

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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STRONGER GROWTH IN EMPLOYEE PLACEMENTS AS DEMAND FOR STAFF CONTINUES TO INCREASE

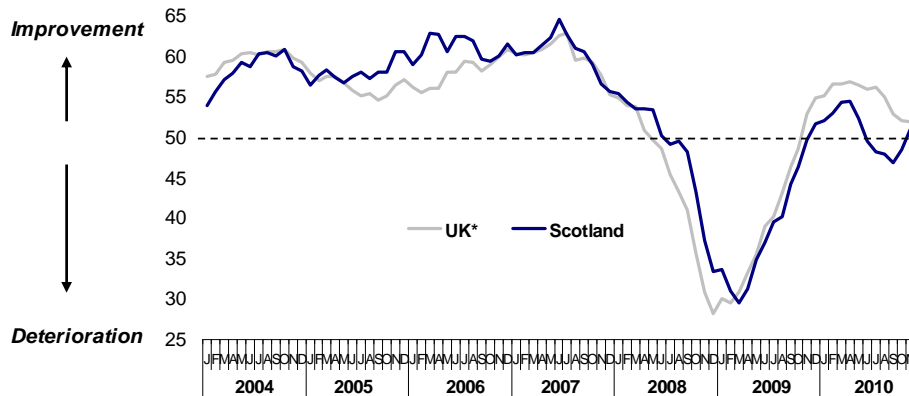
- Aberdeen and Edinburgh see fastest rates of permanent and temporary appointments
- Average salaries for permanent staff increase for first time in six months
- Barometer above no-change level for first time in six months

Conditions within the Scottish labour market improved, in November, led by higher demand for employees according to the Bank of Scotland Report on Jobs. Consequently, the number of people placed into jobs in both the permanent and temporary sectors increased from October.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – registered 50.9 in November, up from 48.4 in October. This was the first time the Barometer has posted above the 50.0 no-change level in six months and indicated a slight improvement in the health of the Scottish labour market.

Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Oct'09	46.2	48.5
Nov	49.6	52.8
Dec	51.6	54.7
Jan'10	52.0	55.1
Feb	52.9	56.4
Mar	54.2	56.4
Apr	54.3	56.8
May	52.3	56.3
Jun	49.4	55.8
Jul	48.1	56.1
Aug	47.9	54.9
Sep	46.8	52.8
Oct	48.4	52.0
Nov	50.9	51.8

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

Donald MacRae, Chief Economist at Bank of Scotland, commented:

“Conditions within the Scottish labour market have improved, yet still remain challenging. In November the Barometer posted above the 50.0 no-change level for the first time in six months, but is still only signalling a slight improvement on October.

“The number of people placed into permanent and temporary jobs increased at a solid rate, with both sectors reporting six month highs. Average salaries paid to permanent staff increased for the first time in six months during November as demand for permanent employees rose.

“This is a welcome improvement in the labour market, confirming Scotland’s slow recovery from recession and almost closing the gap with the rest of the UK.”



Regional analysis

- Scottish recruiters continued to report the fastest growth of both permanent and temporary job placements in Aberdeen and Edinburgh respectively.
- Similarly, panellists in Aberdeen reported the fastest rate of increase in salaries awarded to permanent staff. Edinburgh saw the greatest wage inflation for temporary workers.
- Glasgow experienced the fastest rate of growth in candidate availability for both permanent and temporary labour markets during November.

Wages and salaries

- Average salaries awarded to permanent staff increased for the first time in six months during November.
- Remuneration rates paid to temporary/contract staff increased at a solid pace.

Employment

- The number of people placed in permanent jobs increased at a solid pace. The rate of increase was the fastest in six months.
- Strong growth in temporary and contract staff billings was recorded during November.

Vacancies

- The amount of available permanent jobs increased at the fastest pace in four months.
- Scottish recruiters reported a further rise in temporary/contract vacancies in November. Demand grew at the fastest rate in six months.

Availability

- The number of candidates seeking permanent jobs rose at the slowest pace in three months.
- In November, temporary candidate availability grew at the slowest rate since June 2008.

Sectors

- Five out of the eight monitored permanent employment sectors posted demand growth in November. The IT & Computing sector posted the fastest increase, whilst the Blue Collar category reported a marked fall in permanent vacancies.
- All eight monitored sectors reported increased vacancies for temporary and contract staff. The fastest growth was recorded within the Hotel & Catering sector.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in November 2010)

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.

The Bank of Scotland Labour Market Barometer posted above the 50.0 no-change level for the first time in six months during November. The Barometer rose to 50.9, from 48.4 in October and indicated a modest improvement in labour market conditions.

In November, Scottish recruitment agencies reported a greater number of people successfully placed into either permanent or temporary job roles. Overall appointments increased at a solid rate, particularly driven by marked growth in temporary job placements. This reflected higher demand for new workers with overall vacancies having now increased for two successive months. Moreover, greater demand for new employees led to firms awarding successful candidates higher wages. Panellists recorded overall pay inflation for the first time in six months.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
09 Nov	58.4	58.2	58.4	49.8	50.9	49.9	56.3	58.0	56.4	46.6	46.5	46.6
Dec	62.0	60.4	61.9	51.9	52.8	52.0	56.0	55.5	55.9	48.4	49.5	48.5
10 Jan	61.5	55.2	61.1	52.2	50.5	52.1	55.1	54.2	55.0	49.6	50.8	49.7
Feb	60.7	56.7	60.5	54.4	52.3	54.3	54.6	56.4	54.7	51.4	52.7	51.5
Mar	60.3	63.6	60.5	58.0	55.3	57.9	52.3	55.0	52.5	50.7	55.0	51.0
Apr	58.1	63.3	58.4	58.7	57.9	58.6	53.7	54.7	53.8	53.9	55.2	54.0
May	54.7	61.6	55.1	59.1	58.6	59.1	55.7	59.8	56.0	50.8	51.2	50.8
Jun	52.9	55.3	53.1	56.0	57.7	56.1	60.3	62.9	60.4	48.8	52.6	49.0
Jul	48.3	53.0	48.6	53.2	57.1	53.5	58.2	63.4	58.5	48.5	51.7	48.7
Aug	49.2	52.7	49.4	49.9	54.5	50.2	54.2	67.1	54.9	47.0	46.4	47.0
Sep	47.5	54.4	47.9	48.9	55.5	49.3	56.3	61.4	56.6	46.6	47.8	46.7
Oct	51.6	59.1	52.0	50.7	57.3	51.1	59.6	55.1	59.3	49.6	50.6	49.7
Nov	53.5	61.6	54.0	51.7	58.3	52.1	54.3	54.0	54.3	51.8	54.6	52.0

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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