

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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SCOTLAND'S LABOUR MARKET RECOVERY CONTINUED IN APRIL

- Sharpest rise in demand for permanent staff in over two-and-a-half years
- Appointments to permanent jobs increased for seventh consecutive month
- Edinburgh reported fastest rises in both permanent and temp pay rates

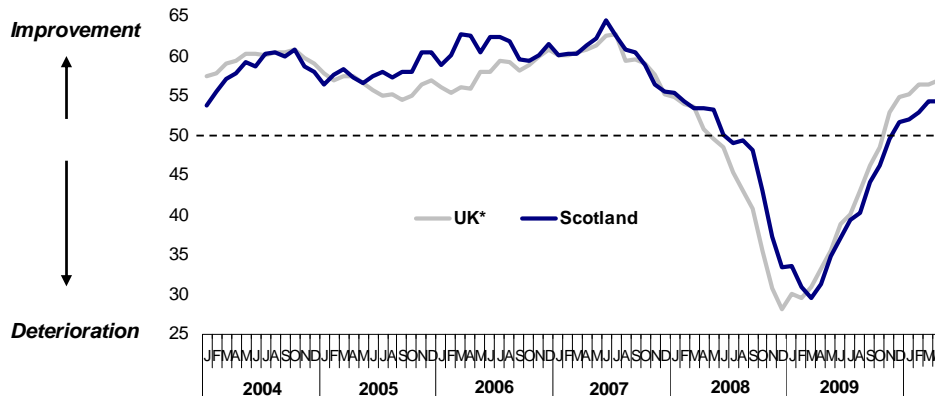
The recovery in Scotland's labour market continued in April, with both appointments and wage inflation on the rise, according to the latest Bank of Scotland Report on Jobs.

Staff appointments in both the permanent and temporary sectors rose at strong rates, while vacancy and pay growth both accelerated. However, the number of candidates available to take up positions continued to climb in both the long-term and short-term jobs markets, a clear sign of continued labour market slack.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – highlighted the generally improving trend, posting the highest reading since the start of 2008. Nevertheless, at 54.3, from 54.2, the barometer signalled a pace of improvement that was below that seen across the UK as a whole, as has been the case in each of the past fourteen months.

Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Apr'09	31.3	33.3
May	34.8	35.5
Jun	37.0	38.9
Jul	39.4	40.2
Aug	40.2	43.1
Sep	44.1	46.3
Oct	46.2	48.5
Nov	49.6	52.8
Dec	51.6	54.8
Jan'10	52.0	55.1
Feb	52.9	56.5
Mar	54.2	56.5
Apr	54.3	56.9

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

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

“The April report has recorded the sharpest rise in demand for permanent staff in over two and a half years, which is further evidence of the recovery in the Scottish economy. Appointments to permanent jobs increased for the seventh consecutive month and vacancies for permanent jobs increased for the fifth month in a row, which is very encouraging. The Labour Market Barometer shows labour market conditions lagging slightly behind the UK, reflecting Scotland’s later exit from recession.”

Regional analysis

- Extending the current sequence to seven successive months, Edinburgh-based employment agencies reported the strongest rises in both permanent and temporary employment in April.
- This trend was reflected in pay awards, with recruitment consultants operating in Edinburgh reporting the fastest rises in both permanent and temp pay rates.
- Glasgow-based agencies registered the strongest monthly increase in candidate availability during the latest survey period.

Wages and salaries

- Average starting salaries awarded to successful permanent candidates in Scotland rose for the third consecutive month in April. Moreover, the monthly rise was the strongest since September 2008.
- Employment consultants operating in Scotland registered the strongest monthly rise in hourly temp pay rates since May 2008 in April.

Employment

- Firms operating in Scotland's recruitment sector posted another strong rise in the number of candidates placed in permanent job roles during April, thereby extending the current period of rising appointments to seven months.
- A Marked rise in the number of workers placed in temporary job roles by Scottish recruitment consultants was also recorded. Although the pace of increase slowed since March, it remained considerable and well above that recorded in the permanent sector.

Vacancies

- Vacancies in the Scottish permanent jobs market increased for the fifth month in a row in April. Furthermore, the pace of expansion accelerated to the highest since September 2007.
- Latest data signalled another improvement in demand for temporary workers in the Scottish labour market. Moreover, the pace of increase was the sharpest since July 2008.

Availability

- April data pointed to a solid rise in the number of candidates available to fill permanent job roles in Scotland. Long-term candidate growth has now been recorded for twenty-five straight months.
- The current sequence of rising candidate availability in the temporary jobs market extended to a twenty-second successive month in April.

Sectors

- Broken down by category, the rise in demand for permanent staff in Scotland was broad-based, with seven of the eight monitored employment categories recording higher vacancy numbers. The strongest rise was registered in the IT & Computing sector, followed by Executive & Professional.
- Temporary vacancy growth was also recorded in seven of the eight monitored categories. As in the permanent sector, IT & Computing workers saw the strongest monthly rise in vacancies.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in April 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 rose fractionally from 54.2 in March to 54.3 in April, signalling the most marked monthly improvement in employment conditions since January 2008.

Broken down by sub-index, three of the four constituents pointed to improving labour market conditions in April. The key sources of improvement were higher pay, placements and vacancies. Rising candidate availability, nevertheless, continued to point towards slack in the jobs market.

	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 Apr	33.6	38.6	33.9	32.1	34.1	32.2	81.6	87.5	81.9	41.1	38.6	41.0
May	42.5	41.4	42.4	35.3	37.0	35.4	80.2	83.6	80.4	41.8	39.4	41.7
Jun	43.4	48.0	43.7	39.3	42.1	39.5	79.5	81.5	79.6	44.6	42.9	44.5
Jul	46.7	49.7	46.8	43.4	46.4	43.6	78.3	78.3	78.3	45.8	42.4	45.6
Aug	47.5	49.8	47.6	44.8	47.3	44.9	76.3	77.2	76.3	44.8	41.8	44.7
Sep	49.1	52.7	49.3	45.9	47.5	46.0	62.7	66.3	62.9	44.0	44.4	44.0
Oct	52.5	58.3	52.8	48.5	49.9	48.6	61.2	61.5	61.2	44.7	46.1	44.8
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

UK regional labour market summary

The UK claimant count in April 2010 was 1,516,900. This signalled a decline of 27,100 on the previous month's revised figure, but was 11,300 higher than a year earlier. The claimant count rate was 4.7%, down 0.1 percentage point since the previous month, and was unchanged from a year earlier. The South West and the South East had the lowest unemployment rates at 3.1% and 3.2% respectively. The highest claimant count rates were recorded in the North East and Northern Ireland at 6.7% and 6.2% respectively.

Scotland registered another decline in the number of people claiming unemployment benefit during April. Official data showed the claimant count was 135,400, down 1,000 on March. The unemployment rate was 4.9%, unchanged since March, placing Scotland sixth in the table of UK regional labour markets (right).

REGION	April 2010 UNEMPLOYMENT		
	'000s	Rate (%)*	Rank
South West	85.3	3.1	(1)
South East	145.4	3.2	(2)
East	113.9	3.9	(3)
London	218.3	4.5	(4)
East Midlands	104.2	4.7	(5)
Scotland	135.4	4.9	(6)
NW & Merseyside	185.6	5.2	(7)
Wales	74.5	5.3	(8)
Yorks & H'side	151.2	5.7	(9)
West Midlands	166.6	6.0	(10)
Northern Ireland	55.4	6.2	(11)
North East	81.1	6.7	(12)
United Kingdom	1516.9	4.7	

Source: Department for Work & Pensions and National Statistics.

* As a percentage for Claimant Count + Workforce Jobs.

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. For more information, e-mail economics@markit.com.

Bank of Scotland

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Markit Economics

Markit Economics is a specialist compiler of business surveys and economic indices, including the Purchasing Managers' Index (PMI) series, which is now available for 26 countries and key regions including the Eurozone and BRIC. The PMIs have become the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. For more information, e-mail economics@markit.com.

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