

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 INCREASE DESPITE SHARP DROP IN CANDIDATE NUMBERS

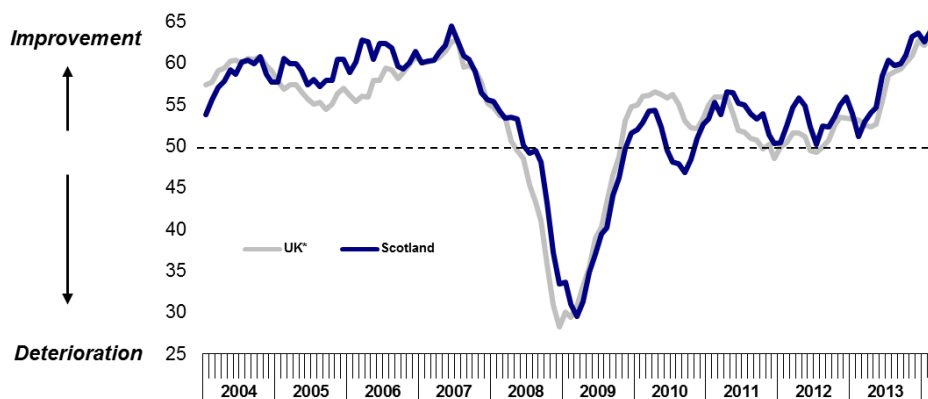
- Survey-record fall in permanent candidate numbers
- Growth in placements continues, albeit at slower pace
- Permanent salary inflation remains strong, led by Glasgow

March's Bank of Scotland Report on Jobs showed continued growth in permanent and temporary staff placements, but at slower rates than in February as a lack of candidate availability weighted on recruiters' ability to fill vacancies. Staff pay meanwhile rose strongly as the demand for new employees further strengthened.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – registered 63.9 in March, unchanged from February's mark and thereby the joint-second highest in the series history. The latest index reading was consistent with a marked improvement in overall labour market conditions and slightly above the equivalent index for the UK as a whole.

### Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Feb'13	51.2	53.2
Mar	53.0	52.5
Apr	54.0	52.3
May	54.7	52.6
Jun	58.5	55.4
Jul	60.3	58.6
Aug	59.7	58.9
Sep	60.0	59.3
Oct	60.9	60.0
Nov	63.2	60.9
Dec	63.6	62.7
Jan'14	62.6	62.1
Feb	63.9	63.5
Mar	63.9	63.3

50 = no change on previous month.

\*KPMG/REC Report on Jobs

**Donald MacRae, Chief Economist at Bank of Scotland, commented:** "The Barometer reading for March was the joint-second highest in the history of the survey reaching pre-recession levels. The number of people appointed to jobs increased accompanied by a strong rise in job vacancies during the month. The number of candidates available for permanent jobs fell contributing to a robust rise in starting salaries. This tightening jobs market provides more evidence of increasing business confidence and embedding of the growing recovery."

## Regional analysis

- Dundee led a broad-based increase in permanent staff placements in March, while Edinburgh saw the fastest rise in billings from the employment of temporary staff.
- Aberdeen recorded the sharpest contractions in both permanent and temporary candidate numbers, as was the case in the prior month.
- Permanent salary inflation was strongest in Glasgow, followed by Edinburgh where the most marked increase in temp hourly rates was recorded.

## Wages and salaries

- Permanent salary inflation dipped from February's survey-record high, but nevertheless remained strong in the context of historical survey data.
- Similarly, temp hourly pay rates increased markedly in March, albeit at a slightly slower pace than one month earlier.

## Employment

- March saw another sharp increase in permanent staff placements, despite growth easing slightly since February.
- The latest increase in billings from the employment of temporary staff was meanwhile the weakest in six months, but broadly in line with the long-run average nonetheless.

## Vacancies

- The demand for permanent staff continued to rise in March, and at a sharp rate that was unchanged since the preceding survey period.
- Growth in temporary job vacancies was at a six-month low, although still strong overall.

## Availability

- Permanent candidate availability fell to the greatest extent in the series history, with the rate of decline having accelerated for the third month running.
- The number of available candidates seeking temporary work also fell at a faster rate in March – the sharpest since last October.

## Sectors

- The strongest rise in demand for permanent staff was in the Accounts & Financial sector, in line with the trend observed throughout the year-to-date. Nursing/Medical/Care and Engineering & Construction recorded the second- and third-sharpest increases in permanent staff demand respectively.
- Nursing/Medical/Care was the sector which saw the fastest rise in the demand for temporary/contract staff in March. Secretarial & Clerical meanwhile climbed above both Engineering & Construction and Accounts & Financial to second place in the ranking.

### Permanent Staff

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

### Temporary/Contract Staff

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

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

Unchanged from February's near-survey high of 63.9, the Bank of Scotland Labour Market Barometer pointed to another sharp improvement in the health of Scotland's jobs market during March.

The equivalent barometer for the UK as a whole was comparatively lower at 63.3, down slightly from its recent high in February.

A sharp and accelerated contraction in candidate availability (a survey record) was the only factor that had a positive directional influence on the Bank of Scotland Labour Market Barometer in March, offsetting slower, albeit still strong, increases in staff placements, 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
13 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>
Oct	64.3	61.0	<b>64.1</b>	63.1	62.4	<b>63.1</b>	41.8	35.9	<b>41.4</b>	58.2	55.3	<b>58.0</b>
Nov	65.8	63.8	<b>65.7</b>	64.6	65.8	<b>64.7</b>	35.0	42.7	<b>35.5</b>	58.0	54.3	<b>57.8</b>
Dec	64.9	64.7	<b>64.9</b>	64.8	64.6	<b>64.8</b>	39.3	40.9	<b>39.4</b>	64.4	59.3	<b>64.1</b>
14 Jan	59.0	61.1	<b>59.2</b>	67.5	63.7	<b>67.3</b>	37.9	42.3	<b>38.2</b>	62.3	57.1	<b>62.0</b>
Feb	61.5	58.7	<b>61.3</b>	66.2	64.7	<b>66.1</b>	36.0	45.1	<b>36.5</b>	64.8	60.9	<b>64.5</b>
Mar	60.8	55.9	<b>60.5</b>	66.2	61.8	<b>65.9</b>	31.5	40.7	<b>32.0</b>	61.3	59.4	<b>61.2</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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