

KPMG and REC, UK Report on Jobs

Fall in permanent hiring the softest in over a year

48.2

PERMANENT PLACEMENTS INDEX
MAY '24

47.2

TEMPORARY BILLINGS INDEX
MAY '24

The KPMG and REC, UK Report on Jobs is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

Permanent placements fall again, but at slower rate

Pay rates continue to rise markedly

Worker availability increases to steeper degree

Commenting on the latest survey results, Jon Holt, Chief Executive and Senior Partner of KPMG in the UK, said:

"We know our labour market is resilient. The big picture is that unemployment is historically low with the ease of filling vacancies back to pre-pandemic levels. Taken together with today's data and expected interest rate cuts, inflation easing and increased consumer confidence over the summer, we will hopefully move towards a better economic outlook for the second half of 2024."

"But May's data underscores the complexities in the current labour market. While demand overall remains weak due to firms still stalling on hiring decisions, the pace of decline has slowed for the third month in a row. Some sectors even saw demand growth - although a lack of skilled applicants could put further upward pressure on pay as employers compete to attract the best talent."

"Business confidence is ready to bounce back. And as well as counting on a more dovish Bank of England, ahead of the General Election CEOs will be closely following all parties' policy commitments as they consider their plans for future growth."

Neil Carberry, REC Chief Executive, said:

"The jobs market looks like it's on its way back, with clear improvements over last month on most key measures, especially in the North and Midlands. While permanent hiring remains weak, these are the best numbers we have seen in more than a year, and the temp billings number has also improved."

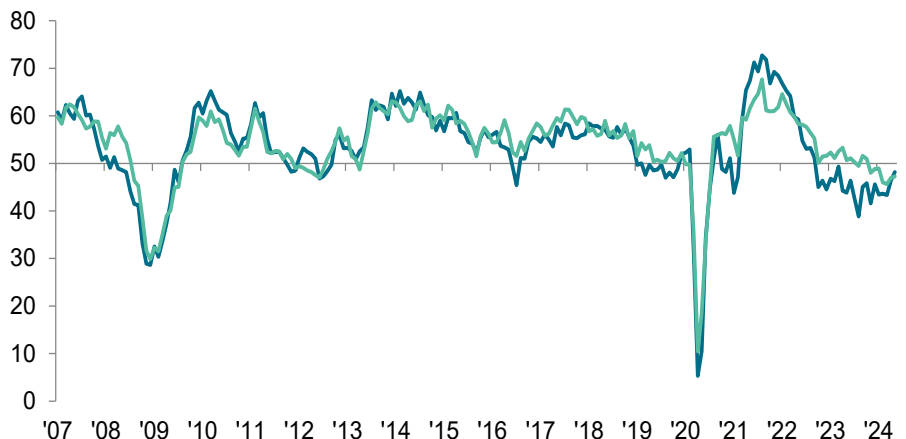
"There is potential energy stored in the economy, as employers are feeling more confident. Political certainty and falling interest rates should add to lower inflation and help this turn into movement over the course of the rest of the year. REC members report that clients are ready to hire, but hesitant. These numbers suggest that caution may be starting to abate."

"Pay growth remains steady, reflecting both settlements made by employers for their staff, but also the substantial National Minimum Wage rise in April."

"No attempt to drive growth will succeed without the next government addressing people issues within its first 100 days. This must include reform of the Apprenticeship Levy to cover high-quality, modular training, and a long-term cross-departmental strategy to tackle labour and skills shortages, owned by the Cabinet Office but delivered locally. As the specialists in jobs, recruiters are ready to help, whoever wins on July 4."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month



Contents

- 1 Executive summary
- 2 Staff appointments
- 3 Vacancies
- 4 Vacancies by sector
- 5 Staff availability
- 6 Demand for skills
- 7 Pay pressures
- 8 Special feature
- 9 Scotland's labour market
- 10 Further information

1 Executive summary

The Report on Jobs is unique in providing the most comprehensive guide to the UK labour market, drawing on original survey data provided by recruitment consultancies and employers to provide the first indication each month of labour market trends.

The main findings for May are:

May sees weaker decline in placements

Permanent staff appointments continued to fall in May, according to the latest survey of UK recruitment consultants. It was the twentieth successive month in which placements have fallen, but the latest decline was modest and the slowest since March 2023. A similar trend was seen for temp billings, with the latest contraction the weakest in four months. There were reports that slow decision-making, a lack of vacancies and specific candidate shortages weighed on placements.

Further uplift in pay rates

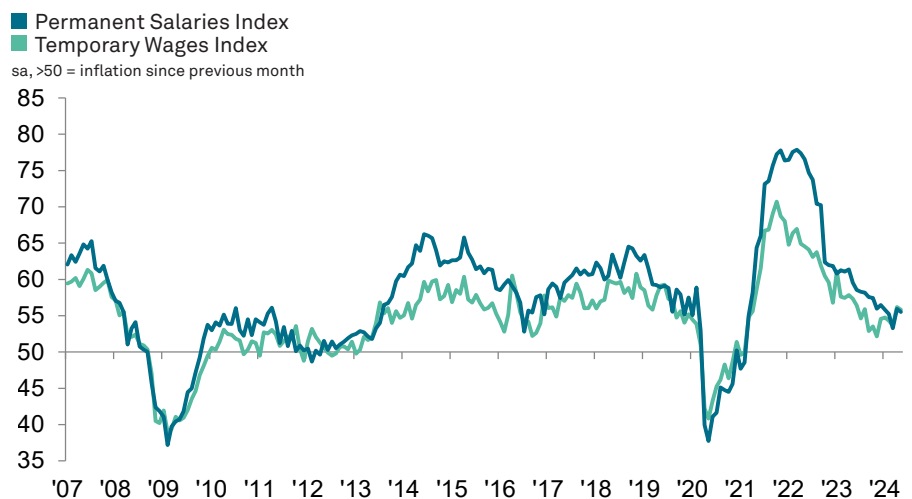
Amid reports of a competitive market landscape, alongside evidence of a ripple impact on base pay rates following April's increases in the national minimum and living wages, typical starting pay for candidates rose again during May. For permanent workers, salaries were reported to have increased markedly and to only a slightly lesser extent than April's four-month high. Temp staff saw a similar trend, with pay rising at only a slightly slower pace than in the previous month.

Staff vacancies down only slightly

Although demand for staff continued to fall in May, extending the current downturn to seven months, it did so only marginally and to the lowest degree in this sequence. Moreover, the latest fall was exclusively led by permanent workers as temp staff demand was unchanged in the latest survey period.

Staff availability rises to greatest degree since end of 2020

May's survey revealed another steep increase in staff availability. The rate of growth was the steepest recorded by the survey since December 2020. The faster expansion in the number of people looking for work was seen for permanent job roles. Panellists noted that a mixture of redundancies, higher unemployment and reduced demand for staff led to the broad rise in candidate availability.



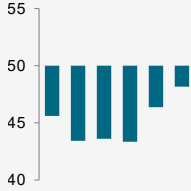
2 Staff Appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

An index reading above 50 signals a higher number of placements/billings than the previous month. Readings below 50 signal

Permanent Placements Index

Dec '23 - May '24
sa, >50 = growth



Modest reduction in permanent placements

Permanent placements made by UK recruitment consultants fell again in May, extending the downward trend that began in October 2022. That said, the rate of contraction was modest and the softest in over a year, as signalled by the seasonally adjusted Permanent Placements Index reaching a 14-month high in May. Anecdotal evidence from the survey panel pointed to fewer job openings at clients amid a lack of available roles. There was also evidence of delayed hiring decisions. Some panellists continued to report a lack of suitable candidates for available positions.

There was a steep reduction in the number of permanent placements in the South of England. However, a return to marginal growth was seen in the Midlands.

Permanent Placements Index

sa, >50 = growth since previous month



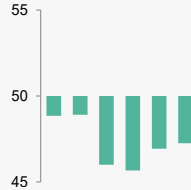
Permanent Placements Index

sa, >50 = growth since previous month

	UK	London	South	Midlands	North
Dec '23	45.6	48.7	45.4	41.0	46.5
Jan '24	43.4	43.4	41.4	41.2	44.2
Feb '24	43.6	39.3	41.6	47.5	44.8
Mar '24	43.3	44.5	37.0	43.6	44.3
Apr '24	46.4	47.6	42.1	48.8	46.6
May '24	48.2	48.8	43.0	50.7	46.5

Temporary Billings Index

Dec '23 - May '24
sa, >50 = growth



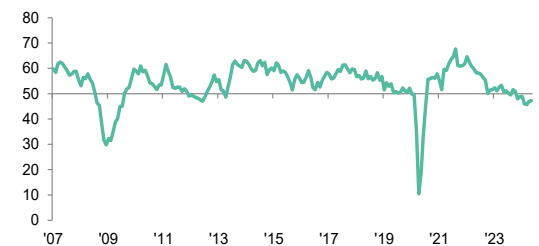
Temp billings fall at slower pace

The seasonally adjusted Temp Billings Index remained below the crucial 50.0 no-change mark for a seventh successive month in May. However, a rise in the index pointed to a slower and more modest fall in temp billings. Where there was a decline, this was linked by panellists to a mixture of reduced demand and candidate shortages for specific roles.

Two English regions recorded a drop in temp billings (London and the South of England). In contrast, solid growth was seen in the Midlands and the North of England.

Temporary Billings Index

sa, >50 = growth since previous month



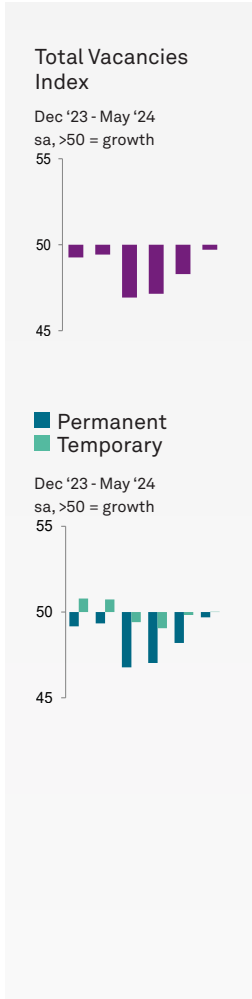
Temporary Billings Index

sa, >50 = growth since previous month

	UK	London	South	Midlands	North
Dec '23	48.8	51.6	47.3	47.5	53.5
Jan '24	48.9	44.8	53.7	43.0	54.6
Feb '24	46.0	37.9	48.1	52.9	45.4
Mar '24	45.7	39.4	46.2	46.1	47.0
Apr '24	46.9	39.4	46.7	51.2	49.2
May '24	47.2	43.1	45.0	52.3	52.6

3 Vacancies

Recruitment consultants are asked to specify whether the demand for staff from employers has changed on the previous month, thereby providing an indicator of the number of job vacancies.



Slight fall in demand for staff

The seasonally adjusted Total Vacancies Index remained below the crucial 50.0 no-change mark in May to signal a fall in overall demand for staff for a seventh successive month. However, with the index rising to 49.7, from 48.3 in April, the rate of contraction was marginal and the slowest in this sequence.

Permanent & temporary vacancies

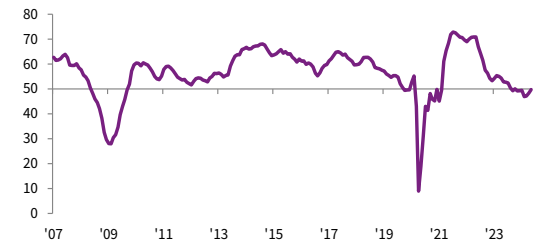
Latest data showed that permanent staff vacancies continued to fall in May, extending the current downturn to nine months. However, the rate of contraction was marginal, and the weakest recorded by the survey since last October. Meanwhile, temp worker demand was unchanged in May following a three-month period of falling temp vacancies.

Public & private sector vacancies

There were concurrent increases in private sector vacancies for both permanent and temporary workers during May. The rate of growth for permanent staff was solid and the strongest for a year. This contrasted with only a marginal rise for temp workers. For public sector workers, demand continued to fall for both permanent and temporary staff. The steeper contraction was again for permanent workers. In the case of temp staff, the reduction was only marginal and the weakest in the current three-month sequence of declining vacancies.

Total Vacancies Index

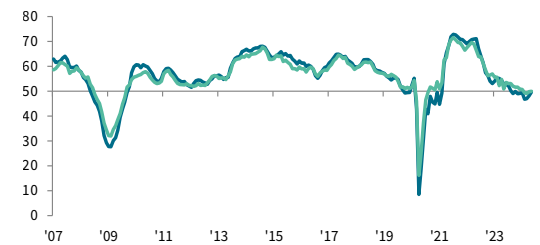
sa, >50 = growth since previous month



Permanent Vacancies Index

Temporary Vacancies Index

sa, >50 = growth since previous month



Vacancy Index summary

sa, >50 = growth since previous month. *Not seasonally adjusted.

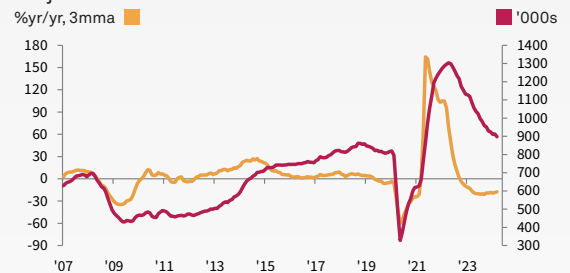
	Permanent				Temporary		
	Total	Total	Private*	Public*	Total	Private*	Public*
Dec '23	49.3	49.2	48.2	53.7	50.8	51.2	48.9
Jan '24	49.4	49.3	51.1	41.0	50.7	51.6	46.8
Feb '24	46.9	46.8	49.6	42.5	49.4	47.5	50.0
Mar '24	47.2	47.0	47.7	39.4	49.1	46.8	44.2
Apr '24	48.3	48.2	48.2	42.7	49.8	50.6	46.2
May '24	49.7	49.7	52.8	41.6	50.0	50.2	49.2

Official data: UK job vacancies

Latest figures from the Office for National Statistics (ONS) indicated a drop in the number of vacancies in the three months to April 2024. According to the official statistics body, vacancies fell 26,000 compared to the three months to January, with the overall number of job vacancies dropping to 898,000.

Compared to a year ago, vacancies are some 190,000 lower but remain significantly higher than just prior to the start of the pandemic in March 2020 (796,000).

UK job vacancies



Source: Office for National Statistics via S&P Global Market Intelligence.

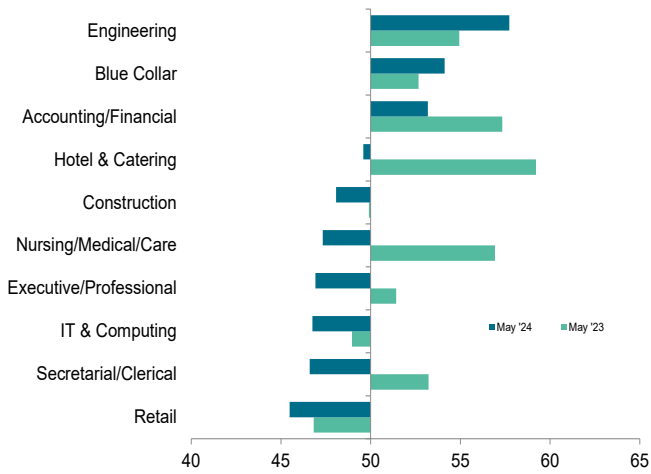
4 Vacancies by sector

Recruitment consultancies are requested to compare the demand for staff according to sector with the situation one month ago.

Permanent vacancies

Of the ten broad sectors covered by the survey, just three recorded growth. The strongest increase was seen for Engineering, followed by Blue Collar. The steepest drops in demand for permanent workers were seen for Retail and Secretarial/Clerical.

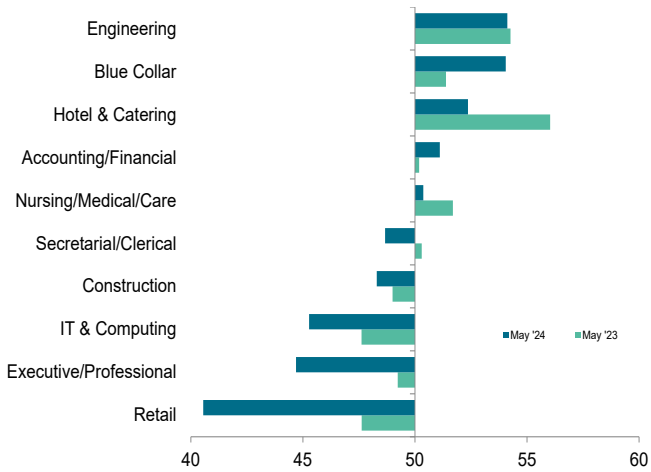
Permanent Vacancies Index
sa, >50 = growth since previous month.



Temporary vacancies

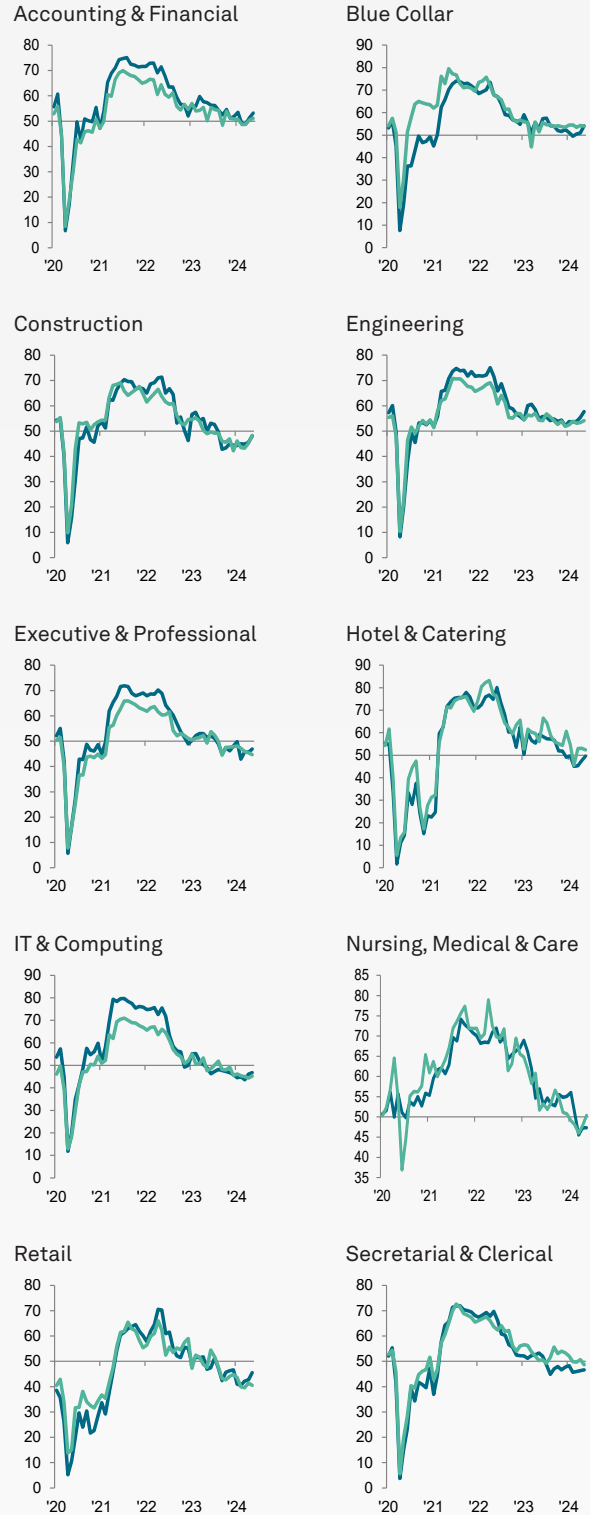
Temporary staff demand rose for half of the ten broad sectors in May. The strongest growth was for Engineering followed by Blue Collar. Where vacancies fell, the most prominent decline was again seen for Retail.

Temporary Vacancies Index
sa, >50 = growth since previous month.



Vacancy index by sector

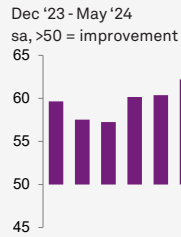
Permanent Temporary
sa, >50 = growth since previous month



5 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month. An overall indicator of staff availability is also calculated.

Total Staff Availability Index



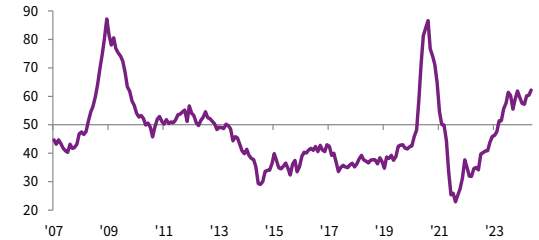
Candidate supply rises to strongest degree since end of 2020

The availability of staff increased sharply during May and for the fifteenth successive month. The rate of growth was also the steepest recorded by the survey since December 2020. This was signalled by the seasonally adjusted Total Staff Availability Index which rose to 62.2 in May, up from 60.4 in the previous month.

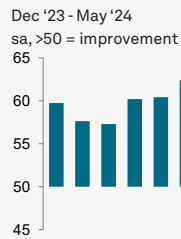
Permanent staff availability rose in May to a steeper degree than for temporary workers.

Total Staff Availability Index

sa, >50 = improvement since previous month



Permanent Staff Availability Index



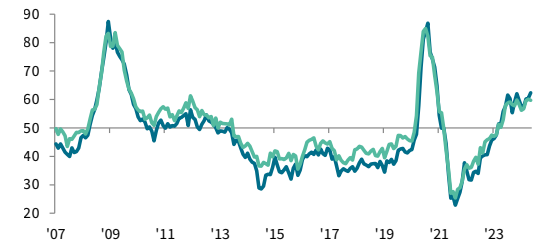
Steep expansion in permanent staff availability

Permanent staff availability continued to improve during May, extending the current period of expansion to 15 months. Moreover, the rate of growth was the highest since the end of 2020. Panellists reported that a mixture of redundancies, reduced demand and less vacancies had led to the latest rise in candidate availability.

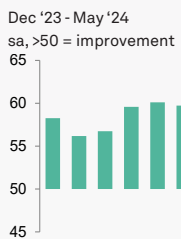
By English region, the strongest rises in permanent staff availability were seen in the South and North. The slowest increase was in London, but even here the rate of growth was still steep.

Permanent Staff Availability Index

sa, >50 = improvement since previous month



Temporary Staff Availability Index



Temp staff availability continues to rise steeply

The availability of temporary staff increased again in May in line with the trend since March 2023. The rate of expansion was steep, though softened a little since April's recent high. There were reports from panellists that redundancies and higher unemployment, alongside a general drop in demand for candidates, had driven growth in temp candidate supply.

There was some divergence in growth rates by English region. Whereas a steep and accelerated rise was seen in the South of England, the Midlands recorded a relatively modest increase in temp staff availability.

Permanent Staff Availability Index

sa, >50 = improvement since previous month

	UK	London	South	Midlands	North
Dec '23	59.7	66.3	61.0	69.7	49.5
Jan '24	57.6	61.1	57.0	60.1	56.3
Feb '24	57.3	53.7	58.7	57.8	59.5
Mar '24	60.2	59.0	59.6	59.1	61.5
Apr '24	60.4	63.3	62.4	58.4	60.3
May '24	62.4	60.1	63.2	60.3	63.1

Temporary Staff Availability Index

sa, >50 = improvement since previous month

	UK	London	South	Midlands	North
Dec '23	58.3	60.5	59.3	54.7	54.8
Jan '24	56.2	61.5	56.2	55.5	51.0
Feb '24	56.7	57.9	57.6	57.7	51.8
Mar '24	59.6	61.8	61.1	52.1	57.5
Apr '24	60.1	66.3	63.7	55.2	56.4
May '24	59.7	58.9	64.4	54.4	58.6

6 Demand for skills

Recruitment consultancies are invited to specify any areas in which they have encountered skill shortages during the latest month.

Skills in short supply: Permanent staff

Accounting/Financial ACA Qualified ACCA Accountants Accounts Assistant Auditors Book Keepers Company Secretary Credit Controllers Entry Level Accountancy Estimators Finance Assistants Finance Manager Financial Accountant Financial Controllers Fund Accounting Insurance Management Accountants Part Qualified Accountants Payroll Tax & Audit Taxation Trusts	Architectural Tech Architecture Assts Quantity Surveyors Refurb. Project Manager Engineering Electrical Engineers Electronic Design Engineering General Engineers Fire & Security Engineers Mechanical Design Mechanical Engineers Oil & Gas Radio-Frequency Engineer Specialist Engineering System Engineers Technical Engineer Technicians Executive/Professional Business Development Commercial Manager Compliance Conveyancers Energy & Renewables Human Resources Legal Management Marketing Agency Mid Management Operations Managers PR Real Estate Hotel/Catering Chefs Hospitality Restaurant Managers IT/Computing Analysts Data Architect Data Engineers Data Professionals Developers	Digital Java Software Software Architects Software Engineers Technical Roles Technology Retail E-commerce Nursing/Medical/Care Carers Doctors Medical Nurses Occupational Therapist Paramedics Physiotherapist Social Care General Support Workers Secretarial/Clerical Administration Office Support Staff Sales Administrators Other Account Directors Account Managers Buyers Commercial Conference Producer European Languages Field Sales Freight Forwarder Governance Insurance Specialists Logistics Product Managers Public Practice Sales STEM Teachers Telesales
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Skills in short supply: Temporary staff

Accounting/Financial ACA Qualified Accountants Accounts Assistant Finance Financial Accountant Part Qualified Accountants Payroll Blue Collar C1 Licence Coded Welders Electricians Forklift Drivers HGV Drivers Industrials LGV Drivers Machine Operators Manufacturing Mechanics Plumbers Rope Access Welder Security Guards Spray Painter VNA operators Welders Construction Architectural Tech Joiners Quantity Surveyors Engineering Electrical Engineers Engineering general Engineers Fire & Security Roles Installation Engineers Marine Engineers Service Engineers System Engineers Executive/Professional Business Analysts Human Resources Management	Hotel/Catering Chefs IT/Computing Automation Testers Data Engineers Data Professionals Data Scientists Developers IT IT support specialists Software Technical Roles Technology Nursing/Medical/Care Care Home Managers Dental Nurse Dentists Midwife Nurses Pediatric Nurse Social Workers Support Workers Secretarial/Clerical Administration Office Support Staff Receptionist Other Commercial ESG Sales Security Cleared Sustainability Teachers
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Skills in excess supply: Permanent staff

Accounting/Financial Accountants CFOs Equity Research Analyst Finance Finance Directors Finance Manager Financial Controllers Interim Finance Management Accountants Blue Collar Blue Collar HGV Drivers Industrial Painters Site Managers Warehouse Construction Construction Professionals Construction Site Managers Engineering Engineering Management Technicians	Executive/Professional Business Analysts Directors Entry Level Managers Human Resources Investment Banking Management Marketing Mid-senior Management Project Managers Recruitment Consultants Senior-level Management IT/Computing CAD Modellers IT Directors IT Project Manager QA Software Developer Software Sales Technical Roles Technical Support Nursing/Medical/Care Carers Nurses	Secretarial/Clerical Administration Clerical Personal Assistant Other Customer Service Data Analyst General Operatives Graduates Public Practice Research Scientist Retired Sales Sales Directors Supply Chain
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Skills in excess supply: Temporary staff

Accounting/Financial Finance Manager Financial Controllers Management Accountants Blue Collar Carpenters Drivers Food Processing Manufacturing Operatives Production Site Managers Trades Warehouse Construction Bricklayers Labourers Painters Executive/Professional Business Analysts Executives Human Resources Marketing Mid-senior Management	Project Managers Scrum Masters Senior Management Hotel & Catering Hospitality IT/Computing CAD Modellers IT Directors IT Helpdesk Support Technical Support Web Nursing/Medical/Care Healthcare Assistants Nurses Support Workers Secretarial/Clerical Administration Other Logistics Product Managers Testers Traffic Marshall	Testers
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------

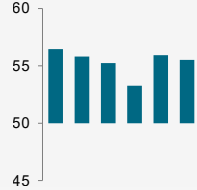
Note : Skills can be reported as being both in short supply and excess supply as we survey various recruitment agencies across the country, so there is geographical variation as well as the possibility of candidates with particular skills being concentrated in certain areas.

7 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

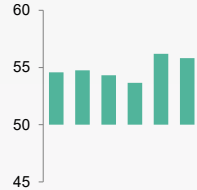
Permanent Salaries Index

Dec '23 - May '24
sa, >50 = inflation



Temporary Wages Index

Dec '23 - May '24
sa, >50 = inflation



Marked increase in starting salaries during May

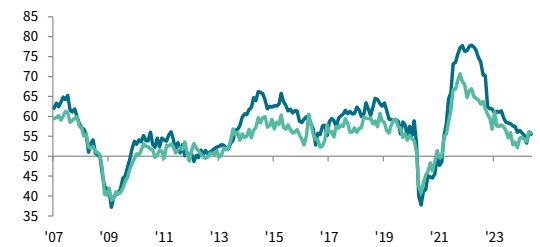
May's survey showed that permanent starting salaries increased again, marking a thirty-ninth successive monthly upturn. The degree to which salaries rose was again marked and little changed on April's four-month high. Panellists commented that wages continued to rise in line with broader inflationary pressures and the high cost of living. Some panellists noted that salaries were being raised in response to April's increase in the national minimum wage. In England, the steepest increase in permanent salaries was seen in the North and the slowest in the South.

Temporary wage inflation remains high

Temporary pay continued to rise at a similarly marked pace to starting salaries during May. Wage inflation has now been registered in each month since March 2021. Panellists noted the inflationary impact of April's national minimum and living wage increases, which in some instances were reported to have lifted broader pay levels. Firms were also reported to be willing to bolster pay to attract high quality candidates. As with permanent workers, the steepest rise in temp pay was generally found in the North of England, with the weakest seen in the South.

Permanent Salaries Index

sa, >50 = inflation since previous month



Permanent Salaries Index

sa, >50 = inflation since previous month

	UK	London	South	Midlands	North
Dec '23	56.5	56.7	54.1	60.8	55.3
Jan '24	55.8	57.6	54.8	55.3	56.0
Feb '24	55.2	56.2	53.1	53.0	56.4
Mar '24	53.3	53.6	51.8	55.3	54.0
Apr '24	55.9	55.1	53.8	57.6	56.5
May '24	55.5	55.5	52.9	55.9	58.5

Temporary Wages Index

sa, >50 = inflation since previous month

	UK	London	South	Midlands	North
Dec '23	54.6	53.6	54.7	59.1	54.6
Jan '24	54.8	53.8	58.7	53.8	52.6
Feb '24	54.3	54.1	54.4	52.4	54.8
Mar '24	53.7	50.2	53.9	52.0	55.9
Apr '24	56.2	55.5	56.3	56.4	58.1
May '24	55.8	55.0	54.1	57.1	58.7

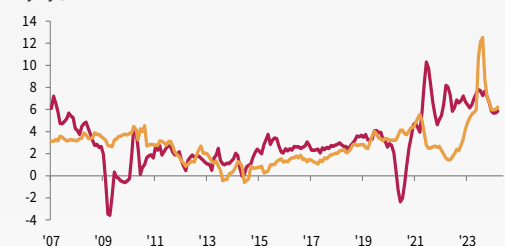
Official data: UK average weekly earnings

The Office for National Statistics (ONS) continued to report growth in whole economy earnings in the three months to March. According to the latest data, earnings rose 5.7% on the year, unchanged from the previous period.

Underlying earnings growth for the public sector rose to 6.2% in the three months to March, the best outturn seen since last November. Private sector earnings growth also continued to increase but, at an annual rate of 5.9%, to a slower degree than in the public sector.

UK average weekly earnings

■ private ■ public
%yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

8 Special feature

This section features data from the Recruitment and Employment Confederation

What happens when the Top Priority is 'Other'?

In the weeks leading up to the announcement of the UK General Election, the airwaves and print media were full of government announcements about welfare, and specifically welfare-to-work.

In response to this drive to rethink welfare, the Institute of Employment Studies (IES) and the Recruitment and Employment Confederation (REC) teamed up to commission Savanta to ask employers about what they see as evolving priorities to help people into work as part of the REC's Jobs Outlook survey.

The survey asked employers what types of support they will find most useful if the government reforms public sector employment services. Employers chose priorities from a selection of options which included help with skills training and easier one-stop access for employers to government employment schemes.

Among the 167 respondents, nearly half of employers want any government reforming welfare to work policies to prioritise providing funding to new recruits to overcome barriers such as transport, childcare, and work clothes. This priority was especially prominent in the Midlands (50.1%) compared to London (37.9%). Such regional variations underline the necessity for tailored initiatives that address regional needs.

Interestingly, when asked what their top priority was a third of businesses listed 'other', relegating funding support for new recruits to second place. This ambiguous response suggests a need for deeper exploration into the unique needs of both employees and businesses. Understanding what 'other' encompasses could reveal critical insights for future workforce development strategies. We are interested to hear thoughts from members on what else they think might be helpful.

Another significant priority for over two in five (26%) organisations was supporting access to skills training. A [recent report by the Institute for the Future of Work](#) (IFW) states that quantifying the scale and nature of future skills requirements is crucial for the nation's economic health. The IFW research found that although there was a rapid increase in demand for IT skills, employers persistently valued the importance of interpersonal skills. This highlights the need for ongoing research to monitor changes in skills demand and ensure that workers do not face barriers to acquiring the essential skills employers want.

In joint third place, 21% of respondents identified the need for a 'single point of contact for employers to access a range of public schemes' and 'services accessible to those seeking to change jobs or currently unemployed'. This reflects a demand for streamlined services that simplify the process of accessing support and opportunities.

Additionally, a separate February 2024 Jobs Outlook topical question by the REC revealed that labour market reform, including regulation of umbrella companies and the creation of a Single Enforcement Body for employment rights, was a priority for 28.1% of respondents.

Back to the most recent REC/IES survey, it underscores a clear need for meaningful support for employment services, business owners, and employees. To address these evolving priorities, it is crucial for policymakers and industry leaders to engage in continuous dialogue with businesses. Tailored initiatives that consider regional differences and specific industry needs can foster a more resilient and adaptable workforce.

In conclusion, the survey reveals diverse and evolving priorities among businesses. While funding support for new recruits remains important, there is a clear need for deeper understanding into what more employers think can be done to help people into work. They are however clear on the need for enhanced skills training, streamlined access to public schemes, and comprehensive labour market reforms. Addressing these needs will require collaborative efforts and innovative solutions to support the dynamic landscape of the labour market.

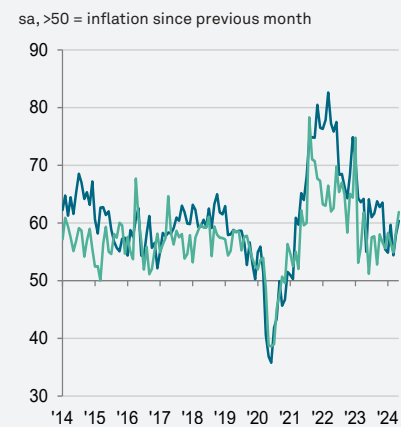
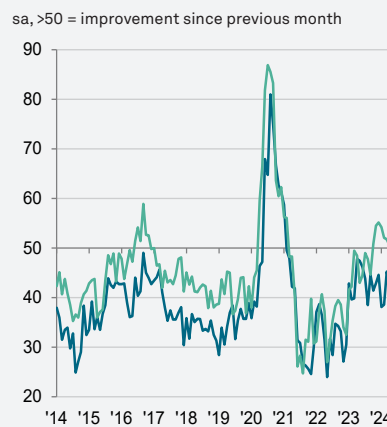
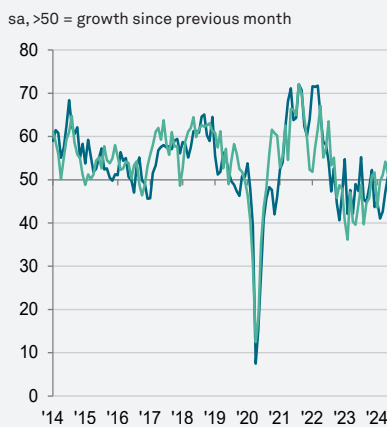
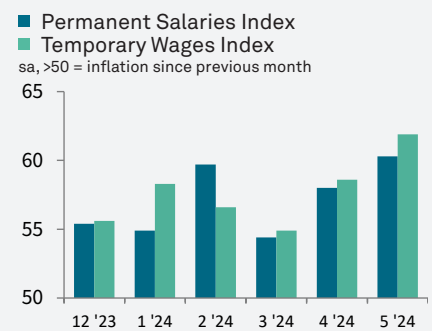
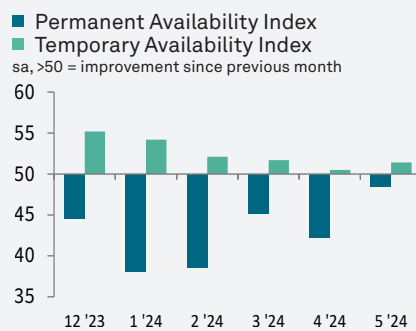
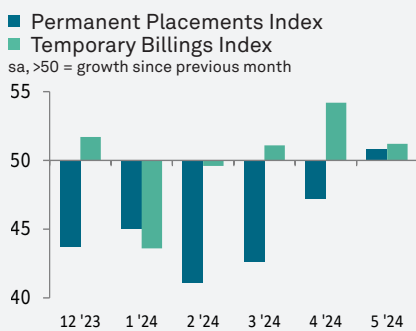
9 Scotland's labour market

Permanent placements rise for first time in six months

This section contains the latest data and findings from the Scottish companies participating in the UK Jobs survey. At 50.8, up from 47.2 in April, the seasonally adjusted Permanent Placements Index signalled a return to growth of permanent placements in May. It was the first time that growth has been recorded since last November. Temp billings increased modestly since April and for a third month running.

The availability of permanent staff to fill vacancies continued to decrease, extending the current run of contraction to 40 months. The rate of decline was however modest and the slowest since February 2021. For temp workers, growth was recorded for an eighth successive month and to a faster degree than in April.

Meanwhile, average starting salaries paid to permanent staff rose in May, with the rate of growth accelerating to its highest since November 2023. Temp pay rates increased markedly since April, with the pace of inflation the strongest for 16 months.



Scotland Jobs Index summary

sa, 50 = no change over previous month

	Permanent Placements	Temporary Billings	Permanent Availability	Temporary Availability	Permanent Salaries	Temporary Wages
12 '23	43.7	51.7	44.6	55.2	55.4	55.6
01 '24	45.0	43.6	38.1	54.2	54.9	58.3
02 '24	41.1	49.6	38.6	52.1	59.7	56.6
03 '24	42.6	51.1	45.2	51.7	54.4	54.9
04 '24	47.2	54.2	42.2	50.5	58.0	58.6
05 '24	50.8	51.2	48.4	51.4	60.3	61.9

Contact

KPMG

Tanya Holden
Deputy Head of Media Relations
+44 (0) 7874 888656
tanya.holden@kpmg.co.uk

REC

Hamant Verma
Communications Manager
T: +44 (0)20 7009 2129
hamant.verma@rec.uk.com

S&P Global

Andrew Harker
Economics Director
S&P Global Market Intelligence
T: +44 149 146 1016
andrew.harker@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
T: +44 (0) 7967 447030
sabrina.mayeen@spglobal.com

Methodology

The KPMG and REC, UK Report on Jobs is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.

Survey Dates

Data were collected 09-24 May 2024.

About S&P Global

S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com.

About KPMG UK

KPMG LLP, a UK limited liability partnership, operates from 20 offices across the UK with approximately 18,000 partners and staff. The UK firm recorded a revenue of £2.96 billion in the year ended 30 September 2023.

KPMG is a global organisation of independent professional services firms providing Audit, Legal, Tax and Advisory services. It operates in 143 countries and territories with more than 273,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

About REC

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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global 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 S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.