

## News Release

**MARKET SENSITIVE INFORMATION**  
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## Report on Jobs: Scotland

### Staff placements and pay rates rise further across Scotland's job market

#### Key points:

- Permanent staff appointments rise for second month running
- Growth in demand for temp staff at highest for two-and-a-half years
- Steep increase in temp wages and permanent salaries

#### Summary:

The Report on Jobs: Scotland contains original data from the survey of recruitment and employment consultants in Scotland. The report is 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.

Scotland's job market ended the first quarter of 2017 on a strong footing, as recruiters reported an acceleration in growth of demand for both permanent and temporary workers. Meanwhile, there was an increase in the number of permanent staff appointments for the second month running, and growth of temporary billings reached a 31-month high.

#### Solid rise in permanent staff placements

Following the upturn seen in February, there was another increase in permanent staff placements in March.

The rate of growth in permanent staff appointments was below that of temporary billings, however, with the latter recording the fastest increase in over two-and-a-half years.

#### Strong demand for new recruits...

Growth of demand for permanent staff was at its sharpest for over two years and markedly above the series average. However, UK-wide data

indicated a stronger rate of increase than seen north of the border.

Temporary employee demand growth in Scotland was strong, albeit slightly weaker than that for permanent staff.

#### ...Particularly in Nursing/Medical/Care

Areas where recruiters noted particularly strong growth in demand for staff were the Engineering & Construction, IT & Computing and Nursing/Medical/Care sectors. Secretarial & Clerical also saw a marked increase in demand, with both temporary/contract and permanent vacancies expanding at the quickest rates in around three years.

The Hotel & Catering industry was the worst performer, indicating a contraction in demand for temporary workers. It placed at the bottom of the rankings in terms of both temporary and permanent job vacancies.

#### Growth in temp wages accelerates

After showing a renewed upturn through the latter stages of 2016, the availability of temporary workers dropped once again in March. The availability of permanent staff also decreased, in line with the trend seen for the past five years.

Average wages for temporary/contract staff rose sharply in March, accelerating for the second month running. In addition, average salaries for permanent staff rose markedly. Anecdotal evidence indicated that a shortage of talent had driven up pay rates.

*Continues....*

**Comments:****REC Chief Executive Kevin Green says:**

*“Finding people to do the jobs on offer is rapidly becoming employers’ biggest headache and many are reporting an increasing number of white collar jobs as hard to fill, including in the IT and financial sectors.*

*“Shortages of appropriately skilled, willing and able candidates was a problem before the referendum. Our concern is that Brexit will make the problem worse, particularly if onerous restrictions are imposed on people coming from the EU to work.*

*“Also, economic uncertainty about future prospects is having a detrimental effect on employees’ willingness to risk a career move at this time, which seems to be driving down candidate availability. Our data shows that although candidate availability is deteriorating in Scotland, it’s not so dire as in London and the South.*

*“This shrinking talent pool of available candidates means that businesses are boosting the starting salaries and hourly rates they are prepared to offer to the right candidate. So for job hunters willing to move roles at the moment, there are financial rewards on offer – especially it seems in finance, IT and other management and office-based professional roles.”*

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**Note to Editors:**

This report, compiled by 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 REC Report on Jobs survey for the UK, which uses an identical methodology. The 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.

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**

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