

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 PLACEMENTS RISE AT SLOWEST RATE FOR MORE THAN TWO YEARS

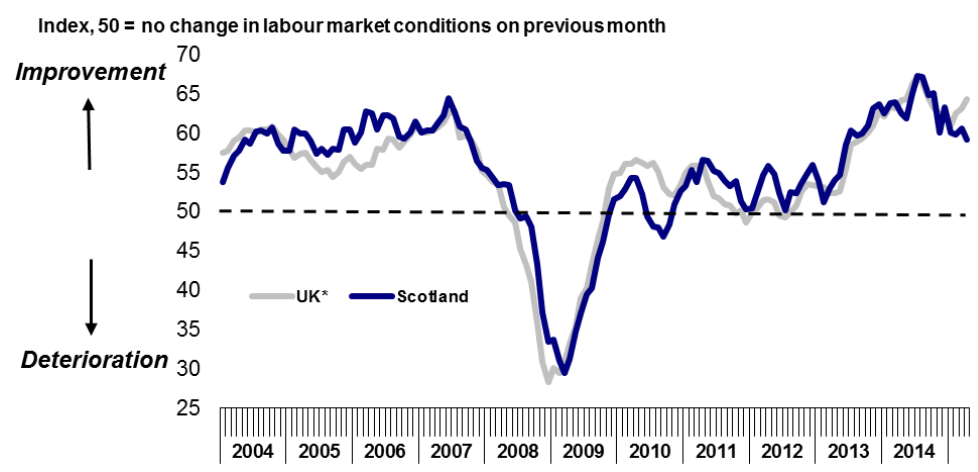
- Permanent appointments and temp billings up only modestly in April
- Demand for staff increases, but candidate availability worsens
- Staff pay continues to rise at solid pace, led by Dundee

Permanent placements in Scotland rose at the slowest rate for more than two years in April, the latest Bank of Scotland Report on Jobs showed. Hampering recruitment activity to an extent was a further fall in the availability of candidates for vacancies, though a moderation in growth of demand for staff was also recorded.

On the pay front, April's survey showed notable rises in both permanent starting salaries and temp hourly rates.

Although remaining well above the 50.0 'no-change' mark and signalling a further overall improvement in Scottish labour market conditions, the Bank of Scotland Labour Market Barometer slipped to a 22-month low in April, registering 59.1 from 60.6 in March. That was well below the corresponding index for the UK as a whole, which climbed to the highest since last September.

Bank of Scotland Labour Market Barometer



	Scot	UK*
Apr'14	62.5	64.2
May	61.8	64.2
Jun	65.1	66.2
Jul	67.3	67.2
Aug	67.1	66.4
Sep	64.9	64.4
Oct	65.0	63.3
Nov	60.1	62.4
Dec	63.2	62.0
Jan'15	60.0	61.0
Feb	59.8	62.5
Mar	60.6	63.2
Apr	59.1	64.2

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

Donald MacRae, Chief Economist at Bank of Scotland, commented: "Scotland's labour market continued to improve in the month. The number of people appointed to both permanent and temporary jobs rose modestly while the number of vacancies increased in the month. Starting salaries rose sharply and temp pay rates increased. These results suggest the Scottish economy continued to grow, albeit at a modest pace, in April."

Regional analysis

- Edinburgh recorded the strongest increase in permanent placements and Dundee the largest rise in temp billings, while Aberdeen saw declines on both fronts.
- Permanent and temporary candidate availability fell fastest in Glasgow and Edinburgh respectively, while Aberdeen registered a broad-based rise in candidate supply.
- Dundee led growth in both permanent starting salaries and temp pay rates, with Aberdeen the only monitored region where staff remuneration decreased.

Wages and salaries

- Permanent starting salaries in Scotland rose sharply again in April, with the rate of increase unchanged from that recorded in March.
- Having been stable during March, hourly pay rates for temporary staff in Scotland returned to growth at the start of the second quarter.

Employment

- Recruitment consultancies recorded a rise in permanent placements for the twenty-sixth straight month in April, although the rate of growth was the slowest in this sequence and only modest.
- As has been the case in each of the past three months, average weekly billings from temporary/contract staff increased slightly during April.

Vacancies

- Despite easing to the slowest since July 2013, the rate of growth in permanent staff demand remained strong and above the historical series trend.
- However, the latest increase in demand for temp staff was the least marked for over two years and relatively modest by the historical standards of the survey.

Availability

- April saw a further sharp decrease in the availability of candidates for permanent vacancies in Scotland, extending the current sequence of decline to 38 months.
- The supply of staff for temporary vacancies also deteriorated markedly, with the rate of decline much faster than seen in the month before.

Sectors

- By broad jobs category, the most marked rise in demand for permanent staff in Scotland was in Nursing/Medical/Care, followed by IT & Computing.
- Nursing/Medical/Care and IT & Computing recorded the sharpest overall increases in demand for temporary staff, though in both cases the rates of growth eased markedly since March. The only decrease was recorded in Executive & Professional.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in April 2015)

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.

April saw the Bank of Scotland Labour Market Barometer fall to its lowest level in almost two years. However, registering 59.1, from 60.6 in March, the barometer continued to show the health of the Scottish labour market improving, albeit at a reduced rate.

Labour market conditions also improved across the UK as a whole, with the corresponding index rising for the third month running to its highest level since last September.

Three factors acted to depress the Bank of Scotland Labour Market Barometer in April: a slower rise in staff placements, a moderation in growth of demand for staff and an easing (albeit slight) in the rate of decline in candidate availability. A faster rise in remuneration, driven by a renewed increase in temp pay rates, was the only factor to have a positive directional influence on the barometer.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
14 Apr	55.1	50.1	54.8	65.6	61.8	65.3	33.5	43.8	34.1	64.4	57.5	64.0
May	57.5	55.1	57.4	63.3	61.6	63.2	33.9	40.8	34.3	61.6	55.1	61.2
Jun	62.5	59.3	62.3	63.8	64.6	63.8	29.8	38.5	30.3	65.2	56.8	64.7
Jul	68.4	61.0	67.9	66.0	66.3	66.0	32.8	35.3	32.9	68.5	59.1	68.0
Aug	62.5	64.8	62.6	65.0	64.9	65.0	24.9	36.6	25.6	67.0	58.7	66.5
Sep	60.6	58.7	60.4	63.2	62.0	63.1	27.1	36.0	27.6	64.2	54.2	63.6
Oct	62.1	55.9	61.7	63.4	60.1	63.2	29.0	38.9	29.6	65.3	56.9	64.8
Nov	55.1	55.0	55.1	60.8	60.3	60.8	38.4	40.7	38.5	63.2	59.0	62.9
Dec	58.3	51.2	57.9	61.6	60.4	61.6	32.5	41.4	33.0	67.2	55.5	66.5
15 Jan	53.8	48.8	53.5	60.8	56.8	60.5	33.5	42.9	34.0	60.6	52.4	60.1
Feb	59.2	51.3	58.7	62.6	55.2	62.2	39.2	43.5	39.5	58.2	52.5	57.8
Mar	55.5	50.2	55.2	60.0	54.7	59.6	33.7	43.8	34.3	62.7	50.0	61.9
Apr	51.9	51.2	51.8	58.8	54.3	58.5	36.1	36.0	36.1	62.7	56.4	62.3

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 around 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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