

KPMG and REC, UK Report on Jobs: Midlands

Sharper fall in permanent staff appointments in March

45.4

PERMANENT PLACEMENTS INDEX
MAR '25

48.9

TEMPORARY BILLINGS INDEX
MAR '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.

Further declines in permanent placements and temp billings

Candidate numbers rise markedly

Softer reductions in vacancies

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

“There’s no avoiding the fact that the UK job market remains under pressure, but the Midlands continues to show signs of relative resilience, with a slightly softer decline in hiring activity when compared to other regions.”

“Employers are still treading carefully amid a mixed picture – with weaker areas characterised by a sustained fall in permanent and temporary vacancies – but the steady uptick in starting salaries and temporary pay suggests the market remains strong for skilled candidates.”

“Candidate availability is continuing to climb, particularly as redundancies persist, however, the silver lining is that regional businesses are in a strong position to access a wider talent pool. Now is a timely opportunity to invest in people, prioritise training and lay the foundations for future growth.”

Commenting, Neil Carberry, REC Chief Executive, said:

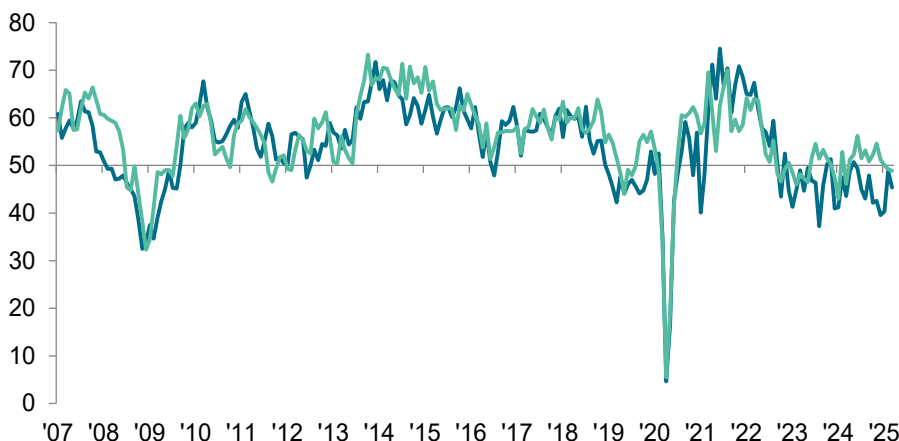
“Today’s report shows that there were some signs of progress in the jobs market in March with the decrease in temp billings in the Midlands modest and the fall in permanent placements in that region less pronounced than in the North and the South of England. Salaries for new permanent joiners in the Midlands also continued to rise last month, while the increase in temp wages was the joint-fastest since last October.”

“Given the substantial effects of the Government’s decision to increase payroll taxes hugely, these figures were if anything slightly better than expected and suggest that there is potential in the market. Nevertheless, activity in the UK jobs market has now been subdued for almost two and a half years.”

“A cyclical hiring upturn was always likely in 2025, but the near-term prospects for this have been made all the more uncertain by the actions of the US Government in upending the global trade system. We can’t ignore the immediate and second-order effects of this context even if the UK is better positioned than many nations to weather the storm. Announcing support for the auto sector is one thing but the faster we have clarity on how the industrial strategy will support all sectors the more likely employer sentiment on hiring and investing will remain stable. And it is even more important now that the Government reconsiders the scale of rising costs of employment after this week’s rise in National Insurance – a full review of the impact of the Employment Rights Bill, and changes to simplify compliance costs, would be welcomed by businesses across the country.”

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

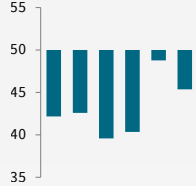


1 Staff appointments

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

Oct '24 - Mar '25
sa, >50 = growth



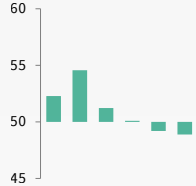
Sharp decrease in permanent placements

Permanent placements fell in the Midlands for the tenth consecutive month in March. The rate of decrease quickened from February and was sharp overall. Respondents indicated that weaker confidence around the economic outlook and lower job postings had weighed on permanent staff appointments.

The reduction in the Midlands was softer than those seen in the North and South of England, but contrasted with a modest upturn in London.

Temporary Billings Index

Oct '24 - Mar '25
sa, >50 = growth

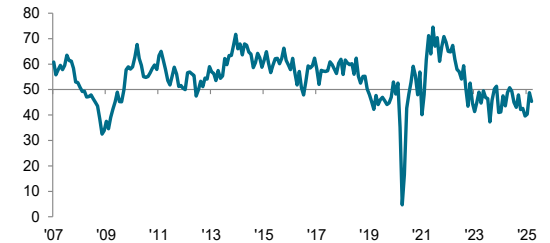


Temp billings fall at strongest rate for a year

Recruiters in the Midlands recorded a decrease in temporary billings at the end of the first quarter. The rate of reduction was modest but the strongest in exactly one year. Anecdotal evidence suggested that tighter hiring budgets had contributed to lower billings, while some employers opted for permanent staff rather than temporary workers. That said, the fall in the Midlands was the softest seen across the four monitored English regions.

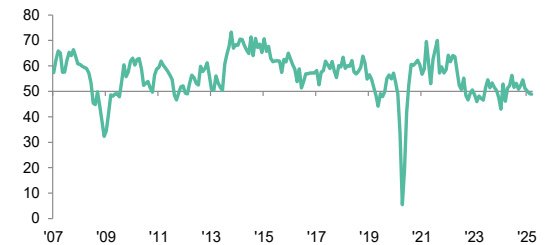
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Mar-25	43.4	45.4	46.0	48.9

Job vacancies

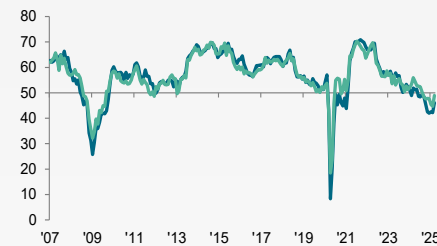
Demand for permanent staff in the Midlands fell for the tenth month running in March. The rate of decrease was solid, but the least pronounced since September 2024. The Midlands saw the second-softest fall in permanent vacancies of the four monitored English regions, behind London.

The rate of decline in demand for temporary workers eased from February and was modest overall. Moreover, the pace of reduction in the Midlands was weaker than those seen across the three other monitored English regions.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

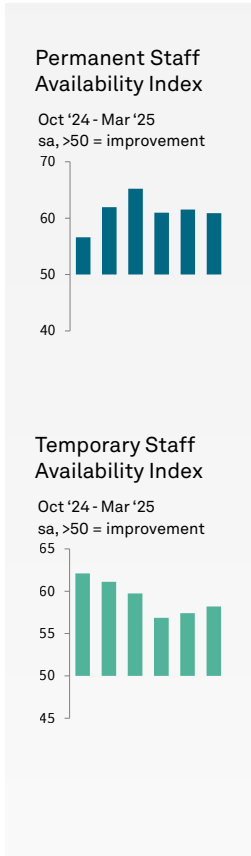


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Mar-25	44.1	46.1	45.2	48.9

2 Staff availability

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



Slower increase in permanent candidate numbers

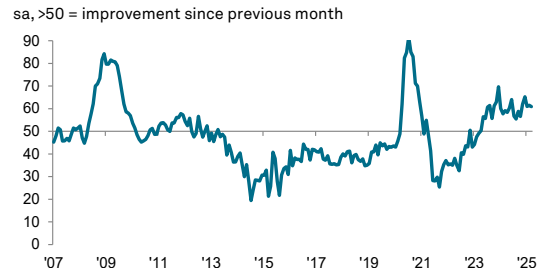
The number of candidates available for permanent roles in the Midlands increased markedly during March, with the latest rise extending the current sequence of expansion to two years. That said, the rate of growth was the softest in five months and the second-slowest of the four English regions monitored by the survey (after the South of England). Panellists indicated that redundancies had been a key factor behind higher candidate numbers.

Temp candidate supply increases at robust rate

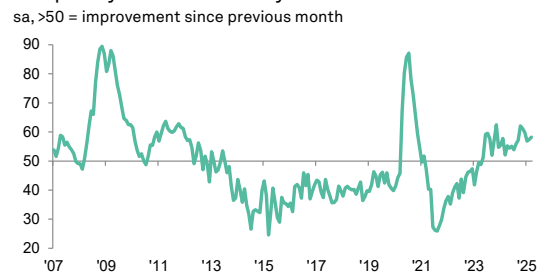
Recruitment companies in the Midlands reported that a lack of temporary job opportunities and redundancies contributed to a further rise in temp candidate availability. Moreover, the rate of increase gathered momentum from February and was the strongest for three months.

The Midlands posted the slowest rise in temporary staff availability of the four monitored English regions, however.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Mar-25	63.2	60.9	60.2	58.2

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Accountants
Accounts Payable
Auditors
Credit Controllers
Finance Business Partner
Finance Managers
Management Accountants
Part Qualified Accountants
Part Qualified Finance
Payroll

Blue Collar
Blue Collar
Security Guards
Construction
Surveyors
Engineering
Engineering General
Engineers
IT & Computing
AI Developers

Cloud Computing
Data Scientists
Developers
Platform Engineer
Software Architects
Software Engineers
Technical Roles
Technology
Other
Operations
Sales

Skills in short supply: Temporary staff

Accounting/Financial
Accountants
Accounts Payable
Auditors
Credit Controllers
Entry Level Finance
Payroll

Blue Collar
Forklift Drivers
Steel Operatives
Welders
Construction
Architectural Tech
Engineering
Engineering General
Engineers

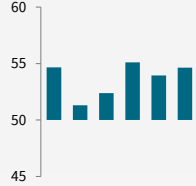
IT & Computing
CNC
Data Engineers
Developers

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

Oct '24 - Mar '25
sa, >50 = inflation



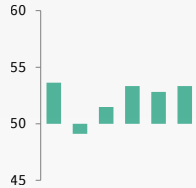
Stronger rise in permanent starting salaries

Salaries for new permanent joiners in the Midlands continued to rise during March. The pace of salary inflation quickened from the previous survey period and was solid overall. Recruiters often indicated that higher salaries were being offered to attract suitably-skilled candidates, of which there was a reported shortage.

The rise in permanent salaries in the Midlands was quicker than the UK average.

Temporary Wages Index

Oct '24 - Mar '25
sa, >50 = inflation



Temp wages rise solidly in March

Recruitment consultancies in the Midlands signalled a further increase in temp pay at the end of the first quarter. The rate of inflation was the joint-fastest since last October and solid. Moreover, the Midlands saw the strongest increase in temp wages of the four monitored English regions.

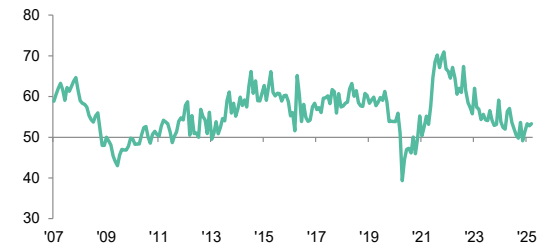
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

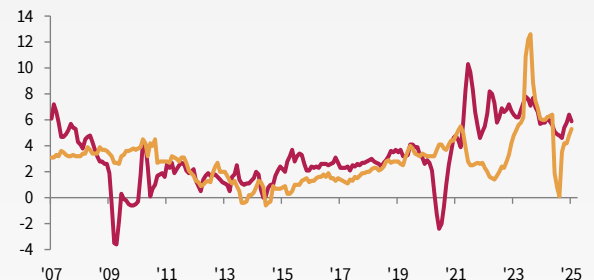
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Oct-24	52.5	54.7	51.5	53.6
Nov-24	52.6	51.3	51.2	49.1
Dec-24	53.1	52.4	51.6	51.5
Jan-25	52.6	55.1	50.5	53.3
Feb-25	52.1	53.9	51.1	52.8
Mar-25	53.3	54.6	51.6	53.3

Official data: UK average weekly earnings

Official data published by the ONS signalled that annual growth in average weekly earnings remained strong in the three months to January (5.8%). This was down slightly from the preceding three-month period, however, when pay rose at the strongest pace in over a year (6.1%).

Underlying data indicated that a softer increase in private sector pay (5.9%, from 6.4%) offset a faster rise in public sector earnings (5.3%, from 4.8%).

UK average weekly earnings ■ private ■ public
%/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 across the UK decreased at a slightly sharper rate at the end of the first quarter of 2025. Declines were recorded across three of the four monitored English regions, led by the North of England. London meanwhile saw permanent staff appointments rise for the first time since July 2024.

Recruiters also signalled a sustained fall in temporary billings during March, thereby extending the current sequence of contraction to nine months. The decline was solid, but the slowest in 2025 to date. All four monitored English regions saw temp billings decrease, with the North of England seeing the steepest pace of reduction.

Candidate availability

Amid lower demand for workers, recruiters across the UK indicated a robust increase in candidate availability in March. The rise in candidate numbers for permanent positions was the steepest recorded since December 2020 and well above the long-run series average. Marked increases in permanent labour supply were seen in each of the four monitored English regions, with the sharpest rise in the North of England.

A widespread increase in candidates seeking temporary positions was also signalled in March, with the sharpest upturn seen in the North of England. The UK as a whole posted a marked rise in temporary candidate availability that was the most pronounced for five months. The softest increase in temp staff availability was meanwhile seen in the Midlands.

Pay Pressures

As has been the case since March 2021, permanent starting salaries increased in the latest survey period. The pace of inflation quickened from February's four-year low and was the most marked in seven months. London posted the fastest rise in permanent pay, while there was a fall in starting salaries across the North of England for the second month in a row.

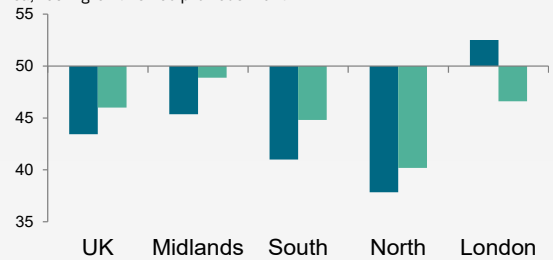
Temp wages also increased at a slightly quicker pace during March. Though modest, the rate of inflation was the joint-steepest in nine months. The strongest upturn in temp pay was registered in the Midlands, while the North of England saw the softest rise. In fact, it was the first time that wages had increased across all four monitored English regions since last October.

March 2025

■ Permanent
■ Temporary

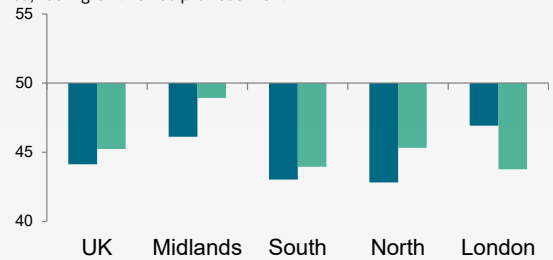
Staff Appointments

sa, >50 = growth since previous month



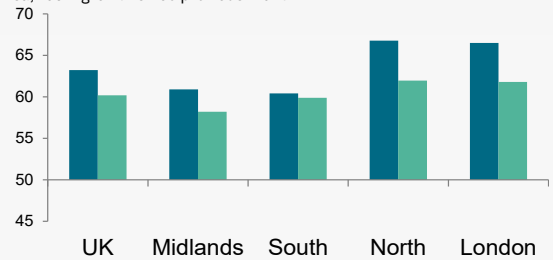
Vacancies

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.

Survey Dates

Data were collected 12-25 March 2025.

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