

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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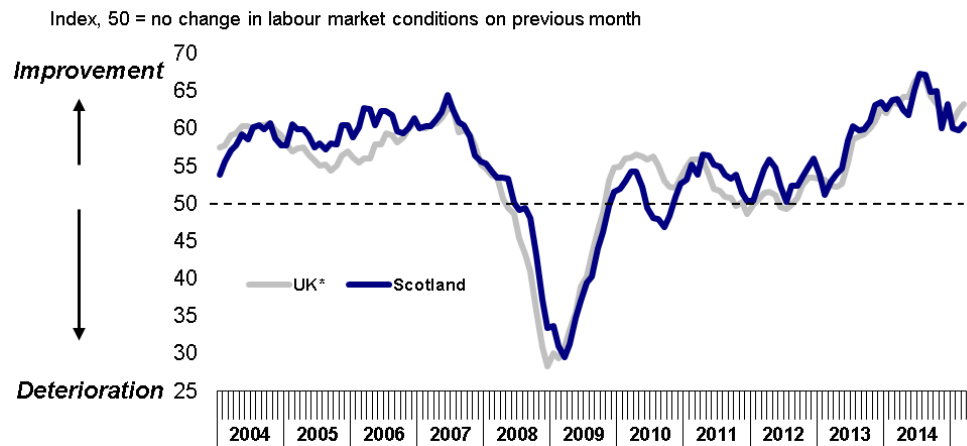
GROWTH IN STAFF PLACEMENTS EASES AT END OF OPENING QUARTER

- Slower increases in permanent appointments and temp billings in March
- Sharp growth in permanent salaries contrasts with stable temp pay
- Dundee leads job creation; Aberdeen sees further decrease

The latest Bank of Scotland Report on Jobs showed continued growth of staff placements in Scotland during March, albeit the pace of increase eased. Similarly, demand for staff rose but at a slower rate. That said, starting salaries continued to rise sharply, in part reflecting a lack of available candidates.

Highlighting an overall improvement in the health of Scotland’s labour market, the Bank of Scotland Labour Market Barometer registered 60.6 in March, up from 59.8 in February. This was the barometer’s highest reading in three months, albeit one that was below the corresponding index for the UK as a whole.

Bank of Scotland Labour Market Barometer



	Scot	UK*
Mar'14	63.9	63.2
Apr	62.5	64.2
May	61.8	64.3
Jun	65.1	66.2
Jul	67.3	67.2
Aug	67.1	66.4
Sep	64.9	64.4
Oct	65.0	63.3
Nov	60.1	62.4
Dec	63.2	62.0
Jan'15	60.0	61.0
Feb	59.8	62.5
Mar	60.6	63.3

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

Donald MacRae, Chief Economist at Bank of Scotland, commented: “Conditions in the Scottish labour market continued to improve in March this year. The number of people appointed to jobs increased while the number of vacancies grew over the month. The rate of growth in starting salaries for permanent jobs recovered strongly from February’s 15-month low. This Barometer suggests the slowdown in growth in January to March will be reversed in the coming months.”

Regional analysis

- Dundee saw the sharpest increases in both permanent placements and temp billings in March, while further decreases were seen Aberdeen.
- Edinburgh registered the fastest rise in permanent starting salaries ahead of Dundee, with the latter leading growth in hourly pay rates for temporary staff.
- The most marked deterioration in permanent candidate availability was recorded in Glasgow, while the latest decline in temp candidate numbers was centred on Edinburgh.

Wages and salaries

- Having eased to a 15-month low in February, the rate of growth in starting salaries accelerated in March to the strongest in 2015 so far.
- Unlike permanent salaries which rose sharply, average hourly rates of pay for temporary and contract staff in Scotland were unchanged in March compared with the situation one month earlier.

Employment

- March survey data indicated a further rise in the number of people placed in permanent jobs, with the rate of growth solid but slower than in the month before.
- Recruitment consultancies in Scotland meanwhile recorded only a marginal increase in average weekly billings from temporary staff in March.

Vacancies

- Demand for permanent staff north of the border continued to increase in March, and at a strong rate.
- March meanwhile saw a further moderation in the rate of growth of temporary staff demand in Scotland, to the weakest since the corresponding month of 2013.

Availability

- In line with sustained growth of the number people placed in permanent work, March saw a further sharp deterioration in the availability of candidates for permanent positions.
- The rate of decline in temp candidate availability was solid, but nevertheless eased for the sixth month in a row to the weakest for almost a year.

Sectors

- Scotland's best performing jobs category in terms of demand for permanent staff was Nursing/Medical/Care, followed by IT & Computing.
- Scotland's Nursing/Medical/Care and IT & Computing sectors saw the most marked increases in demand for temporary staff, while Hotel & Catering registered the steepest decrease.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in March 2015)

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.

At 60.6, the Bank of Scotland Labour Market Barometer registered above the 50.0 no-change mark, signalling improving labour market conditions, for the fifty-third successive month in March. Moreover, the barometer was at its highest level in the year-to-date, climbing from an 18-month low in February.

Despite having ticked up in March, the Bank of Scotland Labour Market Barometer remained below the equivalent index for the UK as a whole, which registered a five-month high of 63.3.

Faster pay growth and a more marked deterioration in candidate availability than in February led the Bank of Scotland Labour Market Barometer to rise in March. However, subduing the overall extent of the barometer's increase were slower rates of growth of both the number of staff placements and demand for employees.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
14 Mar	60.8	55.9	60.5	66.2	61.8	65.9	31.5	40.7	32.0	61.3	59.4	61.2
Apr	55.1	50.1	54.8	65.6	61.8	65.3	33.5	43.8	34.1	64.4	57.5	64.0
May	57.5	55.1	57.4	63.3	61.6	63.2	33.9	40.8	34.3	61.6	55.1	61.2
Jun	62.5	59.3	62.3	63.8	64.6	63.8	29.8	38.5	30.3	65.2	56.8	64.7
Jul	68.4	61.0	67.9	66.0	66.3	66.0	32.8	35.3	32.9	68.5	59.1	68.0
Aug	62.5	64.8	62.6	65.0	64.9	65.0	24.9	36.6	25.6	67.0	58.7	66.5
Sep	60.6	58.7	60.4	63.2	62.0	63.1	27.1	36.0	27.6	64.2	54.2	63.6
Oct	62.1	55.9	61.7	63.4	60.1	63.2	29.0	38.9	29.6	65.3	56.9	64.8
Nov	55.1	55.0	55.1	60.8	60.3	60.8	38.4	40.7	38.5	63.2	59.0	62.9
Dec	58.3	51.2	57.9	61.6	60.4	61.6	32.5	41.4	33.0	67.2	55.5	66.5
15 Jan	53.8	48.8	53.5	60.8	56.8	60.5	33.5	42.9	34.0	60.6	52.4	60.1
Feb	59.2	51.3	58.7	62.6	55.2	62.2	39.2	43.5	39.5	58.2	52.5	57.8
Mar	55.5	50.2	55.2	60.0	54.7	59.6	33.7	43.8	34.3	62.7	50.0	61.9

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 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 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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