

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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GROWTH OF PERMANENT APPOINTMENTS ACCELERATES TO 14-MONTH HIGH IN JUNE

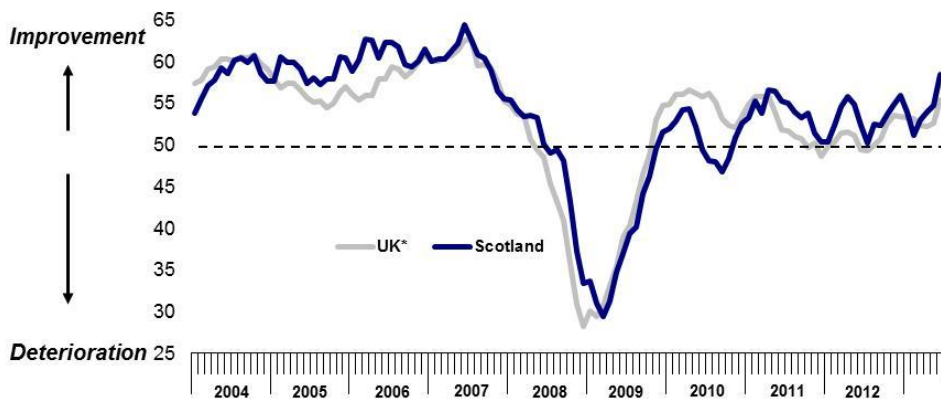
- Bank of Scotland Labour Market Barometer signals marked improvement in Scottish job market conditions
- Strongest rise in permanent salaries since September 2007
- Aberdeen posts the strongest rise in permanent placements for the second month running, while Dundee sees the fastest increase in temp staff billings

The latest Bank of Scotland Report on Jobs signalled a marked improvement in Scottish job market conditions in June. Staff placements continued to rise on the back of the strongest rates of permanent and temporary vacancy growth in 14 and 21 months respectively. Concurrently, candidate availability deteriorated further, while average pay increased at the sharpest pace for almost six years and at a much faster rate than the UK average.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – remained above the 50.0 no-change mark in June, suggesting a further improvement in Scottish job market conditions. At 58.5, up sharply from May’s 54.7, the Barometer indicated that the latest improvement was the greatest since October 2007.

Bank of Scotland Labour Market Barometer

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



	Scot	UK*
May'12	54.8	51.2
Jun	52.3	49.4
Jul	50.2	49.3
Aug	52.4	49.9
Sep	52.3	50.8
Oct	53.6	52.6
Nov	54.9	53.5
Dec	56.0	53.5
Jan'13	53.9	53.3
Feb	51.2	53.1
Mar	53.0	52.4
Apr	54.0	52.3
May	54.7	52.6
Jun	58.5	55.3

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

Donald MacRae, Chief Economist at Bank of Scotland, commented: “June’s Labour Market Barometer rose to 58.5, its highest level since October 2007. Both the number of people appointed to permanent and temporary jobs rose in the month accompanied by sharp rises in vacancies. Improvements in job market conditions were spread across all sectors. These results signal a further strengthening of the recovery in the Scottish economy and bode well for employment throughout 2013.”

Regional analysis

- Aberdeen posted the strongest rise in permanent placements for the second month running in June, while Dundee saw the fastest increase in temp staff billings.
- Recruiters in Glasgow and Aberdeen saw the strongest deteriorations in permanent and temporary staff availability respectively.
- Permanent salaries and temp hourly pay increased at the strongest rates in Edinburgh and Dundee respectively.

Wages and salaries

- Average permanent salaries rose markedly in June, with the rate of inflation the fastest since September 2007.
- Temp hourly pay increased at the sharpest rate for almost six years in June, and at a pace much faster than the UK average.

Employment

- Scottish recruiters reported a marked rise in the number of candidates placed into permanent work in June, with the latest increase the strongest in 14 months.
- Average billings from temporary staff increased at a solid pace in June, albeit the rate of growth eased from May.

Vacancies

- Demand for permanent staff rose markedly and at the fastest rate since April 2012.
- Temp vacancy growth accelerated to a 21-month high in June.

Availability

- The availability of permanent staff deteriorated further in June, with the latest reduction the strongest in 2013 to date.
- Candidate numbers seeking temporary work fell for the second month running in June, with the rate of decline the sharpest since October 2007.

Sectors

- All eight employment sectors posted a higher number of permanent job vacancies in June, led by IT & Computing. The weakest increase was reported for the Blue Collar sector.
- Demand for temporary staff increased in seven employment sectors during June, led by the Nursing/Medical/Care category. The only sector to see a reduction from May was Executive & Professional.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in June 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.

The Bank of Scotland Labour Market Barometer indicated the strongest improvement in Scottish job market conditions for over five-and-a-half years in June. At 58.5, the Barometer was almost four points higher than in May, and consistent with a marked rate of growth.

The improvement in Scotland's labour market remained stronger than that for the UK as a whole. The equivalent UK index nonetheless posted its highest reading since April 2011 and suggested a strong improvement overall.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in June. Moreover, all four components acted to boost the level of the index in the latest month.

	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 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
Apr	57.2	54.5	57.0	52.9	56.7	53.1	49.2	51.3	49.4	55.3	51.7	55.1
May	54.3	58.7	54.6	54.0	55.7	54.1	46.7	47.9	46.7	56.9	55.4	56.8
Jan	59.9	54.5	59.6	58.8	59.3	58.8	43.7	44.3	43.8	59.3	59.6	59.3

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 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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