

News Release

MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 01:01 (UK) May 9th 2018

Report on Jobs: Scotland

Permanent staff appointments rise at sharper rate

Key points:

- Permanent placements and temp billings both rise at faster rates
- Growth of demand for staff remains sharp, while candidate availability falls further
- Starting salaries and temp wages rise markedly

Summary:

According to the latest IHS Markit Report on Jobs for Scotland, permanent staff appointments rose markedly during April. Scottish recruitment agencies also signalled a substantial increase in billing receipts for temporary staff. Demand for staff strengthened, with vacancies for both permanent and temporary workers rising to greater extents. However, the availability of candidates for short-term and permanent roles deteriorated further. Pay pressures remained elevated amid labour shortages and rising staff demand.

April data pointed to a fifteenth successive month of rising permanent staff appointments. Furthermore, the rate of increase was sharp overall and broadly similar to that seen for the UK as a whole. Scottish recruiters also reported higher billings from temporary staff in April. Moreover, the rate of growth quickened to a ten-month high and was the sharpest of all five monitored UK regions.

Demand for permanent staff continued to improve markedly in the latest survey period. In fact, growth of demand in Scotland continued to outpace the UK average. Permanent job openings rose to the greatest extent since August 2017. Meanwhile, temporary staff vacancies increased at the fastest pace in five months, outpacing growth at the national level.

However, another month of shrinking candidate

numbers was recorded in April. As has been the case since March 2012, permanent candidate availability decreased. The rate of deterioration accelerated on that seen in the previous month. Likewise, temporary labour supply contracted at a quicker rate during April, with the latest decline the fastest since December 2017.

Newly-placed permanent staff were awarded higher starting salaries during the latest survey period. The rate of inflation, though sharp, remained close to March's nine-month low. Meanwhile, temp wage growth accelerated to a 12-month high. Notably, the latest increase in starting salaries and short-term pay were only slightly softer than those seen at the national level.

Comment:

REC Director of Policy Tom Hadley says:

"Following the recent headlines about high street closures, it's unsurprising to see demand for retail staff falling this month. With consumers increasingly shopping online, it's a good time for retail workers to think about how their skills translate into other areas within the business - for example, recruiters say there's huge demand for staff in IT, and there is also a shortage of order pickers and packers. Helping people make career transitions will become increasingly important in this fast changing business and employment landscape.

"Demand for staff is still on the rise in every other sector, but candidate availability keeps dropping. Our data shows that employers are paying more to attract the right people into their vacancies. For individuals, now is a good time to look for a new job, as you are in a strong position to negotiate higher pay.

"For employers, the challenge is to stay ahead of the competition to maintain and enhance your workforce. This is about more than just pay, it is about providing progression opportunities and a

positive workplace culture. As recruitment gets harder the only solution for employers is to get better at attracting and retaining the right skills and staff."

For further information, please contact:

REC

Liz Banks, REC Press Office, 0207 009 2157

Supported by Speed Communications – Kerry Grove kerry.grove@speedcomms.com, 0117 906 4517

IHS Markit (technical/data queries):

Joe Hayes, Economist, Telephone 01491 461006 / joseph.hayes@ihsmarkit.com

Note 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 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.

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

Jobs transform lives, which is why we are building the best recruitment industry in the world. As the professional body for recruitment we're determined to make businesses more successful by helping them secure the people they need. We are absolutely passionate and totally committed in this pursuit for recruiters, employers, and the people they hire. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com

About IHS Markit

IHS Markit (Nasdaq: 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 © 2018 IHS Markit Ltd. All rights reserved.

© Copyright in the Report on Jobs, including the Report on Jobs survey data, is owned by 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. IHS Markit is a registered trade mark of IHS Markit Ltd.