

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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STAFF PLACEMENTS CONTINUE TO INCREASE STRONGLY IN JANUARY

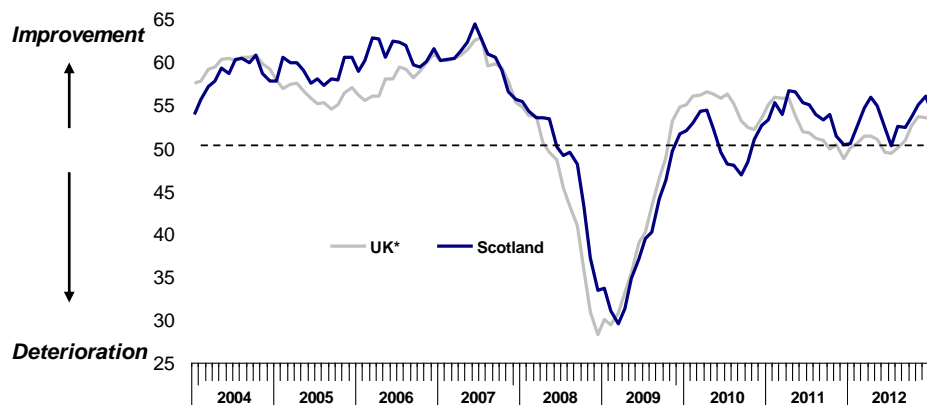
- Permanent placements rise at robust pace, albeit slowest in three months
- Fastest rise in permanent salaries since last May
- Recruiters based in Dundee post strongest increases in both permanent placements and temp billings in January

The latest Bank of Scotland Report on Jobs indicated a further strong rise in permanent placements at the beginning of 2013, albeit at its slowest rate in three months, with Scottish recruitment agencies generally citing improved economic conditions. Demand for staff also rose in January, particularly for temps, and contributed to a further rise in average pay. Notably, the latest increase in permanent salaries was strong and the fastest since last May.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – continued to indicate an improvement in Scottish job market conditions in January. At 53.9, the Barometer was above its long-run series average and the equivalent index for the UK. However, down from December’s 19-month high of 56.0, the Barometer nonetheless signalled the weakest improvement since last October.

Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Dec'11	50.3	48.7
Jan'12	50.4	49.9
Feb	52.4	50.4
Mar	54.6	51.4
Apr	55.8	51.3
May	54.8	51.0
Jun	52.3	49.4
Jul	50.2	49.3
Aug	52.4	50.0
Sep	52.3	50.9
Oct	53.6	52.6
Nov	54.9	53.6
Dec	56.0	53.5
Jan'13	53.9	53.4

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

Donald MacRae, Chief Economist at Bank of Scotland, commented: "January's Barometer signalled a continuing improvement in Scottish job market conditions. The number of people placed into permanent jobs remained strong while vacancies for both permanent and temporary staff grew in the month. Demand for permanent staff was highest in engineering and construction suggesting a modest pick-up in activity in this crucial sector in the coming spring. These results reinforce the hope that the Scottish economy enjoyed moderate growth in January 2013."

Regional analysis

- Dundee-based recruitment agencies recorded the strongest rates of growth for both permanent placements and temporary billings in January.
- The availability of permanent staff deteriorated to the greatest extent in Glasgow, while the strongest decline in temp availability was posted in Edinburgh.
- Recruiters in Glasgow reported the fastest rise in permanent salaries in January, while Dundee-based job consultancies registered the strongest increase in temp hourly pay.

Wages and salaries

- Average starting salaries for permanent staff rose strongly in January, with the rate of inflation the fastest since last May.
- Temp hourly pay increased at a solid rate at the start of the year, but growth was slower than in December.

Employment

- Permanent staff placements increased further during January, with the latest rise strong, albeit the weakest in three months.
- Recruitment agencies reported a marked rise in temp billings in January, with the rate of growth the sharpest in two years.

Vacancies

- Demand for permanent staff rose solidly at the start of the year, but the latest increase was the weakest in four months.
- The number of temp vacancies rose strongly in January, with the rate of growth quickening slightly to an eight-month high.

Availability

- The availability of permanent staff fell only marginally in January and at the weakest pace since an increase last February.
- The number of candidates seeking temporary and contract work fell only slightly over the month, with the rate of decline the weakest since last June.

Sectors

- Five sectors had a larger number of permanent job vacancies in January. Engineering & Construction posted the strongest rate of vacancy growth, closely followed by IT & Computing.
- Demand for temps increased in seven sectors during January, led by Nursing/Medical/Care. The only sector to see a reduction was Hotel & Catering, with the rate of decline marked and the sharpest since April 2009.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in January 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 a solid improvement in Scottish labour market conditions at the start of 2013. Although the Barometer was above its long-run series average, at 53.9, down from 56.0 in December, it was the lowest reading since last October.

Nevertheless, the Barometer for Scotland remained above the equivalent index for the UK as a whole, but the gap narrowed. At 53.4, little changed from 53.5 in December, the UK barometer also signalled a solid improvement in overall job market conditions during January.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in January. However, three components acted to lower the level of the index in the latest month, 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 Jan	52.3	55.4	52.5	50.1	50.9	50.2	49.1	56.7	49.6	48.2	52.4	48.4
Feb	56.4	56.5	56.4	53.8	52.2	53.7	52.7	55.6	52.8	52.2	53.2	52.2
Mar	53.3	57.0	53.5	58.3	54.1	58.1	46.7	50.0	46.9	53.8	54.7	53.8
Apr	59.9	60.6	60.0	58.9	56.5	58.7	46.6	46.6	46.6	51.3	52.7	51.3
May	55.9	55.5	55.9	57.5	57.7	57.5	49.1	52.3	49.3	55.5	50.0	55.2
Jun	52.3	47.2	52.0	54.9	55.9	54.9	45.2	53.4	45.7	47.9	49.9	48.0
Jul	49.2	53.5	49.5	52.1	55.0	52.2	48.3	48.0	48.3	47.0	52.6	47.3
Aug	47.8	57.2	48.3	51.7	53.9	51.8	42.9	45.8	43.0	52.4	54.4	52.5
Sep	54.8	60.0	55.1	52.6	53.1	52.7	47.9	48.8	47.9	49.1	55.0	49.5
Oct	52.6	56.9	52.8	55.0	55.0	55.0	44.2	46.6	44.3	50.9	51.5	50.9
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

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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