

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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## NEAR-RECORD INCREASE IN DEMAND FOR PERMANENT STAFF

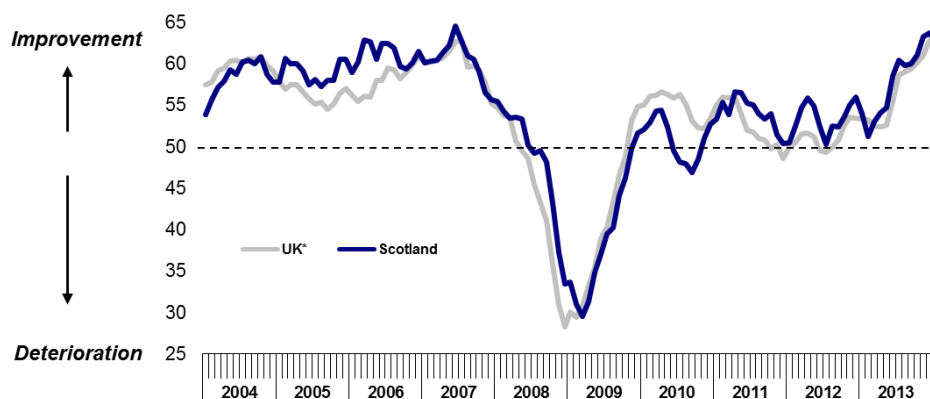
- Sharpest increase in permanent job vacancies since April 2006
- Permanent and temporary staff placements continue to rise rapidly
- Broad-based growth in permanent appointments led by Edinburgh

January’s Bank of Scotland Report on Jobs showed further marked increases in permanent and temporary staff placements. Driving job creation was a strengthening of demand for staff, with the latest rise in permanent vacancies a near-survey record. Combined with a further drop in candidate numbers, the pick-up in demand supported strong growth in staff pay, although rates of inflation in salaries and temp hourly rates eased since December.

The Bank of Scotland Labour Market Barometer – a composite indicator designed to provide a single figure snapshot of labour market conditions – posted 62.6 in January, signalling a further marked improvement in the health of Scotland’s labour market. The Barometer dipped slightly from December’s recent peak of 63.6, but was nevertheless above both its long-run average and the equivalent index for the UK as a whole.

### Bank of Scotland Labour Market Barometer

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



	Scot	UK*
Dec	56.0	53.4
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	55.4
Jul	60.3	58.6
Aug	59.7	59.0
Sep	60.0	59.3
Oct	60.9	60.1
Nov	63.2	60.9
Dec	63.6	62.7
Jan'13	62.6	62.1

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

**Donald MacRae, Chief Economist at Bank of Scotland, commented:** “January showed a further marked improvement in Scotland’s labour market returning the Barometer to pre-crisis levels of 2007. The number of people appointed to both permanent and temporary jobs increased rapidly while vacancies rose sharply across all sectors. Salaries rose strongly for those appointed to permanent jobs demonstrating increasing business confidence. The recovery in the Scottish economy is not only continuing but is strengthening as we enter 2014.”

## Regional analysis

- For the second month in a row, Edinburgh recorded the fastest increases in both permanent and temporary placements.
- Glasgow saw the most marked deterioration in permanent candidate numbers, while Aberdeen posted the sharpest drop in temporary candidate supply.
- Pay pressures were strongest overall in Glasgow, which registered the fastest increases in both permanent starting salaries and hourly pay rates for temporary staff.

## Wages and salaries

- Easing only slightly from December's survey record, salary inflation remained strong at the start of the year.
- Temporary/contract hourly pay also rose markedly, albeit to a lesser extent than in the preceding survey period.

## Employment

- January's increase in permanent appointments was the least marked since last May, though still strong in the context of historical survey data.
- Growth in temporary billings in Scotland also eased since December, but was nevertheless sharp overall.

## Vacancies

- Permanent job vacancies rose at the second-fastest rate in the 11-year survey history, only fractionally slower than April 2006's series record.
- Although the slowest since October, growth in demand for temporary staff remained sharp in January.

## Availability

- The number of candidates seeking permanent employment fell steeply in January, and to a greater degree than during the prior month.
- Temporary candidate availability on the other hand deteriorated less markedly than in December, though still sharply overall.

## Sectors

- Permanent staff vacancies increased to the greatest extent in the Accounts & Financial sector, where growth was the fastest in the 11-year series history. The next-sharpest increase was recorded in Nursing/Medical/Care.
- Continuing the trend observed in each of the past four months, temporary/contract job vacancies increased in all eight of the sectors monitored by the survey in January. Leading growth was Nursing/Medical/Care, which for the sixth straight month reported a series-record increase in demand for temporary staff.

### Permanent Staff

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

### Temporary/Contract Staff

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

*(Ranked by strength of demand in Scotland in January 2014)*

## 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 remained well above the neutral 50.0 mark in January, indicating a further strengthening of labour market conditions. That said, the Barometer dipped for the first time in five months, from December's 78-month high of 63.6 to 62.6.

Scotland's Barometer was above the UK equivalent for eleventh month in a row in January. The latter decreased slightly since December, from 62.7 to 62.1 (a two-month low).

The Bank of Scotland Labour Market Barometer dipped since December amid weaker rates of growth in staff placements and pay. Offsetting this somewhat were a more marked deterioration in candidate supply and a sharper increase in demand for staff.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salary	Temp Pay	Overall Pay
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>
Mar	53.4	50.9	<b>53.3</b>	51.3	53.9	<b>51.5</b>	45.6	53.0	<b>46.0</b>	53.2	52.3	<b>53.1</b>
Apr	57.2	54.5	<b>57.0</b>	52.9	56.7	<b>53.1</b>	49.2	51.3	<b>49.4</b>	55.3	51.7	<b>55.1</b>
May	54.3	58.7	<b>54.6</b>	54.0	55.7	<b>54.1</b>	46.7	47.9	<b>46.7</b>	56.9	55.4	<b>56.8</b>
Jun	59.9	54.5	<b>59.6</b>	58.8	59.3	<b>58.8</b>	43.7	44.3	<b>43.8</b>	59.3	59.6	<b>59.3</b>
Jul	64.5	53.3	<b>63.9</b>	56.5	61.6	<b>56.8</b>	36.1	36.0	<b>36.1</b>	56.4	63.1	<b>56.8</b>
Aug	64.5	55.6	<b>64.0</b>	59.7	64.9	<b>60.0</b>	38.5	36.9	<b>38.4</b>	52.9	59.0	<b>53.2</b>
Sep	60.7	54.6	<b>60.3</b>	60.4	61.8	<b>60.5</b>	40.5	40.8	<b>40.5</b>	59.5	60.4	<b>59.5</b>
Oct	64.3	61.0	<b>64.1</b>	63.1	62.4	<b>63.1</b>	41.8	35.9	<b>41.4</b>	58.2	55.3	<b>58.0</b>
Nov	65.8	63.8	<b>65.7</b>	64.6	65.8	<b>64.7</b>	35.0	42.7	<b>35.5</b>	58.0	54.3	<b>57.8</b>
Dec	64.9	64.7	<b>64.9</b>	64.8	64.6	<b>64.8</b>	39.3	40.9	<b>39.4</b>	64.4	59.3	<b>64.1</b>
14 Jan	59.0	61.1	<b>59.2</b>	67.5	63.7	<b>67.3</b>	37.9	42.3	<b>38.2</b>	62.3	57.1	<b>62.0</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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