

## News Release

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

### Report on Jobs: Scotland

#### **Growth in staff appointments remains sharp as salary growth reaches 10-month high**

##### **Key points:**

- Sharp increases in permanent placements and temp billings
- Demand for temporary staff remains close to multi-year high
- Starting salaries rise at fastest pace in ten months

##### **Summary:**

Latest IHS Markit Report on Jobs data for Scotland signalled a sharp improvement in labour conditions in July. Steep increases in both permanent placements and temp billings, alongside robust demand for staff in all sectors all contributed to the latest improvement in the health of the Scottish labour market. At the same time, candidate shortages placed further pressure on pay at the start of the third quarter.

##### **Sharp rise in Scottish job vacancies**

Scottish recruiters reported a further rise in demand for permanent staff. The rate of demand growth remained sharp, despite weakening to a four-month low.

Demand for temporary staff was also robust in July. Although the rate of growth softened since June, the latest rise in temp vacancies was the second-sharpest since the global financial crisis.

At the sector level, IT & Computing registered the sharpest increases in demand for both permanent and temporary roles.

##### **Permanent placements rise sharply**

Scottish recruitment agencies reported a further increase in the number of candidates placed in permanent jobs during July. The rate of growth was steep overall, but marginally below that seen in the preceding survey. Across the UK as a whole, growth of permanent placements was at a 27-month high and above that seen north of the border.

Growth of temporary/contract staff billings moderated during the latest survey period. The rate of growth was at a five-month low, but nonetheless remained sharp overall. The UK as a whole saw the sharpest increase in temp billings for 29 months, rising above the growth rate seen in Scotland.

##### **Staff availability deteriorates again**

Staff availability in Scotland continued to deteriorate sharply in July, albeit at weaker rates than seen across the UK as a whole.

Availability of permanent staff in Scotland declined at a steeper pace than temporary/contract staff.

##### **Salary growth at ten-month high**

Pay pressures remained elevated in Scotland, with permanent starting salaries increasing at the fastest rate in ten months in July. Temp pay rates also rose sharply, with the rate of inflation picking up since June.

*Continues....*

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

*“Although slightly below the rest of the UK, permanent placements are rising rapidly in Scotland. Starting salaries are also increasing, so for workers who want to boost their earnings now is a good time to consider moving job.*

*“It’s clear that employers are having to work even harder to fill jobs as vacancies rise and candidate availability shrinks. UK employment remains at an all-time high and looks set to keep improving. The parts of the economy most reliant on European workers are under even more pressure as many EU workers return home. Employers are not just struggling to hire the brightest and the best but also people to fill roles such as chefs, drivers and warehouse workers.*

*“We can’t ignore the importance of our relationship with the EU to employers. If we want to keep our jobs market successful and vibrant, we must make it easier, not harder, for employers to access the people they need.”*

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**REC**

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**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](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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