

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 FALL FOR FIRST TIME IN SIX MONTHS DURING FEBRUARY

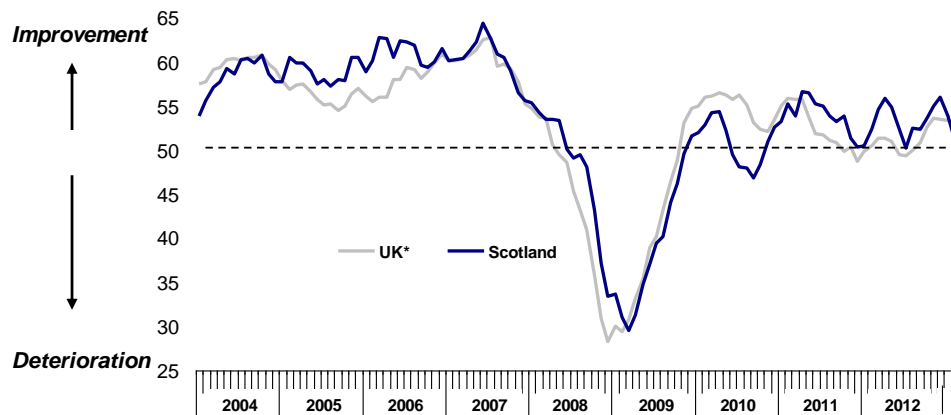
- Permanent placements decline, while temp billings growth slows sharply
- Growth of demand for staff eases
- Permanent salaries unchanged since January

The latest Bank of Scotland Report on Jobs signalled the first reduction in permanent placements in six months during February. This partly reflected softer client demand, with permanent vacancy growth the slowest for over a year. Meanwhile, temp staff billings continued to increase in February, but the latest rise was much weaker than in January. Average pay trends also deteriorated, with permanent salaries stagnating over the month and temp hourly pay falling solidly.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – signalled only a modest improvement in Scottish job market conditions in February. At 51.2, down from 53.9 in January, the Barometer was the lowest in seven months and below the UK average (53.1) for the first time in almost two years.

### Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Jan'12	50.4	49.9
Feb	52.4	50.4
Mar	54.6	51.4
Apr	55.8	51.4
May	54.8	51.0
Jun	52.3	49.4
Jul	50.2	49.3
Aug	52.4	50.0
Sep	52.3	50.9
Oct	53.6	52.6
Nov	54.9	53.6
Dec	56.0	53.5
Jan'13	53.9	53.4
Feb	51.2	53.1

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

**Donald MacRae, Chief Economist at Bank of Scotland, commented:** "The February Barometer showed Scottish job market conditions continuing to improve but at a marginal rate. The number of people appointed to permanent jobs fell for the first time in six months while the growth in vacancies for permanent jobs was the slowest for over a year. The rate of growth in vacancies for temporary jobs remained strong although slowing to a three-month low. These results highlight the fragility of the recovery from the recession."

### Regional analysis

- Recruiters based in Aberdeen and Edinburgh reported a decline in permanent placements in February. Meanwhile, Glasgow was the only region to see a reduction in temp staff billings.
- The availability of permanent and temporary staff deteriorated to the greatest extent in Glasgow and Aberdeen respectively.
- Glasgow-based recruitment consultancies recorded lower starting salaries for permanent staff in February. Similarly, agencies working in Glasgow, as well as Edinburgh, saw lower temp pay rates.

### Wages and salaries

- February data pointed to no change in permanent salaries since January, ending a four-month sequence of increases.
- Temp hourly pay rates fell solidly in February, with the rate of decline the fastest in two-and-a-half years.

### Employment

- Permanent staff placements fell for the first time in six months during February.
- Temp staff billings continued to increase in February, although the rate of growth slowed sharply since hitting a two-year high in January.

### Vacancies

- Demand for permanent staff rose further in February, but at the weakest pace since January 2012.
- Although remaining strong, the rate of temp vacancy growth slowed to a three-month low in February.

### Availability

- The availability of permanent staff deteriorated further, and at a stronger rate than one month previously.
- In contrast with the deteriorations reported in each month since last July, the availability of temporary staff improved in February, albeit modestly.

### Sectors

- Only three sectors posted a larger number of permanent job vacancies in February, led by IT & Computing. Strong rates of decline were meanwhile recorded for Hotel & Catering and Secretarial & Clerical.
- Demand for temp staff rose in five sectors during February. The strongest increase was posted for Nursing/Medical/Care, with the latest rise also the greatest for over two years.

#### Permanent Staff

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

#### Temporary/Contract Staff

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

*(Ranked by strength of demand in Scotland in February 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 only a modest improvement in Scottish job market conditions in February. Having fallen from 53.9 to 51.2, the Barometer was below its long-run series average of 53.4 and signalled the weakest monthly improvement since last July.

Moreover, the Barometer for Scotland was below the equivalent index for the UK as a whole for the first time since March 2011. At 53.1 in February, down from 53.4 in January, the UK index signalled a solid improvement in overall UK labour market conditions, albeit the weakest in four months.

Two constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in February, with appointments and pay the exceptions.

	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 Feb	56.4	56.5	<b>56.4</b>	53.8	52.2	<b>53.7</b>	52.7	55.6	<b>52.8</b>	52.2	53.2	<b>52.2</b>
Mar	53.3	57.0	<b>53.5</b>	58.3	54.1	<b>58.1</b>	46.7	50.0	<b>46.9</b>	53.8	54.7	<b>53.8</b>
Apr	59.9	60.6	<b>60.0</b>	58.9	56.5	<b>58.7</b>	46.6	46.6	<b>46.6</b>	51.3	52.7	<b>51.3</b>
May	55.9	55.5	<b>55.9</b>	57.5	57.7	<b>57.5</b>	49.1	52.3	<b>49.3</b>	55.5	50.0	<b>55.2</b>
Jun	52.3	47.2	<b>52.0</b>	54.9	55.9	<b>54.9</b>	45.2	53.4	<b>45.7</b>	47.9	49.9	<b>48.0</b>
Jul	49.2	53.5	<b>49.5</b>	52.1	55.0	<b>52.2</b>	48.3	48.0	<b>48.3</b>	47.0	52.6	<b>47.3</b>
Aug	47.8	57.2	<b>48.3</b>	51.7	53.9	<b>51.8</b>	42.9	45.8	<b>43.0</b>	52.4	54.4	<b>52.5</b>
Sep	54.8	60.0	<b>55.1</b>	52.6	53.1	<b>52.7</b>	47.9	48.8	<b>47.9</b>	49.1	55.0	<b>49.5</b>
Oct	52.6	56.9	<b>52.8</b>	55.0	55.0	<b>55.0</b>	44.2	46.6	<b>44.3</b>	50.9	51.5	<b>50.9</b>
Nov	56.2	56.3	<b>56.2</b>	57.5	55.3	<b>57.3</b>	46.3	46.4	<b>46.3</b>	52.3	53.8	<b>52.4</b>
Dec	56.6	60.9	<b>56.9</b>	56.8	56.9	<b>56.8</b>	43.0	46.7	<b>43.2</b>	53.2	55.6	<b>53.4</b>
13 Jan	55.0	61.2	<b>55.3</b>	54.1	57.1	<b>54.2</b>	49.2	49.4	<b>49.2</b>	55.2	54.7	<b>55.1</b>
Feb	48.3	53.4	<b>48.6</b>	51.2	55.6	<b>51.5</b>	44.7	51.1	<b>45.1</b>	50.0	46.6	<b>49.8</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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