

EMBARGOED UNTIL 01:01 10 March 2022

## Royal Bank of Scotland Report on Jobs

### *Uplift in permanent placements holds close to survey record*

- **Permanent placements rise at third-sharpest rate on record**
- **Rate of increase in temp billings picks up**
- **Staff availability decreases further as vacancy growth accelerates**

The latest Royal Bank of Scotland Report on Jobs survey highlighted a strong uplift in hiring activity across Scotland in February. Permanent placements rose at a near-record pace, while the upturn in temp billings accelerated from January's 17-month low and was sharp overall. Demand for staff also picked up, with permanent vacancy growth hitting the fastest since last November and demand for temp staff also rising at a historically marked pace. Subsequently, staff availability deteriorated further, with the rates of decline remaining rapid despite easing since January. Strong demand for workers placed further upwards pressure on rates of pay in February. The rate of starting salary inflation was the second-highest on record, while the latest uplift in short-term pay rates remained sharp.

### **February sees another near-record uplift in permanent staff appointments**

February data highlighted a sustained upturn in permanent placements across Scotland, with the rate of increase little-changed from January and the third-highest on record. Strong demand for staff, in part due to improved client confidence, was attributed by respondents to the latest uplift.

Notably, Scotland continued to see a quicker rise in permanent placements than the UK-wide average in February.

An eighteenth straight monthly rise in temp billings across Scotland was recorded in February, amid reports that companies were beginning new projects and demanding additional staff. Moreover, the rate of increase picked up from January's recent low and was sharp overall.

Across the UK as a whole, temp billings rose at a softer pace compared to January, though the upturn continued to outpace that seen in Scotland.

### **Supply of permanent staff declines at weakest pace since last May**

As has been the case in each of the past 13 months, the availability of permanent candidates across Scotland deteriorated in February. Anecdotal evidence linked the latest fall to skills shortages and a reluctance among workers to change roles due to uncertainty surrounding the pandemic.

# News Release

Although still marked, the rate of decline in permanent staff supply was the weakest since last May and much softer than that at the UK level.

February data pointed to a further reduction in the supply of temp staff across Scotland, extending the current sequence of decline to a year. The rate of deterioration eased to a three-month low, but was nonetheless rapid in the context of historical data.

### **Permanent starters' salaries rise at near-record pace**

For the fifteenth time in as many months, average salaries awarded to permanent new starters across Scotland rose in February. Notably, the rate of inflation quickened for the first time in three months and was the second-fastest on record (behind November 2021). According to survey respondents, a shortage of suitable candidates had placed upwards pressure on pay.

The rate of salary inflation in Scotland was broadly in line with that recorded for the UK as a whole.

February data pointed to a further uplift in average hourly pay rates for short-term staff across Scotland, extending the current sequence of inflation that began in December 2020. Although still marked by historical standards, the latest increase was the slowest since last July and weaker than that seen across the UK as a whole.

### **Fastest rise in permanent staff demand since last November**

A thirteenth successive monthly rise in the number of permanent vacancies was recorded in February. Moreover, the latest upturn was the quickest for three months and marked. The rate of increase in vacancies across Scotland also outpaced the UK-wide average.

IT & Computing recorded the fastest rise in demand for permanent staff across the monitored job categories, followed by Engineering & Construction.

As has been the case in each month since October 2020, recruiters across Scotland reported an upturn in demand for temp staff during February. The rate of increase accelerated from January's 10-month low and was sharp, albeit still below the trend seen over 2021.

Across the monitored sectors, IT & Computing recorded the quickest uplift in temp vacancies and Executive & Professional the weakest.

# News Release

## COMMENT

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

*“The Scottish labour market recorded a further strong uplift in hiring activity in February, as a further near-record rise in permanent staff appointments occurred alongside a sharp pick-up in temp billings.*

*“At the same time, candidate availability continued to decrease rapidly for both permanent and temp staff, albeit at softer rates than in January, while vacancy growth accelerated. Strong demand for scarce candidates subsequently led to further upwards pressures on pay.*

*“Midway through the first quarter of the year, the labour market remains in a strong position with no signs that momentum is cooling.”*

## ENDS

Royal Bank of Scotland is supporting civil and corporate customers affected by COVID-19. For advice or support visit: <https://www.business.rbs.co.uk/business/support-centre/service-status/coronavirus.html>

### For more information contact:

Jonathan Rennie  
Regional PR Manager  
Telephone 07769 932 102  
Email: [jonathan.rennie@rbs.co.uk](mailto:jonathan.rennie@rbs.co.uk)

### IHS Markit

Lewis Cooper  
Economist  
Telephone +44-1491-461-019  
Email: [lewis.cooper@ihsmarkit.com](mailto:lewis.cooper@ihsmarkit.com)

Joanna Vickers  
Corporate Communications  
Telephone +44 207 260 2234  
Email: [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

# News Release

## Notes to Editors

This report, compiled by IHS Markit, 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.

February data were collected 10-22 February 2022.

IHS Markit 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 IHS Markit. 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 IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2022 IHS Markit Ltd. All rights reserved.

### Disclaimer

The intellectual property rights to the Royal Bank of Scotland Report on Jobs provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Royal Bank of Scotland uses the above marks under licence. IHS Markit is a registered trademark of IHS Markit Ltd and/or its affiliates.