

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.

NOT FOR BROADCAST OR PUBLICATION BEFORE, 00:01 MONDAY 21 JANUARY 2013

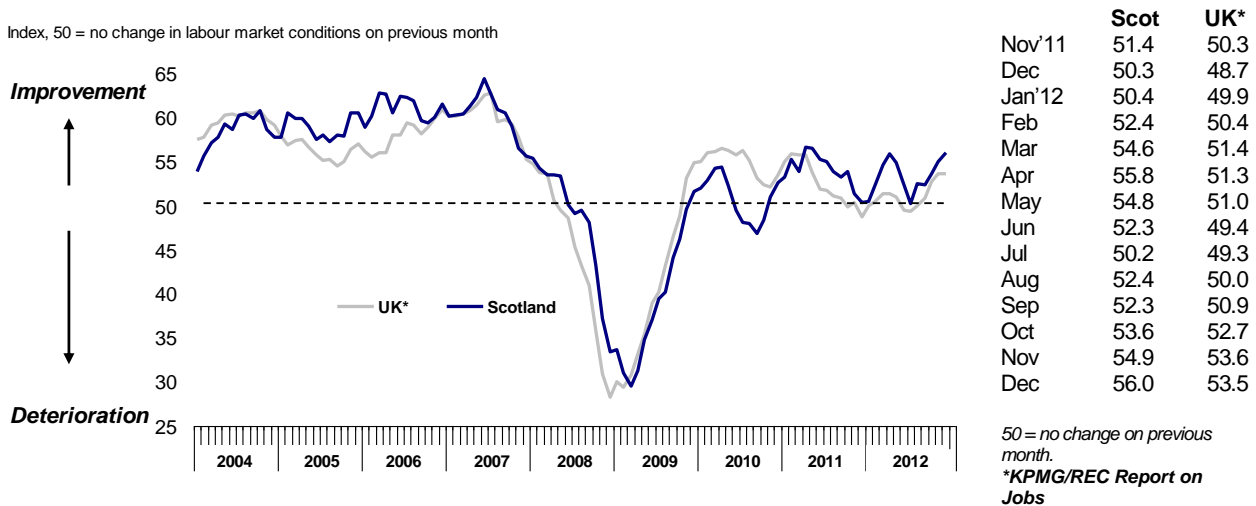
STRONGER RISE IN STAFF APPOINTMENTS AT THE END OF 2012

- Both permanent placements and temp billings increase markedly
- Sharp deterioration in availability of permanent staff
- Edinburgh-based recruiters report strongest rise in permanent appointments, while consultancies in Dundee see fastest increase in temp billings

The latest Bank of Scotland Report on Jobs showed a marked rise in staff placements during December. In contrast to the weaker growth trends registered across the UK as a whole, Scotland saw the strongest increases in permanent and temporary appointments in eight and 23 months respectively. Recruiters largely linked this to greater client demand. Concurrently, average pay rose further, with the rates of inflation also quickening since November.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – rose from 54.9 to 56.0 in December, its highest reading since May 2011. Above the long-run series average and the equivalent index for the UK as a whole, the Barometer was consistent with a strong improvement in Scotland’s job market at the end of 2012.

Bank of Scotland Labour Market Barometer



Donald MacRae, Chief Economist at Bank of Scotland, commented: "This latest Barometer shows the Scottish labour market improving at its fastest rate since May 2011. The number of people appointed to permanent jobs rose to an eight-month high while temporary job appointments increased at the strongest rate since January 2011. Vacancies for permanent staff rose strongly in the month. These results suggest the Scottish economy has exited the recent period of slowdown and is entering 2013 in growth mode."

Regional analysis

- The strongest increase in permanent placements was recorded in Edinburgh, while the fastest rise in temp billings was posted in Dundee.
- Permanent and temporary candidate availability deteriorated to the greatest extent in Glasgow and Dundee respectively.
- Edinburgh-based recruitment agencies posted the strongest rise in permanent salaries in December. The fastest increase in temp hourly pay was reported by consultancies in Glasgow.

Wages and salaries

- Average starting salaries for permanent staff rose solidly and at the strongest pace in seven months.
- Temp hourly pay increased at a robust pace in December, with the rate of inflation the fastest since May 2008.

Employment

- Permanent appointments rose strongly in December and at the fastest pace in eight months.
- Scottish recruitment agencies reported a marked increase in billings from temporary staff, with the rate of growth the strongest in almost two years.

Vacancies

- Despite growth having eased slightly since November, demand for permanent staff rose strongly in December.
- Vacancy growth in the temporary job market quickened to a seven-month high in December.

Availability

- The availability of permanent staff fell markedly over the month, with the latest deterioration the second-sharpest since October 2007.
- Temp availability declined for the sixth successive month in December, albeit the corresponding index was at a three-month high.

Sectors

- All eight employment sectors posted a larger number of permanent job vacancies in December. The Nursing/Medical/Care sector recorded the strongest increase, with the latest rise the fastest since November 2009.
- Demand for temps increased in six sectors during December, led by the Nursing/Medical/Care category. Accounts & Financial meanwhile reported broadly no change since November, while Hotel & Catering saw a marked reduction.

Permanent Staff

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

Temporary/Contract Staff

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

(Ranked by strength of demand in Scotland in December 2012)

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 registered 56.0 in December, signalling a strong improvement in Scottish job market conditions. The Barometer meanwhile averaged 54.8 in the fourth quarter and signalled the fastest rate of growth since the second quarter of 2011.

The Barometer for Scotland remained above the equivalent index for the UK as a whole in December. At 53.5, the UK barometer was little-changed from the one-and-a-half year high recorded in November.

All four constituents of the Bank of Scotland Labour Market Barometer exerted a positive directional effect in December. Three components also acted to boost the level of the index in the latest month, with demand for staff the only exception.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
11 Dec	47.4	49.5	47.5	50.9	53.0	51.1	47.8	52.8	48.1	50.8	50.9	50.8
12 Jan	52.3	55.4	52.5	50.1	50.9	50.2	49.1	56.7	49.6	48.2	52.4	48.4
Feb	56.4	56.5	56.4	53.8	52.2	53.7	52.7	55.6	52.8	52.2	53.2	52.2
Mar	53.3	57.0	53.5	58.3	54.1	58.1	46.7	50.0	46.9	53.8	54.7	53.8
Apr	59.9	60.6	60.0	58.9	56.5	58.7	46.6	46.6	46.6	51.3	52.7	51.3
May	55.9	55.5	55.9	57.5	57.7	57.5	49.1	52.3	49.3	55.5	50.0	55.2
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

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.

Bank of Scotland

Bank of Scotland is part of Lloyds Banking Group, the UK's largest retail bank and Scotland's largest financial services employer. Established in 1695, Bank of Scotland is the UK's oldest surviving clearing bank. Our goal is to be the best financial services provider in Scotland. We believe this means we must build a leadership position not on the basis of scale but on the foundations of reputation and recommendation.

Markit

Markit is a leading, global financial information services company with over 2,800 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial market place. For more information, see www.markit.com.

For further information, contact:

Zoe Redhead, Bank of Scotland Press Office

Tel: 0131 655 5405 / 07809 551491

Email: zoeredhead@bankofscotland.co.uk

Web: www.lloydsbankinggroup.com/media.asp

The intellectual property rights to the Report on Jobs for Scotland provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Markit and the Markit logo are registered trade marks of Markit Group Limited.