

## News Release

**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 00:01 (UK) March 8<sup>th</sup> 2017**

## Report on Jobs: Scotland

### Permanent staff placements rise for first time in five months

#### Key points:

- Permanent placements rise modestly
- Temp billings increase at quickest pace for 14 months
- Salary inflation quickens to five-month high

#### Summary:

The Report on Jobs: Scotland contains original data from the survey of recruitment and employment consultancies 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.

According to the latest Markit Report on Jobs for Scotland, recruitment consultancies recorded the first increase in permanent placements for five months during February, although the pace of increase was only modest. Meanwhile, billings received from temporary/contract workers rose at the quickest extent for 14 months and salary inflation strengthened to a five-month record.

#### Renewed increase in permanent placements

February survey data pointed to the first rise in the number of people placed in permanent jobs by recruitment consultancies in Scotland since September last year. That said, the rate of increase was only modest and was weaker than the UK wide trend.

Meanwhile, Scottish recruitment consultancies recorded a sharper increase in temporary staff billings, the most marked since December 2015.

#### Pay growth quickens

Starting salaries for staff placed in permanent jobs in Scotland rose further in February, continuing a trend which has been observed for the past four

years. The increase was the most marked for five months but slightly weaker than the UK average.

Meanwhile, hourly rates of pay for temporary workers also rose and at a pace which was faster than at the start of the year.

#### Steep fall in candidate availability

One factor leading firms to improve their pay packets was a lack of available candidates for vacant positions in February. Declines in staff availability were evident for both permanent and temporary job roles. In fact, the latest fall in short-term candidate availability was the fastest seen in a year.

#### Demand for staff rises at faster pace

A rise in demand for permanent staff in Scotland was reported in February, with the rate of growth accelerating to a two-year high. That said, the latest increase remained weaker than the rise seen across the UK as a whole.

Demand for temporary workers also increased in February and at a rate that was the strongest for 26 months. The latest increase continues the trend of rising demand which has been observed in every month since October 2009.

Sector data showed staff demand was strongest for Nursing/Medical/Care for both permanent and temporary roles.

*Continues...*

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

*“There are tentative signs that the labour market in Scotland is improving, with the first increase in permanent placement recorded in five months. This is good news, but a further decline in candidate availability is an ongoing cause for concern.*

*“The Chancellor is expected to announce a boost for vocational training in today’s budget and this is very welcome. However, it won’t solve the immediate need for people to fill jobs. We’re already seeing acute staff shortages in a variety of sectors, from healthcare to engineering. This is likely to get worse, especially if the Government continues to refuse the rights of EU citizens living in the UK post-Brexit.*

*“On the flip-side, this is a good time for individuals prepared to move jobs, with bumper pay offers on the table as hirers compete to secure the talent available. In the context of rising inflation and stagnating pay growth, changing employers is becoming a more attractive option for those looking for more money.”*

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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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