



Royal Bank  
of Scotland

EMBARGOED UNTIL 00:01 (UK) 12 July 2023

# Royal Bank of Scotland Report on Jobs

## *Recruitment activity remains weak amid ongoing economic uncertainty*

- **Permanent placements and temp billings continue to contract**
- **Growth in starting salaries accelerates**
- **Temp vacancies rise for the first time in 2023 so far**

According to the latest Royal Bank of Scotland Report on Jobs survey, hiring activity fell again across Scotland during June amid reports that economic uncertainty and candidate shortages had dampened recruitment. The downturn in permanent staff appointments quickened on the month, while temp billings dropped at a softer but still sharp rate. Nevertheless, recruiters signalled a further rise in vacancies at the end of the second quarter. Moreover, the upturn in demand for permanent staff was the strongest in six months, corresponding with a sharper rate of growth in starting salaries. Additionally, temp vacancies increased for the first time since December 2022. However, candidate availability continued to deteriorate, with temp staff supply falling at a sharper rate than that seen for permanent workers.

### **Quicker contraction in permanent staff appointments**

June data signalled a further fall in permanent staff appointments across Scotland, thereby extending the current sequence of contraction to five months. The rate of decrease quickened from May and was solid overall. Subdued business confidence and candidate hesitancy to seek new roles due to the weaker economic climate hindered recruitment, anecdotal evidence suggested.

That said, the rate at which permanent placements decreased in Scotland was weaker than that seen across the UK as a whole.

Going against the broader UK trend, temp billings across Scotland fell for the ninth successive month in June. The pace of reduction was sharp overall, despite moderating to the softest in three months. Panellists reported that candidate scarcity, reduced amounts of new work and hiring delays were key factors driving the latest reduction in billings.

### **Solid decrease in permanent candidate availability**

Recruitment consultancies across Scotland signalled a strong decrease in the number of candidates available for permanent jobs during June. Though much softer than the average recorded over the current 29-month sequence of contraction, the pace of decline was the strongest in three months. Recruiters noted that skill shortages and lingering market uncertainty had impacted candidate numbers.



**Royal Bank  
of Scotland**

Additionally, the trend seen in Scotland compared to the UK as a whole continued to diverge, as candidate availability improved at the UK level and at the quickest pace in two-and-a-half years.

Short-term staff availability fell across Scotland in June, with contractions noted in each month since March 2021. The decrease, though weaker than that seen in May and much softer than this time last year, remained rapid overall. According to recruitment agencies, given the uncertain economic outlook, candidates were often reluctant to switch roles, with many favouring permanent jobs over short-term contracts.

While Scotland signalled a decrease in short-term staff availability, the UK on average registered a further expansion in temp candidate numbers during June.

### **Starting salary inflation intensifies in June**

Permanent starting salaries increased again across Scotland at the end of the second quarter. The rate of growth quickened from May's 27-month low and was historically sharp overall. According to panellists, shortages of skilled candidates and competition for labour drove up pay.

The rate at which starting salaries increased across Scotland outpaced the UK-wide average.

Scottish recruitment agencies signalled a rise in temp pay rates in June, thereby stretching the current run of inflation to 31 months. That said, the pace of increase softened for the second month in a row to the weakest recorded in the aforementioned sequence.

The pace of wage growth eased slightly across the UK as a whole, but remained stronger than that seen for Scotland.

### **Stronger rise in permanent vacancies**

Demand for permanent staff increased across Scotland in June. Moreover, after having slowed for 13 months straight, the rate of expansion accelerated at the end of the quarter and outpaced that seen at the UK level.

Supporting the upturn were sharp rises in permanent vacancies across IT & Computing and Blue Collar sectors.

Following a five-month period of contraction, temp vacancies rose across Scotland during June. The respective seasonally adjusted index signalled a solid rise in demand for temporary workers, albeit one that was slightly softer than that recorded for the UK as a whole.

Of the eight monitored job categories, IT & Computing topped the temporary staff demand rankings, followed by Accounts & Financial.



**Royal Bank  
of Scotland**

## **COMMENT**

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

*“The latest recruitment survey data for Scotland pointed to further falls in hiring activity across both permanent and temporary jobs markets at the end of the second quarter. Permanent staff appointments fell solidly, while the downturn in temp billings eased but remained historically marked, with panel members linking weakness to the subdued economic climate and hesitancy to commit to new hires. Despite vacancies increasing, and notably a fresh rise in temp vacancies, this caution around the outlook combined with candidate shortages meant that recruiters struggled to fill roles. A tight labour market also meant that firms raised their starting salaries and wages further in order to attract suitable candidates.”*

## **ENDS**

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. Across Scotland, the Royal Bank of Scotland has teams offering customers the support and the skills to make the most of online and mobile banking.

### **Royal Bank of Scotland**

Jonathan Rennie  
Regional Media & Campaigns Manager  
+44 7769 932102  
[jonathan.rennie@natwest.com](mailto:jonathan.rennie@natwest.com)

### **S&P Global**

Maryam Baluch  
Economist  
S&P Global Market Intelligence  
+44 134 432 7213  
[maryam.baluch@spglobal.com](mailto:maryam.baluch@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global Market Intelligence  
+44 796 744 7030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)



**Royal Bank  
of Scotland**

## Notes to Editors

This report, compiled by S&P Global, is based on a monthly survey of around 100 recruitment and employment consultants, and provides up-to-date information on Scottish labour market trends and is seasonally adjusted.

The information in this report is directly comparable with the KPMG and REC, Report on Jobs survey for the UK, which uses an identical methodology. The KPMG and REC index for the UK has a strong track record of accurately anticipating changes in unemployment, employment and average earnings.

All Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline. These indices vary between 0 and 100 with reading of exactly 50.0 signalling no change on the previous month. Readings above 50 signal an increase or improvement; readings below 50 signal a decline or deterioration. Reasons given by survey respondents for any changes are analysed to provide insight into the causes of movements in the indices and are also used to adjust for expected seasonal variations.

June data were collected 12-26 June 2023.

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

A regional Report on Jobs series is now available comprising five regional reports tracking labour market trends across the Midlands, the North of England, the South of England, Scotland and London. The reports are designed to provide a comprehensive and up-to-date guide to labour market trends and the data are directly comparable with the UK Report on Jobs.

### **About the Recruitment & Employment Confederation**

Dorset House, First Floor, 27-45 Stamford Street, London, SE1 9NT. Tel: 020 7009 2100

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).

### **About S&P Global**

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.

### **Disclaimer**

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Royal Bank of Scotland uses the above marks under licence.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.