

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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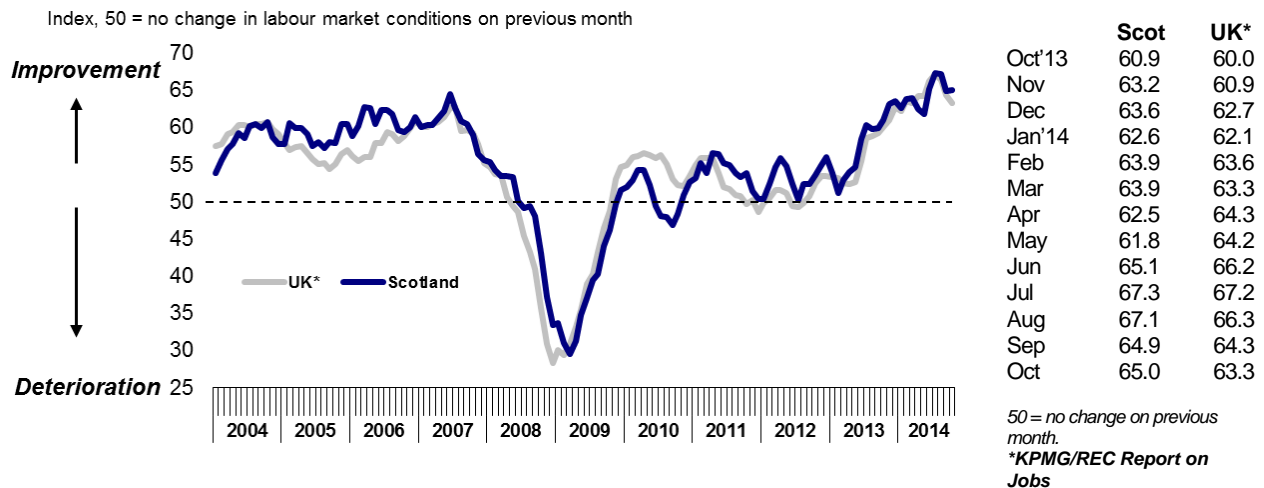
OCTOBER SEES FASTER INCREASES IN PERMANENT PLACEMENTS AND SALARIES

- Sharp and accelerated rise in permanent appointments
- Growth in temp billings eases to five-month low
- Permanent salaries up strongly, rising fastest in Glasgow

Scotland's labour market conditions continued to improve heading into the final quarter of the year, according to the latest Bank of Scotland Report on Jobs. October's survey showed sharp and accelerated increases in permanent placements and starting salaries, linked partly to increased demand for staff. Growth in the temporary jobs space eased somewhat, however, with slower increases in billings and temp job vacancies recorded.

The Bank of Scotland Labour Market Barometer remained elevated by historical standards in October. At 65.0, little-changed from September's 64.9, the barometer was at a level consistent with a marked improvement in labour market conditions and above the UK equivalent which dropped to a seven-month low at the start of the final quarter.

Bank of Scotland Labour Market Barometer



Donald MacRae, Chief Economist at Bank of Scotland, commented: "October saw the Labour Market Barometer reach 65.0 - the fourth highest in the survey history – signalling further improvements in labour market conditions in Scotland. The number of people appointed to jobs increased, as did starting salaries. A rise in vacancies confirmed business confidence remains high. The recovery in the Scottish economy looks set to continue into 2015."

Regional analysis

- Permanent staff placements and temp billings both increased on a broad-based basis in October, with the fastest rates of growth recorded by consultancies in Aberdeen and Dundee respectively.
- Edinburgh saw the sharpest decrease in permanent candidate availability, while Aberdeen registered the most marked deterioration in temp candidate supply.
- Glasgow recorded the fastest increases in both permanent starting salaries and temp hourly pay rates; Aberdeen registered the slowest growth on both fronts.

Wages and salaries

- October saw a further sharp increase in average starting salaries for permanent staff in Scotland. Moreover, the rate of inflation accelerated slightly from September's four-month low, to the third-fastest in the survey's history.
- After having eased to a 17-month low in September, the pace of growth in hourly pay rates of temporary/contract staff rebounded at the start of the fourth quarter and was solid.

Employment

- Consultancies recorded a sharp and slightly accelerated increase in the number of people placed in permanent jobs during October.
- In contrast, the rate of growth in billings received from the employment of temporary staff north of the border eased further from August's recent high, reaching the slowest in five months.

Vacancies

- October's survey showed another sharp increase in the demand for permanent staff among Scottish businesses, with the rate of growth fractionally faster than in the preceding survey period.
- Growth in temp staff demand was recorded for the sixtieth straight month, and the rate of increase remained sharp despite having eased to the slowest since July.

Availability

- The availability of candidates for permanent vacancies in Scotland deteriorated further in October, extending the current sequence of decline to 32 months. Albeit slower than in the previous two months, the rate of contraction in permanent candidate supply remained among the fastest seen in the series history.
- Consultancies north of the border also registered another sharp decrease in the availability of candidates for temporary positions.

Sectors

- The strongest rise in permanent job openings was in the IT & Computing sector. The weakest increase was in Hotel & Catering, as had been the case in the previous month.
- The sharpest increase in demand for temporary staff north of the border was in the Nursing/Medical/Care sector, followed by IT & Computing and then Accounts & Financial.

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

(Ranked by strength of demand in Scotland in October 2014)

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.

October saw the Bank of Scotland Labour Market Barometer inch up to 65.0 from 64.9 in September. The barometer remained at one of its highest levels in the series history stretching back to January 2004, pointing to an historically fast rate of improvement in labour market conditions.

The equivalent barometer for the UK jobs market as a whole also signalled a marked rate of improvement, although slipped to a seven-month low of 63.3 from 64.3 in September, and registered below the Scottish barometer for the fourth month running.

Faster increases in staff placements, pay and, to a lesser extent, job vacancies all acted to place upward pressure on the Bank of Scotland Labour Market Barometer in October. However, a slower, but still sharp, decrease in the availability of candidates had a negative directional influence on the barometer, resulting in only a marginal uptick on the month.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
13 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
Dec	64.9	64.7	64.9	64.8	64.6	64.8	39.3	40.9	39.4	64.4	59.3	64.1
14 Jan	59.0	61.1	59.2	67.5	63.7	67.3	37.9	42.3	38.2	62.3	57.1	62.0
Feb	61.5	58.7	61.3	66.2	64.7	66.1	36.0	45.1	36.5	64.8	60.9	64.5
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

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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