

Embargoed until 00:01 hours on Monday 21st November 2005

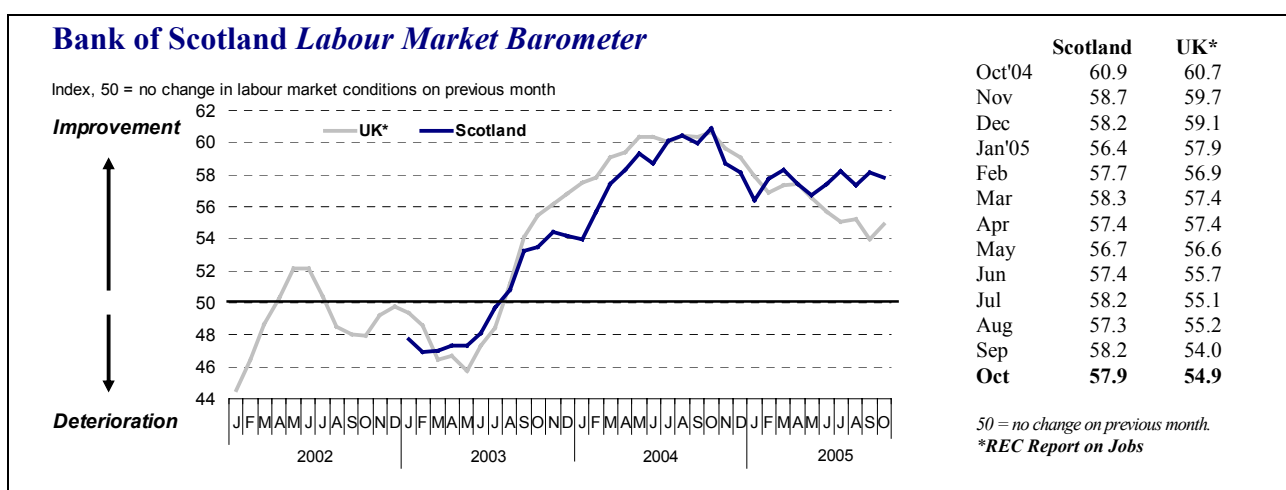
SCOTTISH JOBS MARKET CONTINUES TO OUTPERFORM UK

The Scottish jobs market continued to perform well in October, according to the latest Bank of Scotland *Labour Market Report* with rises in both permanent and temporary staff employment recorded for the month. Wages and salaries recorded firm growth.

Labour market conditions in Scotland were stronger than the UK average for the sixth consecutive month as demand for staff remained firm at Scottish employers (though the latest rise was the smallest in eight months).

Executive & Professional employees were the most sought-after category of permanent staff, while Engineering & Construction workers recorded the highest demand amongst temp staff.

The report's unique 'Barometer' signalled an improvement in Scottish labour market conditions for the twenty-seventh successive month in October. Although still indicative of a robust rate of improvement, the Barometer fell marginally from September's 58.2, to 57.9.



Commenting, Tim Crawford, Group Economist at Bank of Scotland, said:

"The Scottish labour market continues to perform better than the UK average, boosted by firm demand for staff by employers in Scotland. However, the latest data also suggests that pay pressures continued to build in October, as average salaries posted their strongest rise in seven months."

SCOTTISH MONTHLY LABOUR MARKET REPORT

Bank of Scotland is part of the HBOS Group
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Registered in Scotland No. SC 218813
Tel: 0131 243 7195 (Out of Hours: 0845 606 6696)
<http://www.hbosplc.com/economy/scotlandreportonjobs.asp>

Regional analysis

‘Wages and salaries rose fastest in Aberdeen’

- Permanent staff placements rose in all four of Scotland’s main cities (Glasgow, Edinburgh, Dundee and Aberdeen) in October, with **Glasgow** recording the strongest rise. Temporary staff billings fell in Aberdeen, but rose elsewhere, with **Edinburgh** posting the biggest rise.
- There were less permanent staff available for work in Aberdeen and Edinburgh, but more available in Dundee and Glasgow. Temp staff availability fell in all four cities.
- Wages and salaries rose in all four cities, with **Aberdeen** again recording the strongest pay growth.

Wages and salaries

‘Strong growth in pay rates’

- The rate of growth of **permanent staff salaries** was the highest in seven months in October. Around 23% of consultants reported higher salaries than one month ago.
- **Temporary staff wages** rose at the fastest pace in eleven months, partly due to the increase in the national minimum wage. Around 28% of agencies reported a rise in temp pay from one month ago.

Employment

‘Firm growth of permanent placements and temp billings’

- Consultants indicated a fifth consecutive monthly rise in their **permanent staff placements** in October. 46% of panellists indicated a rise in placements on the previous month.
- Agencies’ **temporary staff billings** were also up strongly, underpinned by rising workloads at Scottish firms. Exactly a third of panellists noted a rise in billings compared with one month ago.

Vacancies

‘Demand continued to rise strongly’

- **Demand for permanent staff** continued to grow strongly in October. That said, the latest expansion was the smallest in eight months.
- **Demand for temporary/contract workers** also posted a further strong rise, but as with permanent staff, the rate of improvement eased to an eight-month low.

Availability

‘Modest fall in permanent staff availability’

- The **availability of permanent staff** continued to decline in October, reflecting a further rise in the number of workers placed in jobs. However, the rate of deterioration was only moderate.
- **Temporary staff availability** fell with over a quarter of agencies noting a fall in availability from one month ago.

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Sectoral***'Demand rose for all types of staff'***

- Demand rose for all categories of permanent and temporary/contract staff in October.
- **Executive & Professional employees** registered the strongest growth of demand amongst permanent staff. **Engineering & Construction** workers remained the most sought-after type of temporary/contract worker.

DEMAND FOR STAFF - Ranked by strength of demand in Scotland in October 2005**Permanent Staff**

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

Temporary/Contract Staff

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

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 (appointments); availability for work; and pay in the permanent and temporary markets.
- The Barometer remained above the 50.0 no-change mark (to signal improvement of job market conditions) for the twenty-seventh consecutive month in October. The Barometer recorded 57.9, down slightly from September's 58.2, but still indicated a robust rate of expansion.
- Two of the four components of the Barometer – availability for work and employee pay – made stronger contributions to it in October. The other two components – employee appointments and demand for staff – made weaker (though still positive) contributions.
- The Barometer for Scotland was above the equivalent UK index (compiled from data produced in the REC Report on Jobs) for the sixth month running, to signal a faster rate of labour market improvement.

	Perm Place	Temp Billing	Overall Appoint	Perm Demand	Temp Demand	Overall Demand	Perm Avail	Temp Avail	Overall Avail	Perm Salaries	Temp Pay	Overall Pay
04 Oct	59.1	61.9	59.3	61.1	66.1	61.4	37.5	33.8	37.3	60.0	60.3	60.0
Nov	56.7	61.5	56.9	56.2	60.2	56.5	36.4	32.5	36.1	57.4	59.8	57.5
Dec	56.1	58.7	56.2	54.0	55.9	54.1	35.3	32.6	35.2	57.5	57.5	57.5
05 Jan	51.3	54.7	51.5	54.2	54.1	54.2	36.7	37.2	36.7	56.7	55.3	56.6
Feb	52.0	59.5	52.4	59.4	57.6	59.3	41.4	44.4	41.5	61.1	54.2	60.7
Mar	51.5	61.6	52.1	63.3	62.8	63.3	42.6	44.8	42.8	60.8	54.3	60.4
Apr	51.2	58.0	51.6	63.2	61.0	63.0	43.5	46.2	43.6	59.0	54.0	58.7
May	49.6	59.6	50.2	62.4	61.9	62.4	44.1	44.3	44.1	58.7	54.7	58.4
Jun	52.5	59.8	52.9	62.5	61.5	62.4	44.2	44.8	44.3	58.9	54.2	58.6
Jul	56.4	61.3	56.7	64.1	64.6	64.2	45.3	47.8	45.5	57.5	53.5	57.3
Aug	56.3	59.1	56.5	62.6	63.5	62.6	47.8	48.4	47.8	58.3	53.9	58.1
Sep	58.6	59.2	58.6	63.2	63.9	63.2	49.3	45.6	49.1	60.0	57.4	59.8
Oct	57.7	58.1	57.7	61.7	60.8	61.7	48.2	45.7	48.0	60.1	58.7	60.0

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UK regional labour market summary

- Scotland recorded a slight rise in the number of people registered as unemployed and seeking work in the latest month. Official data showed the seasonally adjusted claimant count was 85,700, up 500 on August, but down 5,200 since September 2004. The unemployment rate was unchanged at 3.2% of the working population.
- The number of people officially registered as jobless and seeking work at UK job centres rose to 875,000 in September, up 8,200 from August. The claimant count rate was 2.8% of the workforce, unchanged from the previous month, but up 0.1% from a year earlier.
- The South West had the lowest unemployment rate at 1.6%, followed by the South East at 1.7%. The North East had the highest jobless rate at 4.1%.

Region	UNEMPLOYMENT (Sep)		
	'000s	Rate (%)*	Rank
South West	43	1.6	(1)
South East	73	1.7	(2)
East	59	2.1	(3)
East Midlands	55	2.7	(4)
NW/Merseyside	104	3.0	(5)
Yorks/Humberside	78	3.1	(6)
Wales	42	3.2	(7)
Scotland	86	3.2	(7)
N Ireland	28	3.3	(9)
London	164	3.5	(10)
West Midlands	98	3.6	(11)
North East	47	4.1	(12)
UK	876	2.8	

Source: Department for Work & Pensions and National Statistics.

* As a percentage for Claimant Count + Workforce Jobs.

Notes for Editors

The Labour Market Barometer from **Bank of Scotland** is an average of survey indexes 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, conducted by NTC, 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 **REC Report on Jobs** survey for the UK, which uses an identical methodology. The REC index for the UK has a strong track record of accurately anticipating changes in unemployment, employment and average earnings. Visit www.ntceconomics.com for further information.

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