

# KPMG and REC, UK Report on Jobs: Midlands

## Permanent staff appointments fall markedly at start of 2024

# 41.2

PERMANENT PLACEMENTS INDEX  
JAN '24

# 43.0

TEMPORARY BILLINGS INDEX  
JAN '24

The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands.

Steep reductions in permanent placements and temp billings

Permanent salary inflation eases to seven-month low

Softest rise in permanent availability since last September

Commenting on the latest survey results, Kate Holt, People Consulting Partner for KPMG in the Midlands said:

*"The Midlands job market had a muted start to the new year with a decline in both permanent and temporary staff hiring. Pockets of redundancies and hiring pauses across several industries in the region resulted in increased job seeker numbers. These factors partnered with economic headwinds also resulted in downward pressure on wages because employers have a wider pool of candidates to choose from."*

*"All eyes will be on the upcoming Spring Budget as businesses and job seekers alike await regulatory change that will stimulate economic growth and allow the region's job market to improve."*

Neil Carberry, REC Chief Executive, said:

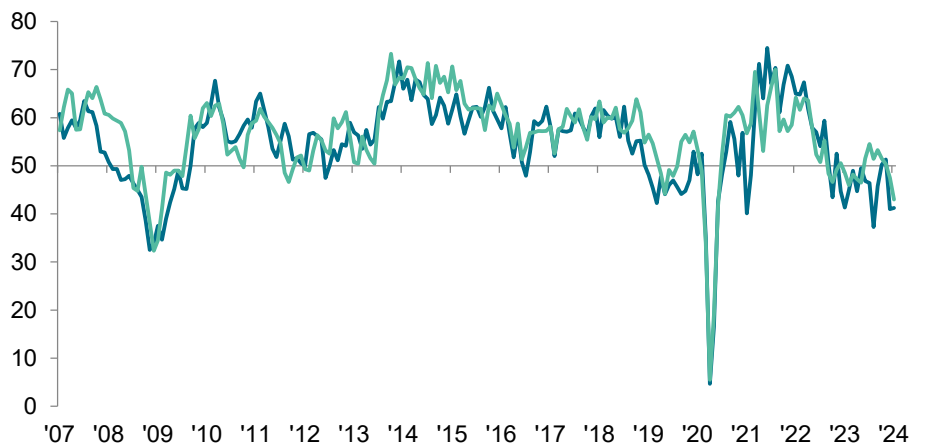
*"The labour market's resilience is a great strength of the British economy - but it can't last for ever without sustained economic growth. Pay is normalising in the Midlands as in the rest of the UK, inflation is dropping and the hiring market has been cooling for a year now - it's high time that the Bank of England starts releasing the brake pedal on our economy."*

*"The Chancellor has the perfect opportunity in the Spring Budget to give some clear signals on growth. A long-term plan to tackle skills and labour shortages, economic inactivity and weak productivity is essential. A Spring Budget full of practical steps on skills, welfare to work and the cost of doing business will help hugely."*

*"We can get the wheels of investment turning by recognising that the people stuff matters as much as capital expenditure. Investment in new industries and technologies such as green skills and AI is great and necessary, but we must get more of firms thinking about how they organise work, and how to build new skills to fuel local economies across the UK."*

■ Permanent Placements Index  
■ Temporary Billings Index

sa, >50 = growth since previous month

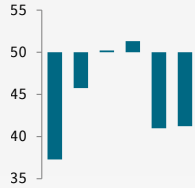


# 1 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

Permanent Placements Index

Aug '23 - Jan '24  
sa, >50 = growth



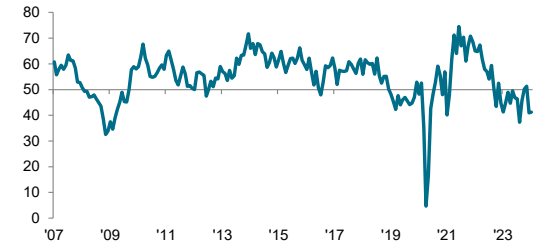
## Marked decline in permanent staff appointments

The number of people placed into permanent roles across the Midlands fell for the second successive month in January. The rate of contraction eased only fractionally from that seen in December and remained sharp overall. Where a decrease was reported, recruiters attributed this to hiring freezes and cautiousness among firms.

The reduction in the Midlands was the most marked of the four monitored English regions.

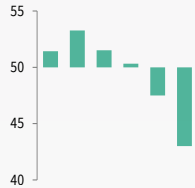
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Aug '23 - Jan '24  
sa, >50 = growth

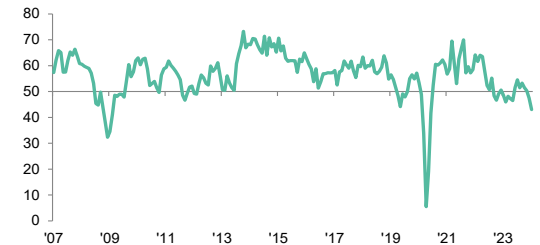


## Sharper fall in temp billings

For the second time in as many months, billings received for temporary work by recruiters based in the Midlands decreased. The reduction in January quickened on the month and was the steepest recorded since June 2020. Anecdotal evidence suggested that there was less demand for temporary staff, while other firms opted to take on staff permanently. The rate of decrease in the Midlands was the fastest of the four monitored parts of England and outpaced the national average by a considerable margin.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Aug-23	38.9	37.3	49.5	51.4
Sep-23	45.1	45.7	51.6	53.3
Oct-23	45.8	50.2	50.9	51.5
Nov-23	41.6	51.3	48.0	50.3
Dec-23	45.6	41.0	48.8	47.5
Jan-24	43.4	41.2	48.9	43.0

## Job vacancies

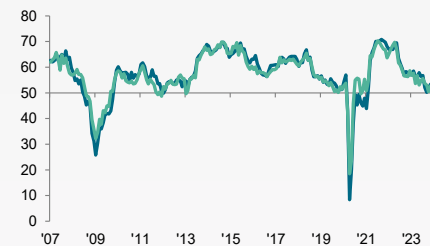
Demand for permanent staff rose at a softer rate at the start of 2024. Vacancy growth was only modest and the weakest since last September. That said, the expansion contrasted with a sustained fall at the national level.

Temporary job openings meanwhile expanded at a modest pace during January, with the rate of growth picking up slightly from the previous survey period. The uptick was the second-strongest of the four English regions, behind London.

Vacancies Index

■ Permanent  
■ Temporary

sa, >50 = growth since previous month

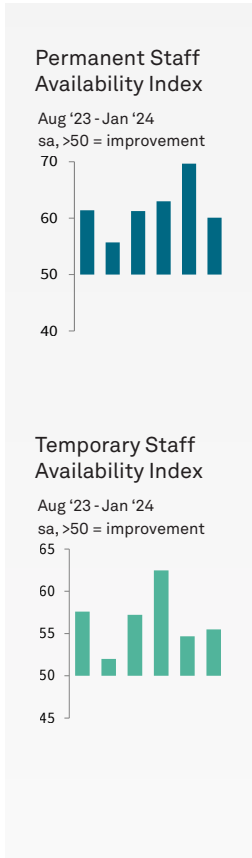


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Aug-23	50.2	52.1	53.1	53.7
Sep-23	49.1	50.2	52.0	53.0
Oct-23	49.9	51.8	51.7	50.5
Nov-23	49.0	53.3	51.7	52.6
Dec-23	49.2	52.1	50.8	51.3
Jan-24	49.3	51.0	50.7	52.1

## 2 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month.



### Permanent staff supply rises at slower rate

The seasonally adjusted Permanent Staff Availability Index signalled a tenth consecutive monthly rise in permanent candidate numbers in the Midlands in January. While the rate of increase slowed to a four-month low, it was marked overall and above that seen at the national level. Recruiters often noted that more candidates were available due to redundancies.

### Temp candidate numbers rise sharply

Recruitment consultancies based in the Midlands signalled a ninth increase in temp candidate supply in as many months in January. The rate of increase quickened from the previous survey period and was sharp overall. There were often reports that more candidates were available than positions. The latest rise in the Midlands was the second-slowest of the four monitored English regions, ahead of the North of England.

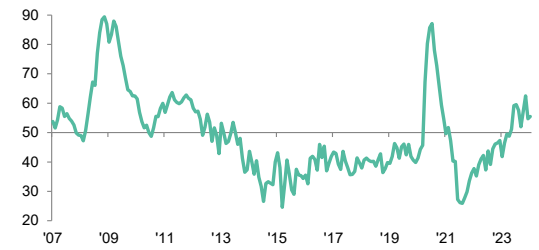
Permanent Staff Availability Index

sa, >50 = improvement since previous month



Temporary Staff Availability Index

sa, >50 = improvement since previous month



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Aug-23	60.3	61.4	59.1	57.6
Sep-23	55.3	55.7	58.2	52.0
Oct-23	59.1	61.3	57.8	57.2
Nov-23	62.0	63.0	59.8	62.5
Dec-23	59.7	69.7	58.3	54.7
Jan-24	57.6	60.1	56.2	55.5

## 3 Demand for skills

### Skills in short supply: Permanent staff

<b>Accounting/Financial</b> ACA Qualified Accountants Auditors Book Keepers Credit Controllers Finance Management Accountants Payroll	<b>Semi-skilled Industrial</b> <b>Construction</b> Architectural Tech <b>Engineering</b> Engineers <b>IT &amp; Computing</b> Automation Testers Data Engineers Data Scientists Developers Technical Roles UX Developers
<b>Blue Collar</b> Blue Collar Industrials Manufacturing	<b>Nursing/Medical/Care</b> Hearing Aid Dispensers Optometrists Pharmacy Managers <b>Secretarial/Clerical</b> Office Staff <b>Other</b> All Sectors Overseas Candidates

### Skills in short supply: Temporary staff

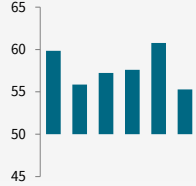
<b>Accounting/Financial</b> Accountants Auditors Book Keepers Credit Controllers Finance Payroll <b>Blue Collar</b> Blue Collar Security Guards Semi-skilled Industrial <b>Construction</b> Architectural Tech	<b>Engineering</b> Engineering Management Engineers Industrial Engineers <b>Executive/Professional</b> Legal Secretarial <b>IT &amp; Computing</b> Automation Testers Data Engineers Developers	<b>Nursing/Medical/Care</b> Hearing Aid Dispensers Optometrists Pharmacists Social Workers <b>Secretarial/Clerical</b> Office Support Staff <b>Other</b> Unskilled
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## 4 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

### Permanent Salaries Index

Aug '23 - Jan '24  
sa, >50 = inflation



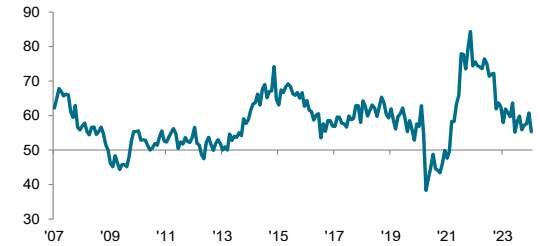
### Starting salary inflation eases to seven-month low

Salaries awarded to new permanent joiners in the Midlands increased further during January, thereby stretching the current sequence of rising pay to 35 months. The rate of growth was sharp, yet slowed to the softest since last June. According to panellists, starting salaries had increased amid competition for suitably skilled staff.

Regional rankings showed recruiters in the Midlands signalled the second-softest rate of salary inflation, ahead of the South of England.

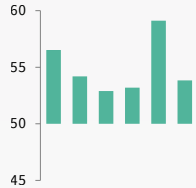
### Permanent Salaries Index

sa, >50 = inflation since previous month



### Temporary Wages Index

Aug '23 - Jan '24  
sa, >50 = inflation



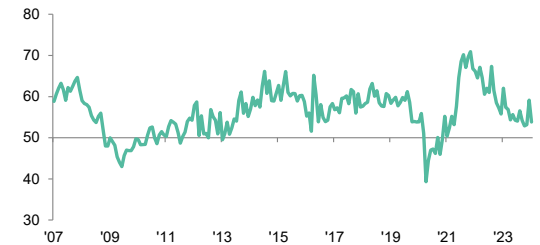
### Softer increase in temp pay

Average hourly pay for short-term staff in the Midlands rose for the thirty-eighth month in a row in January. The rate of growth eased markedly from that seen in December to dip below the national average.

All four monitored regions saw rising temp pay rates, with the increase in the Midlands the joint second-strongest overall (matching that seen in the capital).

### Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Aug-23	58.2	59.9	55.9	56.5
Sep-23	57.6	55.9	52.9	54.2
Oct-23	57.4	57.2	53.5	52.9
Nov-23	56.0	57.6	52.2	53.2
Dec-23	56.5	60.8	54.6	59.1
Jan-24	55.8	55.3	54.8	53.8

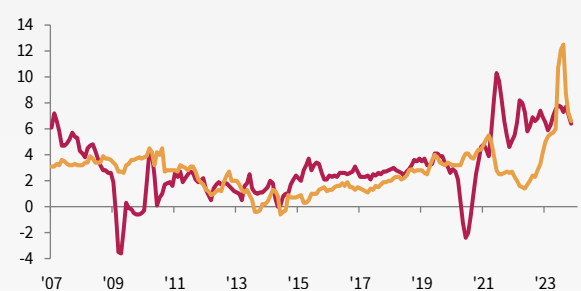
## Official data: UK average weekly earnings

Data from the Office for National Statistics (ONS) indicated that total employee earnings (including bonuses) increased +6.5% on an annual basis over the three months to November 2023. Though strong in the context of historical data, this marked the softest rate of pay growth since the three months to March 2023.

Similarly steep increases in average earnings were recorded across both the private and public sectors in the latest three-month period (+6.4% and +6.6%, respectively). In both cases, growth rates have cooled since last summer, particularly in the public sector which, at the time, was boosted by one-off payments across the NHS and civil service, according to the ONS.

### UK average weekly earnings

%yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

## 5 Regional comparison

The KPMG and REC, UK Report on Jobs: Midlands is one of four regional reports tracking labour market trends across England. Reports are also available for London, the South of England and the North of England.

### Staff appointments

The number of people placed into permanent jobs across the UK fell for the sixteenth month running in January. The rate of decline strengthened from December and was among the strongest in the sequence. All four monitored English regions registered sharp drops in permanent staff appointments, with the quickest reduction seen in the Midlands, closely followed by the South of England.

There was also a further fall in temporary billings in the UK, the third in as many months. The decrease was only modest, and the softest in the current sequence of reduction. The North and South of England recorded an uplift in temp billings in January, with rates of expansion their quickest for ten and eight months respectively. Conversely, there were strong declines reported in London and the Midlands.

### Candidate availability

Candidate availability for permanent roles across the UK increased at the start of 2024, extending the current sequence of improvement to 11 months. That said, the uplift slowed from December and was the softest since last September. All four monitored English regions saw an uptick in permanent staff supply, the sharpest of which was recorded in London.

At the national level, although the number of temporary candidates available through recruiters rose steeply, the strength of the upturn was the slowest since last May. London and the Midlands both saw the respective rates of increase strengthen on the month, while there were softer expansions recorded in the North and South of England.

### Pay Pressures

Average starting pay for permanent new joiners in the UK continued to increase during January, thereby extending the current sequence of inflation to 35 months. The rate of inflation slipped to the lowest since March 2021, but remained sharp overall. On a regional basis, the steepest increase in starting salaries was seen in London, followed by the North of England. The softest increase was recorded in the South of England.

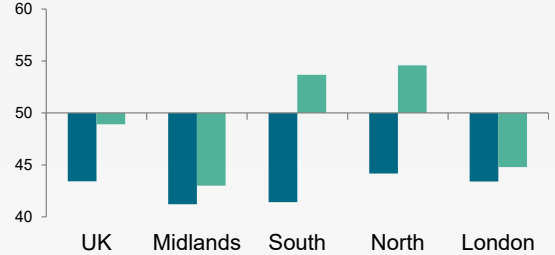
Latest survey data pointed to a further rise in temp wages across the UK in January. Notably, the latest increase in short-term pay was the fastest in five months and solid overall. The South of England and London both saw temp wage growth accelerate, while the Midlands and North of England saw hourly pay inflation ease from the previous survey period.

January 2024

■ Permanent  
■ Temporary

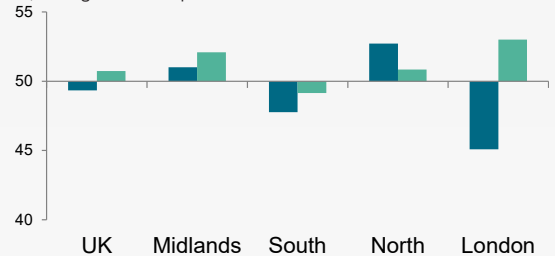
Staff Appointments

sa, >50 = growth since previous month



Vacancies

sa, >50 = growth since previous month



Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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### Methodology

The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands (defined as NUTS1 regions West Midlands and East Midlands).

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### Survey Dates

Data were collected 11-25 January 2024.

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S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

### About KPMG UK

KPMG LLP, a UK limited liability partnership, operates from 20 offices across the UK with approximately 17,000 partners and staff. The UK firm recorded a revenue of £2.72 billion in the year ended 30 September 2022.

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