

# KPMG and REC, UK Report on Jobs: Midlands

## Much weaker decrease in permanent placements in February

48.8

PERMANENT PLACEMENTS INDEX FEB '25

49.2

TEMPORARY BILLINGS INDEX FEB '25

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.

Softest reduction in permanent placements since June 2024

Temp billings fall for first time in 11 months

Vacancies decrease at faster rate

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

*“While challenges to the nationwide job market show few signs of easing, here in the Midlands, the markedly softer decline in permanent placements during February could indicate that the worst is behind us.”*

*“Although a product of wider economic uncertainty, a decline in temporary billings also signals businesses are prioritising investment in hiring for permanent roles – something that will be received well by a growing number of candidates looking for permanent positions in the region.”*

*“Midlands businesses still need to be on the front foot and invest in their teams, building long-term skills among their employees.”*

Commenting, Neil Carberry, REC Chief Executive, said:

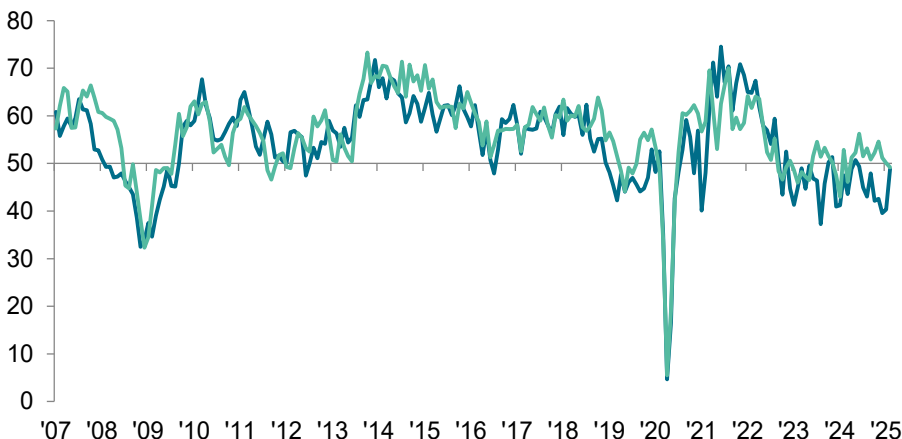
*“After a long winter, there are some hints of a turn in the labour market in the UK as we head into Spring. This is led by the private sector in the UK - despite recent tax rises - and that should not be missed. The reduction in permanent placements was modest in the Midlands and the softest since last June, and the region saw the softest fall in temp billings of the English regions.”*

*“Enabling companies to grow is at the heart of our prosperity - the Chancellor must use the Spring Statement to build their confidence in growth. At the moment, though, things are still slow as companies hold their breath in the face of significant costs rises from April with changes to National Insurance and the National Living Wage. Getting the Industrial Strategy flying is a key part of this - for the whole economy, not just key sectors - as is addressing policies in the Employment Rights Bill so they do not prove to be a brake on growth.”*

*“Despite a long slowdown, some sectors in the Midlands still face skill shortages. This comes from mismatches, training gaps and the impact of an ageing population. Addressing productivity through technology and better management will be critical to addressing this, and recruitment firms will be key partners for businesses in changing their approach. Pay growth is easing and broadly unchanged across much of the country which should please the Bank of England rate setters.”*

■ Permanent Placements Index  
■ Temporary Billings Index

sa, >50 = growth since previous month

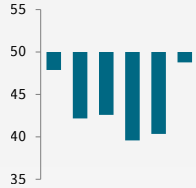


# 1 Staff appointments

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

Sep '24 - Feb '25  
sa, >50 = growth



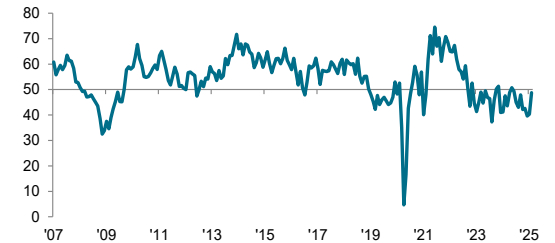
## Softest fall in permanent placements in eight months

February data pointed to a further reduction in permanent placements in the Midlands, extending the current sequence of decline to nine months. That said, the reduction was modest and the softest since last June. According to respondents, a lack of recruiter confidence and market uncertainty meant that companies were reluctant to hire.

The reduction in permanent placements in the Midlands was the slowest of the four monitored English regions.

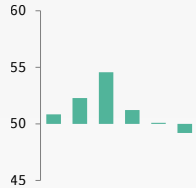
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Sep '24 - Feb '25  
sa, >50 = growth



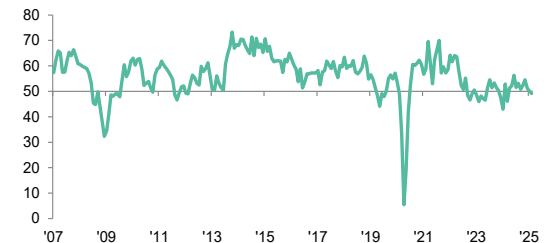
## Renewed fall in temp billings

For the first time since March 2024, temp billings fell in the Midlands midway through the first quarter. Where a decrease was reported, economic uncertainty and a focus on taking on permanent candidates were mentioned.

The Midlands saw the softest fall across the monitored English regions, with the sharpest decline in London.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

|        | Permanent |          | Temporary |          |
|--------|-----------|----------|-----------|----------|
|        | UK        | Midlands | UK        | Midlands |
| Sep-24 | 44.9      | 47.9     | 46.9      | 50.8     |
| Oct-24 | 44.1      | 42.2     | 46.3      | 52.3     |
| Nov-24 | 40.7      | 42.6     | 47.7      | 54.6     |
| Dec-24 | 39.5      | 39.6     | 46.3      | 51.2     |
| Jan-25 | 39.8      | 40.3     | 41.5      | 50.1     |
| Feb-25 | 43.6      | 48.8     | 45.0      | 49.2     |

# Job vacancies

Demand for both permanent and temporary workers declined during February, and to larger extents than was the case in January.

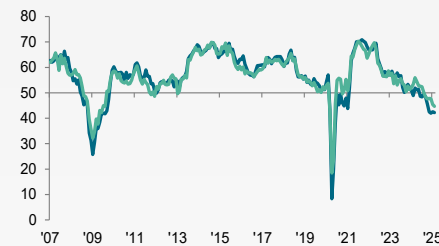
Permanent vacancies fell markedly, with the rate of contraction slightly stronger than in January. Only London posted a softer fall than that in the Midlands, however.

Demand for temps was down for the sixth successive month, and at the fastest pace since the opening wave of the COVID-19 pandemic in spring 2020.

Vacancies Index

■ Permanent  
■ Temporary

sa, >50 = growth since previous month

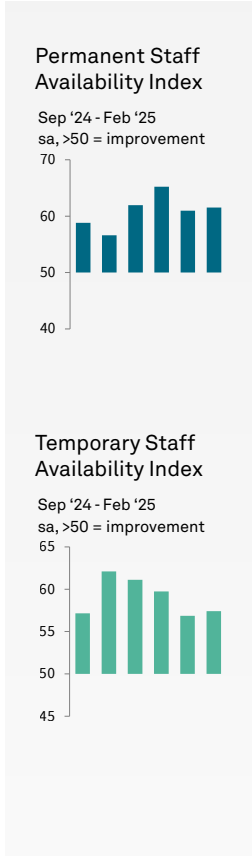


sa, >50 = growth since previous month

|        | Permanent |          | Temporary |          |
|--------|-----------|----------|-----------|----------|
|        | UK        | Midlands | UK        | Midlands |
| Sep-24 | 47.6      | 48.4     | 47.8      | 48.4     |
| Oct-24 | 46.1      | 45.5     | 46.6      | 47.6     |
| Nov-24 | 43.8      | 42.6     | 46.2      | 47.8     |
| Dec-24 | 42.7      | 42.0     | 45.4      | 47.7     |
| Jan-25 | 41.5      | 42.5     | 43.3      | 45.4     |
| Feb-25 | 41.7      | 42.2     | 43.5      | 44.7     |

## 2 Staff availability

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



### Sharp increase in permanent candidate numbers

Redundancies meant that permanent staff availability increased markedly in February. The number of candidates rose for the twenty-third month running, and at a slightly sharper pace than in January.

The increase in the Midlands was the fastest of the four English regions.

### Temporary staff supply rises at steep pace

The rate of increase in temporary candidate numbers quickened slightly during February, and was steep overall. The rise in the Midlands was the second-softest of the monitored English regions, ahead of the South of England.

As was the case with permanent staff, the rise in availability of candidates for temporary positions was mainly due to redundancies.

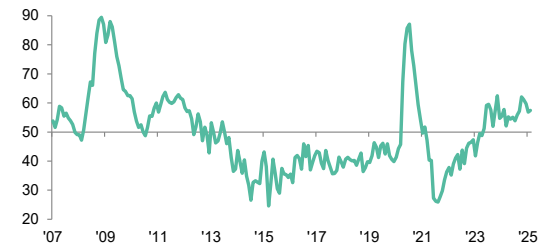
Permanent Staff Availability Index

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 |
| Sep-24 | 58.9      | 58.8     | 57.9      | 57.2     |
| Oct-24 | 59.1      | 56.6     | 61.3      | 62.1     |
| Nov-24 | 59.8      | 61.9     | 59.4      | 61.1     |
| Dec-24 | 60.7      | 65.2     | 59.5      | 59.7     |
| Jan-25 | 57.7      | 61.0     | 58.1      | 56.9     |
| Feb-25 | 59.2      | 61.5     | 59.6      | 57.4     |

## 3 Demand for skills

### Skills in short supply: Permanent staff

- Accounting/Financial**
  - Accountants
  - Accounts Payable
  - Auditors
  - Credit Controllers
  - Finance Business Partner
  - Finance Manager
  - Financial Controllers
  - Management Accountants
  - Payroll
- Blue Collar**
  - Blue Collar

- Construction**
  - Architectural Tech
  - Surveyors
- Engineering**
  - Electrical Engineers
  - Engineering General
  - Engineers
- Executive/Professional**
  - Project Managers
  - Solicitors

- IT & Computing**
  - Automation Testers
  - Data Architects
  - Data Scientists
  - Developers
  - IT
  - IT Directors
  - Software Engineers
- Secretarial/Clerical**
  - Office Staff

### Skills in short supply: Temporary staff

- Accounting/Financial**
  - Accountants
  - Accounts Payable
  - Auditors
  - Credit Controllers
  - Entry Level Finance
  - Payroll
- Blue Collar**
  - Drivers

- Security Guards
- Steel Operatives
- Engineering**
  - Engineering General
  - Engineers
- IT & Computing**
  - Data Engineers
  - Developers

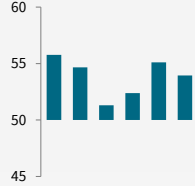
- Technology
- Secretarial/Clerical**
  - Administration
  - Office Staff

## 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

Sep '24 - Feb '25  
sa, >50 = inflation



### Permanent salaries rise at softer pace

As has been the case since March 2021, starting salaries for permanent workers in the Midlands rose in February. Panellists reported that the increase often reflected the offering of higher salaries in order to attract suitably skilled candidates.

The rate of inflation was solid, though the Midlands was one of only two regions to register permanent salary growth, together with London.

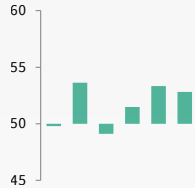
### Permanent Salaries Index

sa, >50 = inflation since previous month



### Temporary Wages Index

Sep '24 - Feb '25  
sa, >50 = inflation



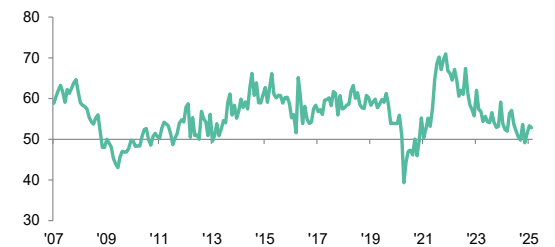
### Sustained increase in temp pay rates

Hourly pay rates for temporary staff increased for the third consecutive month midway through the first quarter. The rate of wage inflation softened from January and was much weaker than the series average.

The increase in temporary pay rates in the Midlands was the sharpest of the English regions covered.

### Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

|        | Permanent |          | Temporary |          |
|--------|-----------|----------|-----------|----------|
|        | UK        | Midlands | UK        | Midlands |
| Sep-24 | 52.8      | 55.8     | 49.9      | 49.8     |
| Oct-24 | 52.5      | 54.7     | 51.5      | 53.6     |
| Nov-24 | 52.6      | 51.3     | 51.2      | 49.1     |
| Dec-24 | 53.1      | 52.4     | 51.6      | 51.5     |
| Jan-25 | 52.6      | 55.1     | 50.5      | 53.3     |
| Feb-25 | 52.1      | 53.9     | 51.1      | 52.8     |

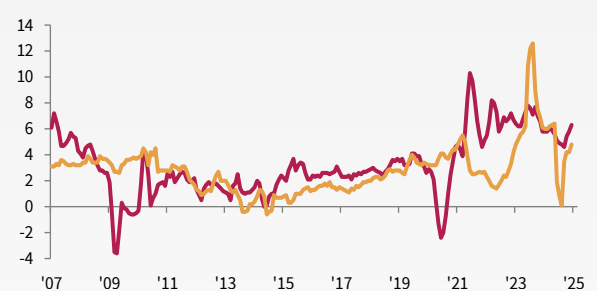
## Official data: UK average weekly earnings

Official data published by the ONS indicated that UK average weekly earnings increased by 6.0% on an annual basis over the final quarter of 2024. This was up from 5.5% in the preceding survey period, and marked the highest rate of growth for just over a year.

The stronger rise in earnings was supported by quicker increases in both private and public sector pay. In the private sector, earnings expanded by 6.3%, the fastest growth rate since the three months to November 2023. Pay meanwhile grew by 4.8% in the public sector, the quickest increase since the three months to May 2024.

### 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

Permanent placements decreased again across the UK during February. While marked overall, the rate of decline was the least pronounced since last October. All four monitored English regions saw permanent placements fall midway through the first quarter. The sharpest reduction was in the North of England, with the slowest decline in the Midlands.

Recruitment agencies across the UK also saw a reduction in temporary billings during February, extending the current period of decline to eight months. Although softer than seen for permanent placements, the fall in temp billings remained sharp. Temp billings decreased across all four monitored English regions for the first time since March 2024, with the strongest fall seen in London.

### Candidate availability

With placements of permanent staff falling sharply, candidate availability for permanent positions continued to increase across the UK during February. The latest marked rise strengthened from that seen at the start of the year. Higher candidate numbers were seen across each of the monitored regions, led by the Midlands. The slowest increase in permanent staff availability was recorded in the South of England.

February data pointed to a robust and accelerated increase in the number of candidates for temporary roles in the UK, with the rate of accumulation strengthening to the most marked in four months. Stronger increases in temporary candidates were registered in London and the Midlands, while the North and South of England saw softer, yet still marked increases.

### Pay Pressures

Latest data signalled a second successive slowdown in the pace of starting salary inflation at the UK level. As a result, the latest increase was the weakest since the current sequence began in March 2021. London saw a sharp and accelerated rise in February, while there was a fall in permanent starting pay in the North of England for the first time in exactly four years.

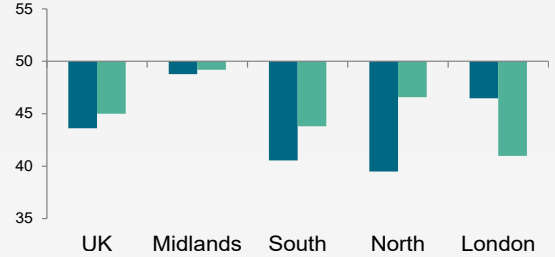
Temporary pay rates increased in the UK during February, though the rate of inflation was only modest and weaker than the series average. Three of the four monitored English regions posted a rise in temporary pay rates in the latest survey period, as the South of England saw wages remain unchanged from January.

February 2025

■ Permanent  
■ Temporary

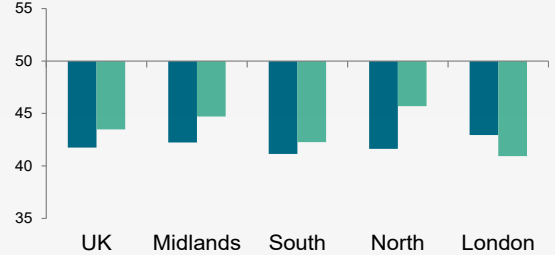
Staff Appointments

sa, >50 = growth since previous month



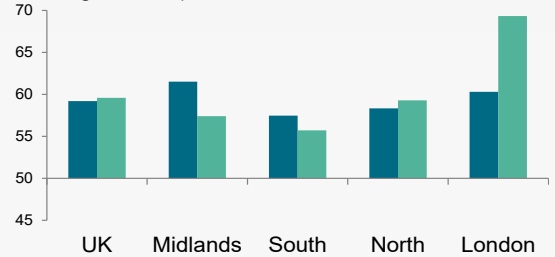
Vacancies

sa, >50 = growth since previous month



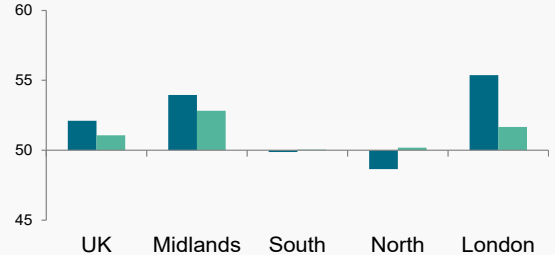
Staff Availability

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 10-24 February 2025.

### About S&P Global

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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 across the UK with approximately 17,000 partners and staff. The UK firm recorded a revenue of £2.99 billion in the year ended 30 September 2024.

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