

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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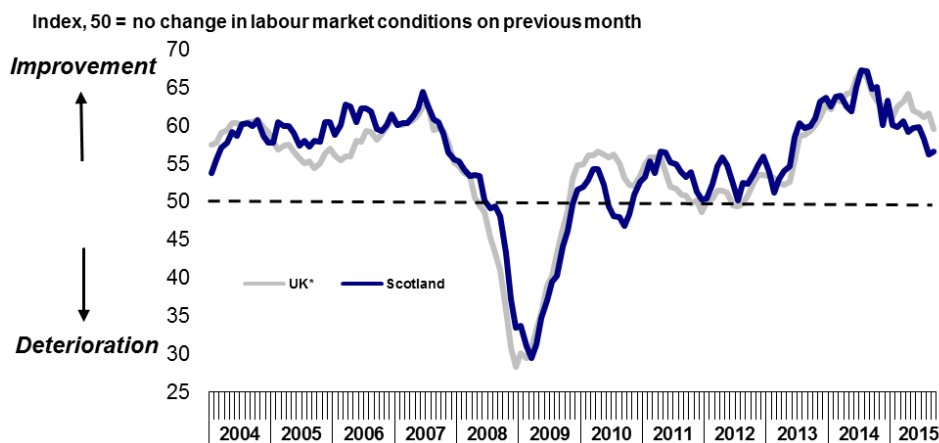
GROWTH IN STAFF PLACEMENTS REMAINS WEAK

- Modest rise in permanent placements, while growth in temp billings eases
- Demand for staff strengthens, but downturn in candidate availability worsens
- Salary inflation eases to 25-month low amid slowdowns in Glasgow and Edinburgh

The number of people placed in work in Scotland rose during September, although the rate of growth was well below the average seen over the past two-and-a-half years of increasing placements, according to the latest Bank of Scotland Report on Jobs. Demand for staff grew strongly, particularly with regards to permanent workers, but survey data showed a continued drop in candidate availability. On the pay front, both permanent salaries and hourly wages for temp staff rose at slower rates.

At 56.6, up from August's 56.2, the headline Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single-figure snapshot of labour market conditions – showed an improvement in the health of Scotland's labour market in September. However, despite ticking up, the barometer's latest reading was still the second-lowest since May 2013 and below the equivalent index for the UK as a whole.

Bank of Scotland Labour Market Barometer



	Scot	UK*
Sep'14	64.9	64.3
Oct	65.0	63.3
Nov	60.1	62.5
Dec	63.2	62.1
Jan'15	60.0	61.1
Feb	59.8	62.5
Mar	60.6	63.2
Apr	59.1	64.2
May	59.6	62.0
Jun	59.7	61.6
Jul	58.2	61.1
Aug	56.2	61.6
Sep	56.6	59.6

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

Donald MacRae, Chief Economist at Bank of Scotland, commented: "The number of people appointed to both permanent and temporary jobs rose in September although at a reduced rate compared to last year. Demand for staff grew strongly but increases in starting salaries moderated. These results suggest that business confidence in the Scottish economy is holding up despite the slowdown in growth evident earlier in the year."

Regional analysis

- Increases in permanent placements in Dundee and Glasgow were partly offset by reductions in Aberdeen and Edinburgh.
- Dundee recorded the fastest rise in temporary billings ahead of Edinburgh, while Aberdeen saw a renewed decline.
- The sharpest decreases in permanent and temporary candidate availability were recorded in Glasgow and Dundee respectively, with Aberdeen seeing further improvements on both fronts.
- Permanent salaries and hourly wages for temporary staff both rose fastest in Dundee, with Glasgow the second-best performing region with regards to pay growth.

Wages and salaries

- The rate of growth in permanent starting salaries slowed for the fourth time in the past five months in September, to the weakest since August 2013.
- September saw another strong increase in hourly rates of pay for temporary staff, with the rate of growth slightly slower than in the preceding survey period, but still faster than that of permanent starting salaries.

Employment

- Picking up only slightly from August's four-month low, the rate of growth in permanent placements remained modest and among the slowest recorded over the past two-and-a-half years.
- Billings received from the employment of temporary staff rose for an eighth successive month during September, although the rate of growth was weaker than in August.

Vacancies

- Demand for permanent staff among businesses in Scotland increased sharply in September, with the rate growth having picked up further from July's 26-month low, to the strongest seen since February.
- The rate of growth in demand for temporary/contract staff in Scotland remained solid during September, and was little-changed from those recorded in the prior two months.

Availability

- The availability of candidates for permanent vacancies in Scotland decreased sharply in September, with the decline slightly more marked than in August.
- The rate of deterioration in temporary candidate availability quickened slightly in the latest survey period, although remained much slower than the average over the current 29-month sequence of decline.

Sectors

- There were increases in demand for permanent staff in seven of the eight sectors monitored by the survey, the sharpest being in IT & Computing.
- Recruitment consultancies reported that the strongest rise in demand for temporary staff was in IT & Computing, while Blue Collar saw the weakest increase.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in September 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.

September saw the Bank of Scotland Labour Market Barometer increase slightly from August's 27-month low of 56.2 to 56.6, signalling an overall improvement in labour market conditions north of the border. That said, the latest reading remained below the average recorded over the near five-year spell of recovery in the jobs market (57.3).

The Bank of Scotland Labour Market Barometer also remained below the equivalent index for the UK as a whole, despite the latter having dipped for the fourth time in the past five months to a two-year low in September.

A stronger increase in demand for staff and a sharper deterioration in candidate availability were the two factors leading the Bank of Scotland Labour Market Barometer to rise in September, while slower growth in pay had a negative directional influence. The rate at which overall staff appointments increased was unchanged since August, the impact on the barometer therefore neutral.

	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 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
Apr	51.9	51.2	51.8	58.8	54.3	58.5	36.1	36.0	36.1	62.7	56.4	62.3
May	52.5	54.4	52.6	58.5	54.3	58.3	33.5	37.1	33.7	61.4	59.3	61.3
Jun	55.0	55.1	55.0	59.4	55.4	59.2	36.7	37.6	36.8	62.0	55.0	61.6
Jul	57.2	52.6	57.0	56.1	56.6	56.1	38.5	43.5	38.8	58.8	54.6	58.6
Aug	52.4	57.7	52.7	59.6	56.2	59.4	43.9	48.5	44.2	56.8	58.1	56.8
Sep	52.6	54.5	52.7	60.9	56.6	60.7	42.5	46.7	42.8	55.7	57.4	55.8

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 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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