

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 VACANCIES AND PLACEMENTS DECLINE AS SCOTTISH JOB MARKET WEAKENS**

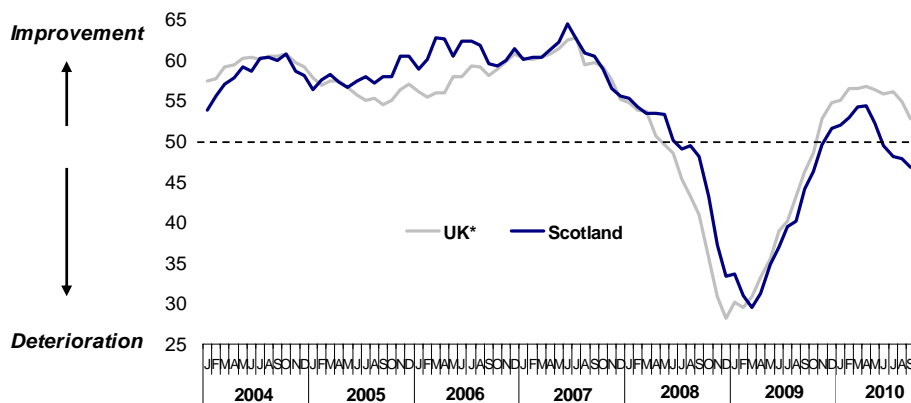
- Greater staff availability exerted downward pressure on pay in September
- Glasgow-based recruiters registered the fastest growth in permanent job placements
- Aberdeen saw largest increase in temp availability for second consecutive month

The Scottish labour market remained challenging in September. This was especially the case for candidates seeking permanent job roles, as the latest data from the Bank of Scotland Report on Jobs indicated further falls in vacancies and average salaries. Moreover, the number of people placed in permanent job roles fell at the sharpest rate in thirteen months. In contrast, the Scottish temporary job market remained in a healthier state with the growth in demand for short-term employees remaining robust.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – signalled deterioration for the fourth consecutive month. In September, the Barometer registered 46.8, down from 47.9 in August. The latest index reading was the lowest in eleven months. Scotland continued to underperform the UK overall by a considerable degree.

**Bank of Scotland Labour Market Barometer**

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



	Scot	UK*
Aug'09	40.2	43.2
Sep	44.1	46.3
Oct	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

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

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

“The reduction in the number of permanent jobs available on the Scottish labour market, as well as a fall in the number of people actually placed in full time employment, is another indication of the dip in business confidence in Scotland. We are, however, continuing to see strong demand for temporary staff. The number of candidates placed in temporary positions rose at the strongest rate for three months, while the number of temporary vacancies rose for the 11<sup>th</sup> successive month.”



## Regional analysis

- Glasgow-based recruiters registered the fastest growth in permanent job placements, whilst those in Edinburgh saw the sharpest rise in temporary staff billings.
- Average permanent salaries fell in three out of the four Scottish regions. Dundee experienced the sharpest fall in salaries and Glasgow saw the fastest deterioration in temp hourly pay rates.
- The fastest rise of available permanent employees was recorded in Glasgow. Aberdeen had the largest increase in temp availability for the second consecutive month.

## Wages and salaries

- Average salaries awarded to successful permanent candidates fell for the fourth successive month in September. Furthermore, the latest decline was the sharpest since November 2009.
- Hourly pay rates for temporary workers fell for the second consecutive month.

## Employment

- The number of people placed in permanent jobs in September fell for the third successive month and at the fastest pace since August 2009.
- In contrast, the number of candidates placed in temporary positions rose at the strongest rate for three months.

## Vacancies

- September data indicated that demand for permanent staff decreased at the fastest pace since October 2009.
- In the temporary sector, demand for staff rose for the eleventh successive month.

## Availability

- The availability of candidates seeking permanent jobs increased for the thirtieth consecutive month in September and at a solid pace.
- Similarly, the availability of temporary staff continued to rise in September extending the current period of expansion to twenty-seven months. Although still substantial, the rate of increase slowed since August to a four-month low.

## Sectors

- In September, five out of the eight monitored employment categories posted increased vacancies for permanent staff. The strongest rise was recorded in the IT & Computing sector which continued to grow at a marked rate.
- All eight monitored employment sectors saw higher demand for temporary workers during September. IT & Computing employees continued to be the most sought-after for the eleventh month running.

### Permanent Staff

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

### Temporary/Contract Staff

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

*(Ranked by strength of demand in Scotland in September 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 fell from 47.9 to 46.8 in September, to signal a further deterioration in job market conditions. The Barometer has now registered below the 50.0 no-change level for four months with the latest reading being the worst since October 2009.

Lower levels of job placements and employee demand in Scotland contributed to the Barometer's fall during September. Meanwhile, increased candidate availability for both short- and long-term employment placed downward pressures on remuneration rates. Overall average pay in Scotland has decreased for five consecutive 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 Sep	52.5	58.3	<b>52.8</b>	48.5	49.9	<b>48.6</b>	61.2	61.5	<b>61.2</b>	44.7	46.1	<b>44.8</b>
Oct	58.4	58.2	<b>58.4</b>	49.8	50.9	<b>49.9</b>	56.3	58.0	<b>56.4</b>	46.6	46.5	<b>46.6</b>
Nov	62.0	60.4	<b>61.9</b>	51.9	52.8	<b>52.0</b>	56.0	55.5	<b>55.9</b>	48.4	49.5	<b>48.5</b>
Dec	61.5	55.2	<b>61.1</b>	52.2	50.5	<b>52.1</b>	55.1	54.2	<b>55.0</b>	49.6	50.8	<b>49.7</b>
10 Jan	60.7	56.7	<b>60.5</b>	54.4	52.3	<b>54.3</b>	54.6	56.4	<b>54.7</b>	51.4	52.7	<b>51.5</b>
Feb	60.3	63.6	<b>60.5</b>	58.0	55.3	<b>57.9</b>	52.3	55.0	<b>52.5</b>	50.7	55.0	<b>51.0</b>
Mar	58.1	63.3	<b>58.4</b>	58.7	57.9	<b>58.6</b>	53.7	54.7	<b>53.8</b>	53.9	55.2	<b>54.0</b>
Apr	54.7	61.6	<b>55.1</b>	59.1	58.6	<b>59.1</b>	55.7	59.8	<b>56.0</b>	50.8	51.2	<b>50.8</b>
May	52.9	55.3	<b>53.1</b>	56.0	57.7	<b>56.1</b>	60.3	62.9	<b>60.4</b>	48.8	52.6	<b>49.0</b>
Jun	48.3	53.0	<b>48.6</b>	53.2	57.1	<b>53.5</b>	58.2	63.4	<b>58.5</b>	48.5	51.7	<b>48.7</b>
Jul	49.2	52.7	<b>49.4</b>	49.9	54.5	<b>50.2</b>	54.2	67.1	<b>54.9</b>	47.0	46.4	<b>47.0</b>
Aug	46.1	48.4	<b>46.2</b>	46.9	53.7	<b>47.3</b>	55.4	68.9	<b>56.2</b>	45.9	46.7	<b>45.9</b>
Sep	47.5	54.4	<b>47.9</b>	48.9	55.5	<b>49.3</b>	56.3	61.4	<b>56.6</b>	46.6	47.8	<b>46.7</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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