

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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PERMANENT AND TEMPORARY PLACEMENTS BOTH INCREASE IN MARCH

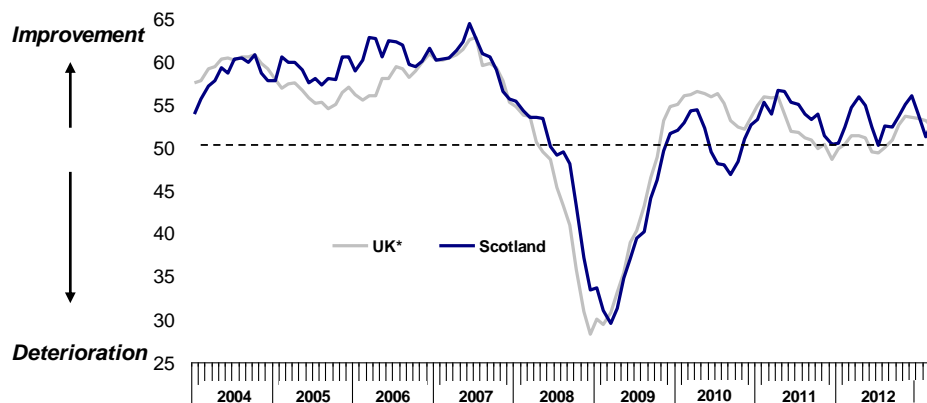
- **Moderate rise in permanent appointments, reversing a fall in February**
- **Growth of demand for staff remains below trend**
- **Aberdeen-based recruiters see strongest rise in permanent placements, while agencies in Edinburgh post fastest increase in temp billings**

The latest Bank of Scotland Report on Jobs indicated growth of both permanent and temporary staff placements in March. The strongest rise was for permanent appointments, which more than reversed a reduction in February. Higher placements generally reflected greater demand for staff, but the rates of vacancy growth remained weaker than their respective long-run series averages. Meanwhile, permanent salaries increased in the latest survey period, following no change one month earlier.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – registered 53.0 in March, consistent with a moderate improvement in Scottish job market conditions. Moreover, up from February's seven-month low of 51.2, the Barometer signalled a faster rate of growth, which was also stronger than the UK average (52.3).

Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Feb'12	52.4	50.4
Mar	54.6	51.4
Apr	55.8	51.4
May	54.8	51.1
Jun	52.3	49.4
Jul	50.2	49.3
Aug	52.4	50.0
Sep	52.3	50.9
Oct	53.6	52.6
Nov	54.9	53.6
Dec	56.0	53.5
Jan'13	53.9	53.3
Feb	51.2	53.0
Mar	53.0	52.3

50 = no change on previous month.

*KPMG/REC Report on Jobs

Donald MacRae, Chief Economist at Bank of Scotland, commented: "This latest Barometer for March shows a welcome rise from the low of last month. The number of people appointed to both permanent and temporary jobs rose while the number of vacancies increased. These results reinforce the view that the Scottish economy is continuing its slow recovery from recession."

Regional analysis

- Although Aberdeen posted the strongest rise in permanent appointments in March, it was also the only region to record a reduction in temp staff billings.
- Dundee-based recruitment consultancies recorded the greatest improvement in candidate availability for both the permanent and temporary job markets.
- Permanent salaries increased at the fastest rate in Aberdeen during March, while the strongest rise in temp hourly pay was posted in Glasgow.

Wages and salaries

- Average starting salaries for permanent staff placed by Scottish recruiters rose modestly in March, following no change in February.
- In contrast with a reduction one month previously, temp hourly pay rates rose modestly during the latest survey period.

Employment

- Higher permanent staff placements in March more than reversed a fall in February.
- Temp staff billings increased for the ninth consecutive month in March, but the rate of growth was only marginal and the weakest in this sequence.

Vacancies

- Growth of demand for permanent staff was only marginal and little-changed from February's 13-month low.
- Temp vacancy growth slowed for the second month running to its weakest since last September.

Availability

- The availability of permanent staff deteriorated sharply in March, albeit to a lesser extent than in February.
- Temp availability improved for the second consecutive month and at the strongest rate since June 2012.

Sectors

- Four of the eight employment sectors posted a larger number of permanent job vacancies in March, led by IT & Computing. Out of the remaining four sectors that saw a reduction since February, Accounts & Financial and Secretarial & Clerical both saw strong monthly declines.
- Demand for temps increased in five employment sectors in March. The Blue Collar, Executive & Professional and Hotel & Catering sectors all saw a reduction over the month, with the last of these in particular posting a sharp rate of decline.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in March 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 53.0, the Bank of Scotland Labour Market Barometer signalled a moderate improvement in Scottish job market conditions in March. Moreover, up from 51.2 in February, the rate of growth strengthened over the month and was faster than the UK average.

The Barometer averaged 52.7 in the first quarter of 2013, but down from 54.8 in the final quarter of 2012, suggested a slower rate of growth overall.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in March. Two components also acted to boost the level of the index in the latest month, with demand and availability the exceptions.

	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 Mar	53.3	57.0	53.5	58.3	54.1	58.1	46.7	50.0	46.9	53.8	54.7	53.8
Apr	59.9	60.6	60.0	58.9	56.5	58.7	46.6	46.6	46.6	51.3	52.7	51.3
May	55.9	55.5	55.9	57.5	57.7	57.5	49.1	52.3	49.3	55.5	50.0	55.2
Jun	52.3	47.2	52.0	54.9	55.9	54.9	45.2	53.4	45.7	47.9	49.9	48.0
Jul	49.2	53.5	49.5	52.1	55.0	52.2	48.3	48.0	48.3	47.0	52.6	47.3
Aug	47.8	57.2	48.3	51.7	53.9	51.8	42.9	45.8	43.0	52.4	54.4	52.5
Sep	54.8	60.0	55.1	52.6	53.1	52.7	47.9	48.8	47.9	49.1	55.0	49.5
Oct	52.6	56.9	52.8	55.0	55.0	55.0	44.2	46.6	44.3	50.9	51.5	50.9
Nov	56.2	56.3	56.2	57.5	55.3	57.3	46.3	46.4	46.3	52.3	53.8	52.4
Dec	56.6	60.9	56.9	56.8	56.9	56.8	43.0	46.7	43.2	53.2	55.6	53.4
13 Jan	55.0	61.2	55.3	54.1	57.1	54.2	49.2	49.4	49.2	55.2	54.7	55.1
Feb	48.3	53.4	48.6	51.2	55.6	51.5	44.7	51.1	45.1	50.0	46.6	49.8
Mar	53.4	50.9	53.3	51.3	53.9	51.5	45.6	53.0	46.0	53.2	52.3	53.1

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.

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