

This is the Bank of Scotland Report on Jobs. Compiled by Markit, the report is based on a monthly survey of over 100 recruitment and employment consultants, and provides up-to-date information on Scottish labour market trends and is seasonally adjusted.

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PERMANENT APPOINTMENTS RISE AT FASTEST RATE IN SURVEY HISTORY

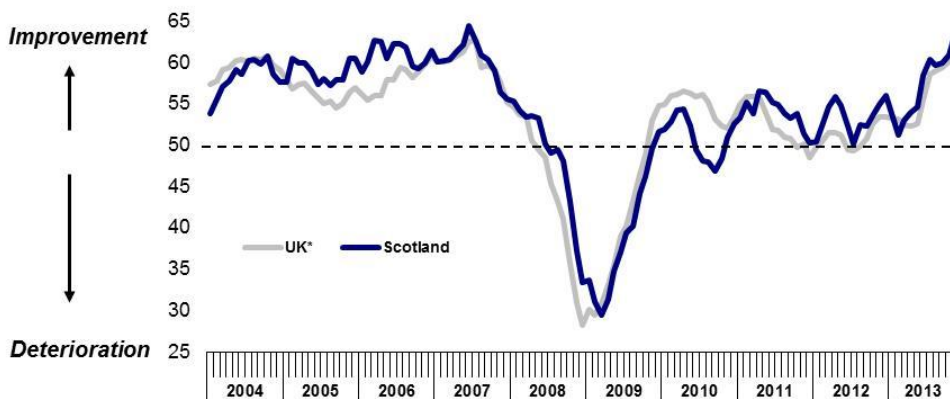
- Permanent and temporary staff placements increase markedly
- Demand for staff rises at fastest rate for over six years
- Edinburgh posts strongest rise in permanent appointments, while Glasgow sees fastest increase in temporary placements

The latest Bank of Scotland Report on Jobs signalled sharp increases in both permanent and temporary staff appointments in November. Moreover, the rates of growth accelerated, with the expansion for permanent placements in particular reaching a survey-high. Scottish recruiters largely linked this to greater demand, with vacancies rising at the fastest rates for over six years. Meanwhile, permanent salaries continued to rise strongly, albeit at the slowest pace since August.

At 63.2 in November, the Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – rose to its second-highest level since data collection began in January 2003. The Barometer was consistent with a sharp improvement in Scottish labour market conditions and one that was stronger than the UK average.

Bank of Scotland Labour Market Barometer

Index, 50 = no change in labour market conditions on previous month



| | Scot | UK* |
|--------|------|------|
| Oct'12 | 53.6 | 52.6 |
| Nov | 54.9 | 53.4 |
| Dec | 56.0 | 53.4 |
| Jan'13 | 53.9 | 53.2 |
| Feb | 51.2 | 53.1 |
| Mar | 53.0 | 52.4 |
| Apr | 54.0 | 52.3 |
| May | 54.7 | 52.6 |
| Jun | 58.5 | 55.4 |
| Jul | 60.3 | 58.6 |
| Aug | 59.7 | 59.0 |
| Sep | 60.0 | 59.4 |
| Oct | 60.9 | 60.1 |
| Nov | 63.2 | 60.9 |

50 = no change on previous month.
*KPMG/REC Report on Jobs

Donald MacRae, Chief Economist at Bank of Scotland, commented: “November’s Barometer reached its second highest level since the survey began in January 2003. The number of people appointed to both permanent and temporary jobs rose in the month while the number of vacancies available rose sharply. Permanent vacancies rose at the fastest pace for over six years since before the recession. Employers are demonstrating their growing confidence in the continuation of the recovery in the Scottish economy.”

Regional analysis

- Edinburgh-based recruiters reported the strongest increase in permanent placements, while Glasgow posted the fastest rise in temp billings for the second month running.
- Glasgow and Aberdeen continued to post the strongest deteriorations in permanent and temporary candidate availability respectively.
- Dundee saw the weakest pay trends for both permanent and temporary staff in November.

Wages and salaries

- Permanent salaries continued to rise strongly in November, although the rate of inflation eased to a three-month low and was slower than the UK average.
- Temp hourly pay increased for the ninth consecutive month, but the latest rise was the weakest since April.

Employment

- Permanent staff placements rose sharply over the month, with the rate of growth the fastest since data collection began in January 2003.
- Temp billings at Scottish recruitment agencies rose at a marked pace, which was also the strongest in almost three years.

Vacancies

- The number of permanent vacancies rose at the sharpest pace for over six years in November.
- Demand for temporary staff rose markedly, with the rate of growth the fastest since September 2007.

Availability

- The availability of permanent staff fell at the second-fastest pace in the near 11-year series history.
- There was a marked deterioration in the availability of temporary staff in November, although the rate of decline eased from October's near nine-year peak.

Sectors

- Demand for permanent staff rose at marked rates across all eight sectors in November. The strongest increase was recorded for IT & Computing, while the weakest was registered for Blue Collar.
- All eight sectors posted stronger increases in temp vacancies during November. The greatest rise was recorded for Nursing/Medical/Care, where the rate of growth accelerated to a fresh survey-high.

Permanent Staff

| | |
|---|----------------------------|
| 1 | IT & Computing |
| 2 | Accounts & Financial |
| 3 | Executive & Professional |
| 4 | Engineering & Construction |
| 5 | Nursing/Medical/Care |
| 6 | Hotel & Catering |
| 7 | Secretarial & Clerical |
| 8 | Blue Collar |

Temporary/Contract Staff

| | |
|---|----------------------------|
| 1 | Nursing/Medical/Care |
| 2 | Hotel & Catering |
| 3 | IT & Computing |
| 4 | Secretarial & Clerical |
| 5 | Blue Collar |
| 6 | Engineering & Construction |
| 7 | Accounts & Financial |
| 8 | Executive & Professional |

(Ranked by strength of demand in Scotland in November 2013)

The Bank of Scotland Labour Market Barometer

A key tool in the Monthly Labour Market Report is the Bank of Scotland Labour Market Barometer. The Barometer is a composite indicator devised from four key measures: demand for staff; employment; availability for work (inverted); and pay in the permanent and temporary markets.

The Bank of Scotland Labour Market Barometer signalled one of the most marked improvements in Scottish labour market conditions for 11 years in November. The Barometer rose to 63.2, up from 60.9 in October, and was the second-highest since data collection began at the start of 2003, behind June 2007.

Scotland continued to post a stronger improvement in job market conditions than that seen for the UK as a whole. Nevertheless, the equivalent UK index registered 60.9 in November and indicated the fastest rate of improvement for over six years.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in November. Moreover, three of the four components also acted to boost the level of the index, with pay the only exception.

| | Perm Place | Temp Billing | Overall Appoint | Perm Demand | Temp Demand | Overall Demand | Perm Avail | Temp Avail | Overall Avail | Perm Salary | Temp Pay | Overall Pay |
|--------|---------------|-----------------|--------------------|----------------|----------------|-------------------|---------------|---------------|------------------|----------------|-------------|----------------|
| 12 Nov | 56.2 | 56.3 | 56.2 | 57.5 | 55.3 | 57.3 | 46.3 | 46.4 | 46.3 | 52.3 | 53.8 | 52.4 |
| Dec | 56.6 | 60.9 | 56.9 | 56.8 | 56.9 | 56.8 | 43.0 | 46.7 | 43.2 | 53.2 | 55.6 | 53.4 |
| 13 Jan | 55.0 | 61.2 | 55.3 | 54.1 | 57.1 | 54.2 | 49.2 | 49.4 | 49.2 | 55.2 | 54.7 | 55.1 |
| Feb | 48.3 | 53.4 | 48.6 | 51.2 | 55.6 | 51.5 | 44.7 | 51.1 | 45.1 | 50.0 | 46.6 | 49.8 |
| Mar | 53.4 | 50.9 | 53.3 | 51.3 | 53.9 | 51.5 | 45.6 | 53.0 | 46.0 | 53.2 | 52.3 | 53.1 |
| Apr | 57.2 | 54.5 | 57.0 | 52.9 | 56.7 | 53.1 | 49.2 | 51.3 | 49.4 | 55.3 | 51.7 | 55.1 |
| May | 54.3 | 58.7 | 54.6 | 54.0 | 55.7 | 54.1 | 46.7 | 47.9 | 46.7 | 56.9 | 55.4 | 56.8 |
| Jun | 59.9 | 54.5 | 59.6 | 58.8 | 59.3 | 58.8 | 43.7 | 44.3 | 43.8 | 59.3 | 59.6 | 59.3 |
| Jul | 64.5 | 53.3 | 63.9 | 56.5 | 61.6 | 56.8 | 36.1 | 36.0 | 36.1 | 56.4 | 63.1 | 56.8 |
| Aug | 64.5 | 55.6 | 64.0 | 59.7 | 64.9 | 60.0 | 38.5 | 36.9 | 38.4 | 52.9 | 59.0 | 53.2 |
| Sep | 60.7 | 54.6 | 60.3 | 60.4 | 61.8 | 60.5 | 40.5 | 40.8 | 40.5 | 59.5 | 60.4 | 59.5 |
| Oct | 64.3 | 61.0 | 64.1 | 63.1 | 62.4 | 63.1 | 41.8 | 35.9 | 41.4 | 58.2 | 55.3 | 58.0 |
| Nov | 65.8 | 63.8 | 65.7 | 64.6 | 65.8 | 64.7 | 35.0 | 42.7 | 35.5 | 58.0 | 54.3 | 57.8 |

Notes for Editors

The Labour Market Barometer from Bank of Scotland is an average of survey indices relating to the demand for staff, permanent placements, temporary billings, staff availability, salaries awarded to permanent staff and average hourly rates for temp/contract staff. (The index for staff availability is inverted in the amalgamation process.)

This report, compiled by Markit, is based on a monthly survey of over 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 KPMG/REC *Report on Jobs* survey for the UK, which uses an identical methodology. The KPMG/REC index for the UK has a strong track record of accurately anticipating changes in unemployment, employment and average earnings.

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 Markit. Please contact economics@markit.com.

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