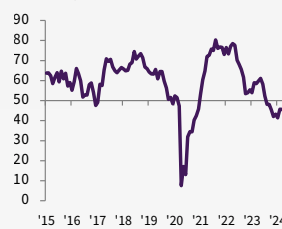
Executive & Professional

sa, >50 = growth since previous month



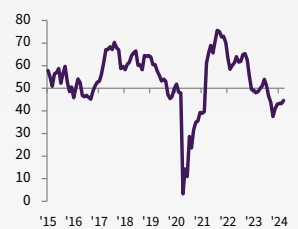
Accounting & Financial

sa, >50 = growth since previous month



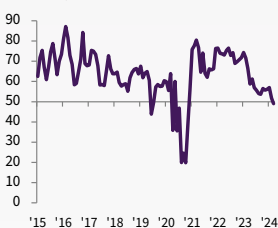
Secretarial & Clerical

sa, >50 = growth since previous month



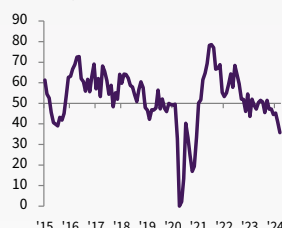
Nursing, Medical & Care

sa, >50 = growth since previous month



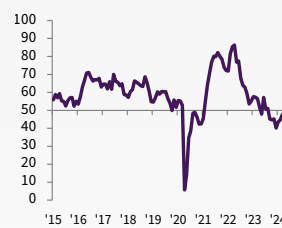
Hotel & Catering

sa, >50 = growth since previous month



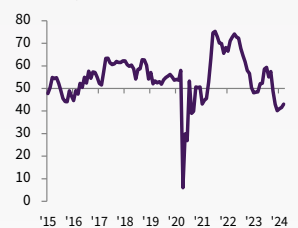
Engineering & Construction

sa, >50 = growth since previous month



Blue Collar

sa, >50 = growth since previous month



Demand for temporary staff

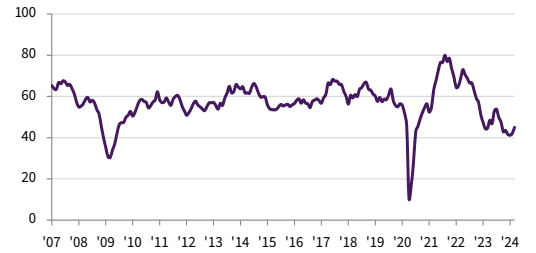
Downturn in temporary vacancies moderates, but remained sharp

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.

In line with the trend for permanent roles, temporary job vacancies in Scotland fell in March, thereby extending the current run of contraction to eight months. Similarly, the rate of decrease moderated, albeit continuing to signal a stronger fall in vacancies than at the UK level.

Executive & Professional recorded the fastest drop in demand for short-term staff across the monitored sectors in March, followed by Hotel & Catering.

Temporary Vacancies Index
sa, >50 = growth since previous month
45.0
Mar '24



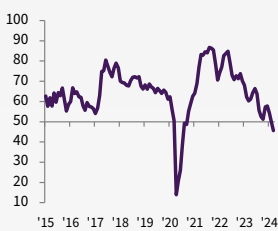
Temporary Vacancies Index by sector

Rank	Sector	Feb-24	Mar-24
1	Blue Collar	44.0	49.5
2	Secretarial & Clerical	45.2	47.3
3	IT & Computing	49.9	45.7
4	Engineering & Construction	36.2	45.6
5	Accounts & Financial	40.7	41.2
6	Nursing/Medical/Care	41.7	39.9
7	Hotel & Catering	37.6	36.9
8	Executive & Professional	35.9	35.8

Temporary vacancies by sector

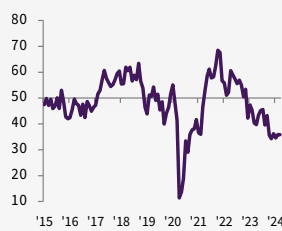
IT & Computing

sa, >50 = growth since previous month



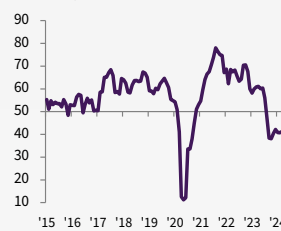
Executive & Professional

sa, >50 = growth since previous month



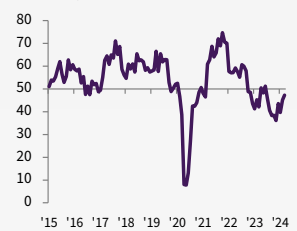
Accounting & Financial

sa, >50 = growth since previous month



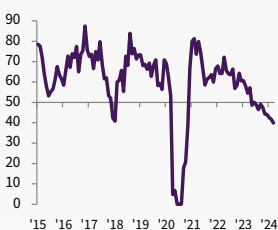
Secretarial & Clerical

sa, >50 = growth since previous month



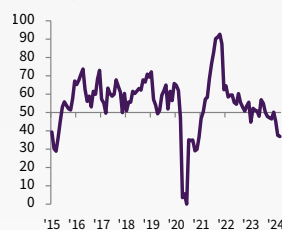
Nursing, Medical & Care

sa, >50 = growth since previous month



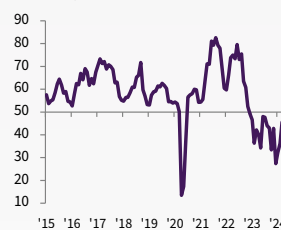
Hotel & Catering

sa, >50 = growth since previous month



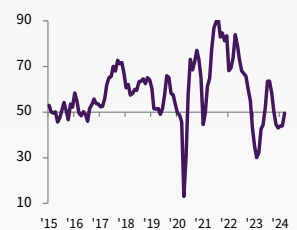
Engineering & Construction

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
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
Mar '24	42.6	51.1	45.2	51.7	54.4	54.9	43.5	45.0

Contact

Jonathan Rennie
Regional Media & Campaigns Manager
Royal Bank of Scotland
+44 7769 932 102
jonathan.ennie@natwest.com

Maryam Baluch
Economist
S&P Global Market Intelligence
+44 134 432 7213
maryam.baluch@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
+44 796 744 7030
sabrina.mayeen@spglobal.com

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

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