

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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## DEMAND FOR PERMANENT STAFF RISES AT STRONGEST PACE SINCE APRIL 2011

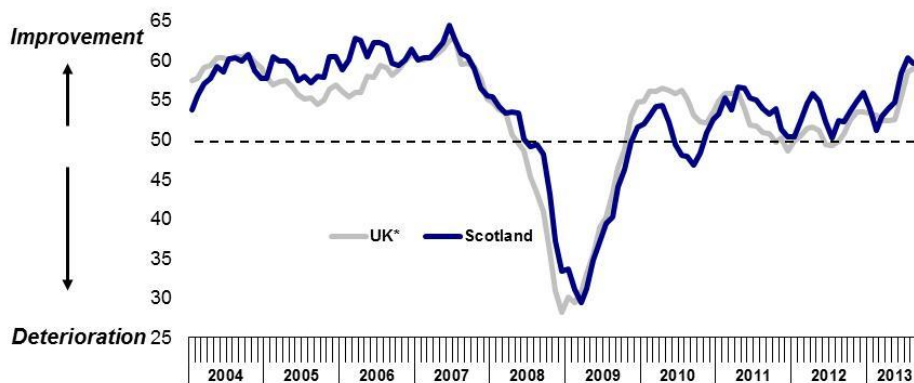
- Higher client demand supports marked increase in permanent appointments
- Permanent salaries rise at fastest rate for six years
- Aberdeen and Dundee continue to report strongest increases in permanent and temporary staff placements respectively

The latest Bank of Scotland Report on Jobs signalled a further marked rise in permanent placements in September. Although the rate of growth was slower than the record-highs in the previous two months, it reflected higher client demand, which rose to the greatest extent for almost two-and-a-half years. Temp billings growth similarly eased over the month. Concurrently, average pay rose markedly, with permanent placements, in particular, increasing at the fastest pace since mid-2007.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – picked up slightly in September, rising to 60.0 from 59.7 in August. This was only marginally below July's near six-year peak of 60.3, and signalled a marked improvement in Scottish job market conditions.

### Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Aug'12	52.4	49.9
Sep	52.3	50.7
Oct	53.6	52.5
Nov	54.9	53.5
Dec	56.0	53.4
Jan'13	53.9	53.3
Feb	51.2	53.1
Mar	53.0	52.5
Apr	54.0	52.3
May	54.7	52.6
Jun	58.5	55.4
Jul	60.3	58.5
Aug	59.7	58.9
Sep	60.0	59.2

50 = no change on previous month.

\*KPMG/REC Report on Jobs

**Donald MacRae, Chief Economist at Bank of Scotland, commented:** "September's Labour Market Barometer showed a continuing improvement in Scottish job market conditions. The number of people appointed to both permanent and temporary jobs increased while growth in vacancies was marked. The Engineering & Construction sectors saw the highest rate of vacancy growth for almost two-and-a-half years. This is further welcome evidence of the strengthening of the recovery in the Scottish economy."

### Regional analysis

- Aberdeen saw the strongest increase in permanent placements for the fifth consecutive month in September. Meanwhile, Dundee saw the greatest rise in temporary appointments.
- Recruiters in Dundee reported the sharpest deterioration in permanent candidate availability, while Aberdeen saw the strongest reduction in temporary candidate numbers.
- Aberdeen-based recruitment agencies recorded the fastest rates of inflation for both permanent and temporary wages.

### Wages and salaries

- There was a marked rise in permanent salaries, with the rate of inflation the fastest in six years.
- Temp hourly pay increased at a sharp pace, which was just shy of July's eight-year record.

### Employment

- Permanent placements by Scottish recruiters rose sharply in September, despite the rate of growth easing from record-highs in the previous two months.
- Average billings from temporary staff rose at a solid pace, albeit one which was weaker than the long-run series average and slower than that for the UK as a whole.

### Vacancies

- The number of permanent job vacancies increased at a marked pace in September. Notably, the rate of growth was the sharpest for almost two-and-a-half years.
- Demand for temporary and contract staff rose markedly in September. That said, the rate of growth eased from August's near six-year peak.

### Availability

- Permanent candidate availability continued to deteriorate at a sharp pace in September.
- The number of candidates seeking temporary work fell for the fifth consecutive month. The latest reduction was marked, but the weakest since June.

### Sectors

- Demand for permanent staff increased in all eight sectors during September. The Engineering & Construction and IT & Computing sectors led the expansion, with the rates of growth marked in both cases.
- Seven employment sectors registered an increase in temp vacancies, with the only exception the Executive & Professional sector. Notably, the Nursing/Medical/Care sector posted the strongest rate of vacancy growth, with the latest expansion the sharpest since data collection began in January 2003.

#### Permanent Staff

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

#### Temporary/Contract Staff

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

*(Ranked by strength of demand in Scotland in September 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.

At 60.0, the Bank of Scotland Labour Market Barometer signalled a marked improvement in Scotland's job market conditions in September. Moreover, up slightly from 59.7 in August, the Barometer signalled one of the sharpest rates of growth in six years.

Scotland saw a slightly stronger improvement in labour market conditions than the UK as a whole. Nonetheless, at 59.2, up from 58.9, the equivalent index for the UK indicated the fastest rate of expansion since October 2007.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in September. Two of the four components also acted to boost the level of the index, namely demand and pay.

	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 Sep	54.8	60.0	<b>55.1</b>	52.6	53.1	<b>52.7</b>	47.9	48.8	<b>47.9</b>	49.1	55.0	<b>49.5</b>
Oct	52.6	56.9	<b>52.8</b>	55.0	55.0	<b>55.0</b>	44.2	46.6	<b>44.3</b>	50.9	51.5	<b>50.9</b>
Nov	56.2	56.3	<b>56.2</b>	57.5	55.3	<b>57.3</b>	46.3	46.4	<b>46.3</b>	52.3	53.8	<b>52.4</b>
Dec	56.6	60.9	<b>56.9</b>	56.8	56.9	<b>56.8</b>	43.0	46.7	<b>43.2</b>	53.2	55.6	<b>53.4</b>
13 Jan	55.0	61.2	<b>55.3</b>	54.1	57.1	<b>54.2</b>	49.2	49.4	<b>49.2</b>	55.2	54.7	<b>55.1</b>
Feb	48.3	53.4	<b>48.6</b>	51.2	55.6	<b>51.5</b>	44.7	51.1	<b>45.1</b>	50.0	46.6	<b>49.8</b>
Mar	53.4	50.9	<b>53.3</b>	51.3	53.9	<b>51.5</b>	45.6	53.0	<b>46.0</b>	53.2	52.3	<b>53.1</b>
Apr	57.2	54.5	<b>57.0</b>	52.9	56.7	<b>53.1</b>	49.2	51.3	<b>49.4</b>	55.3	51.7	<b>55.1</b>
May	54.3	58.7	<b>54.6</b>	54.0	55.7	<b>54.1</b>	46.7	47.9	<b>46.7</b>	56.9	55.4	<b>56.8</b>
Jun	59.9	54.5	<b>59.6</b>	58.8	59.3	<b>58.8</b>	43.7	44.3	<b>43.8</b>	59.3	59.6	<b>59.3</b>
Jul	64.5	53.3	<b>63.9</b>	56.5	61.6	<b>56.8</b>	36.1	36.0	<b>36.1</b>	56.4	63.1	<b>56.8</b>
Aug	64.5	55.6	<b>64.0</b>	59.7	64.9	<b>60.0</b>	38.5	36.9	<b>38.4</b>	52.9	59.0	<b>53.2</b>
Sep	60.7	54.6	<b>60.3</b>	60.4	61.8	<b>60.5</b>	40.5	40.8	<b>40.5</b>	59.5	60.4	<b>59.5</b>

## 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](mailto:economics@markit.com).

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