

KPMG and REC, UK Report on Jobs: London

Hiring downturn remains marked across London

38.8
PERMANENT
PLACEMENTS INDEX
JUL '25

41.3
TEMPORARY BILLINGS
INDEX
JUL '25

Sustained and sharp falls in permanent placements and temp billings

Steeper falls in vacancies

Permanent starting salary inflation eases further

Commenting on the latest survey results, Jon Holt, Group Chief Executive and UK Senior Partner KPMG, said:

"It's clear that hiring activity in London remains muted, with permanent and temporary placements both falling quite sharply, and our capital is leading the decline for the latter. Employers are understandably cautious right now, as wider market uncertainty impacts confidence."

"We're also seeing a growing pool of available talent. For businesses ready to invest, there's a real opportunity to do so quickly in London, with pay pressures easing."

Kate Shoesmith, REC Deputy Chief Executive, said:

"There is a path to jobs market recovery – but it will take co-ordinated action from Government, the Bank of England and business to maximise on any potential upswing."

"With permanent salary growth easing further in London and a modest rise in temp wages in the city, it suggests it was right to cut interest rates last week. More action like this, to stabilise the business cost-base, is what will support growth and boost the jobs market this year. That is what the Chancellor should be keeping firmly in mind when preparing this year's Autumn Budget."

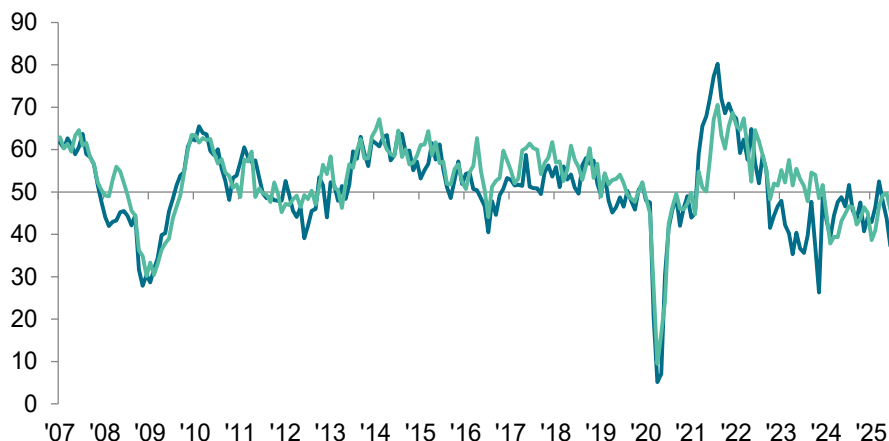
"Fluctuations in permanent and temporary job placements in London signal a labour market that remains resilient but uneven. Across the UK, construction, a key economic bellwether, has seen a rise in temp vacancies, an early sign of confidence returning. Demand for blue-collar temp roles and permanent engineering jobs across the country also remains steady, offering another glimmer of optimism."

"At the same time, hiring in retail and hospitality are down in the UK. Employers in these sectors are pausing due to cost pressures and uncertainty around employment law, although when the turn comes, these industries typically rebound quickly."

"Meanwhile, wide-ranging skills shortages remain for permanent and temporary staff, indicates the need for urgent support from government to upskill and retrain people; while businesses need to act now to secure the talent they will require when hiring picks up later this year, as our separate employer sentiment surveys suggest it will."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month



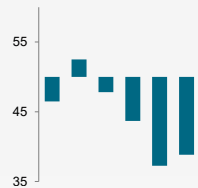
The KPMG and REC, UK Report on Jobs: London is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in London.

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

Feb-Jul '25
sa, >50 = growth

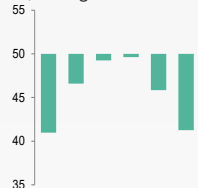


Downturn in permanent appointments remains marked

The start of the second half of the year indicated a fourth consecutive monthly decline in permanent staff placements across London. The rate of decrease softened but was close to June's recent high, signalling a marked decline and one which was stronger than the national average. Anecdotal evidence attributed the drop to reduced job availability, extended hiring processes and weak client demand.

Temporary Billings Index

Feb-Jul '25
sa, >50 = growth

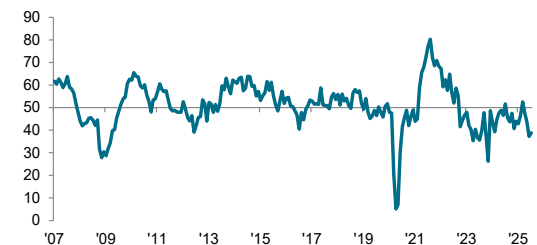


Temp billings fall at strongest pace in five months

July data indicated a rapid drop in temp billings across the capital, thereby extending the current run of decrease to 19 months. The downturn was the most pronounced since February, with London in fact leading the decline of the four monitored English regions. Poor sales performance with the conversion of some temp roles into long-term positions were reasons cited by surveyed respondents for the latest decrease.

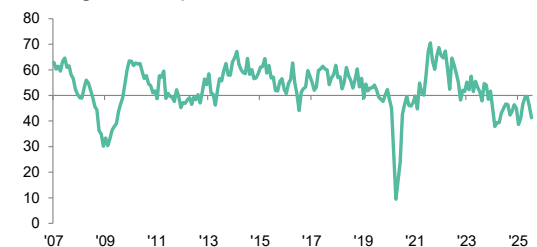
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Feb-25	43.6	46.5	45.0	41.0
Mar-25	43.4	52.5	46.0	46.6
Apr-25	44.7	47.8	46.3	49.3
May-25	44.2	43.7	47.1	49.6
Jun-25	39.1	37.3	45.5	45.8
Jul-25	40.0	38.8	44.6	41.3

Job vacancies

The twelfth consecutive monthly drop in permanent vacancies across London was rapid and the most marked since October 2020. Short-term vacancies also fell in July. The rate of reduction here was the fastest in three months and sharp.

In both cases, the rates of decline across London outpaced those seen for the UK as a whole.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

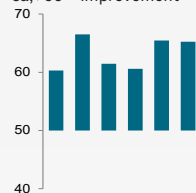
	Permanent		Temporary	
	UK	London	UK	London
Feb-25	41.7	42.9	43.5	40.9
Mar-25	44.1	46.9	45.2	43.8
Apr-25	43.1	44.6	43.2	41.6
May-25	46.6	47.4	46.8	45.1
Jun-25	44.8	43.2	48.6	47.4
Jul-25	43.0	42.4	45.7	45.0

2 Staff availability

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

Permanent Staff Availability Index

Feb - Jul '25
sa, >50 = improvement

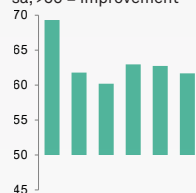


Rapid growth in permanent staff availability

July data saw the supply of permanent workers rise across London. The pace of increase was only slightly weaker than seen in the month prior and marked overall. Fewer job opportunities and a reduction in overall market activity leading to redundancies resulted in a higher pool of available candidates, noted surveyed recruiters.

Temporary Staff Availability Index

Feb - Jul '25
sa, >50 = improvement

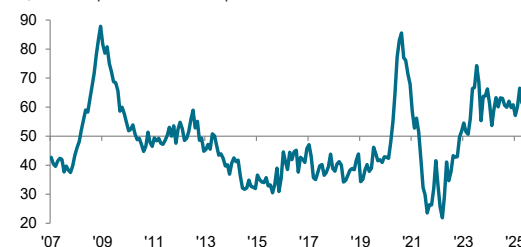


Sustained rise in temp staff supply

The availability of candidates for temporary vacancies in London expanded further in July. The rate of growth was rapid and faster than the series average, despite easing to a three-month low. Anecdotal evidence highlighted that redundancies and a growing number of workers willing to accept lower rates drove up the supply of candidates.

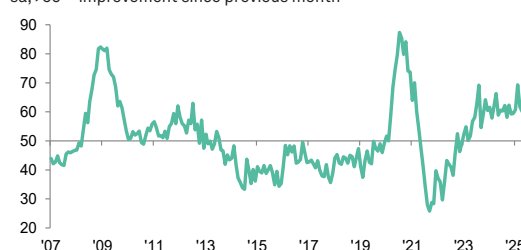
Permanent Staff Availability Index

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	London	UK	London
Feb-25	59.2	60.3	59.6	69.3
Mar-25	63.2	66.5	60.2	61.8
Apr-25	62.8	61.5	59.6	60.2
May-25	63.5	60.6	61.3	63.0
Jun-25	66.3	65.5	63.2	62.8
Jul-25	64.9	65.3	61.3	61.7

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	Digital
Accountants	Nursing/Medical/Care
Blue Collar	Carers
Drivers	Doctors
Site Managers	Medical
Construction	Nurses
Building Surveyors	Occupational Therapist
Construction Professionals	Paramedics
Quantity Surveyors	Physiotherapist
Engineering	Social Workers
Engineers	
Executive/Professional	
Human Resources	
Hotel & Catering	
Chefs	
Hospitality	
IT/Computing	

Skills in short supply: Temporary staff

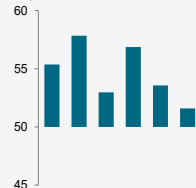
Accounting/Financial	Nursing/Medical/Care
Asset Managers	Social Workers
Blue Collar	Secretarial/Clerical
Carpenters	Administration
Construction	
Building Surveyors	
Construction	
Construction Professionals	
Decorators	
Dryliners	
Labourers	
Surveyors	
Executive/Professional	
Real Estate	
Hotel & Catering	
Chefs	

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

Feb-Jul '25
sa, >50 = inflation

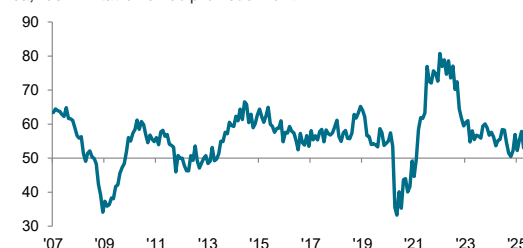


Permanent salary growth eases further

Upward pressure on permanent salaries in London was only mild and historically muted in July. The respective seasonally adjusted index hit one of its lowest levels in the current inflationary period, which began in March 2021. Moreover, for the first time in three months, the rate of growth across London fell below that recorded for the UK as a whole.

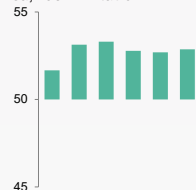
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Feb-Jul '25
sa, >50 = inflation



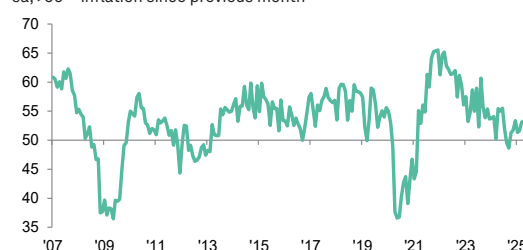
Sustained but relatively modest rise in temp wages

Pay awarded to temporary staff in London rose solidly in July. According to panellists, hourly wages were raised in order to align with higher living costs.

Despite signalling the fastest increase of the four monitored English regions, the rate of inflation across London was broadly unchanged from those seen in May and June and was below the long-run series average.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
Feb-25	52.1	55.4	51.1	51.7
Mar-25	53.3	57.8	51.6	53.1
Apr-25	53.3	53.0	53.9	53.3
May-25	54.1	56.9	54.4	52.8
Jun-25	52.7	53.6	52.3	52.7
Jul-25	52.0	51.6	51.1	52.9

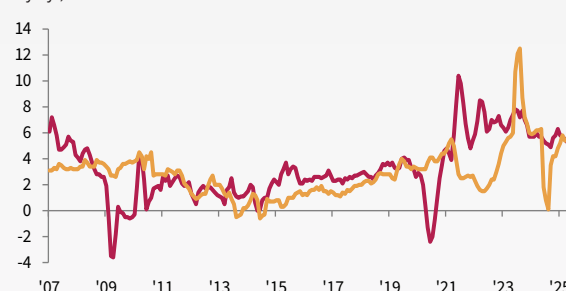
Official data: UK average weekly earnings

Data from the ONS showed that average weekly earnings (including bonuses) rose by 5.0% year-on-year in the three months to May. This was down from 5.4% in the prior three-month period and marked the slowest rate of growth since the three months to September 2024.

Underlying data signalled softer rates of pay inflation across both the private and public sectors. For private workers, wage growth slipped from 5.3% to 4.9%, while across the public sector it slowed from 5.5% to 5.3%.

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: London is one of four regional reports tracking labour market trends across England. Reports are also available for the South of England, the Midlands and the North of England.

Staff appointments

Permanent placements across the UK decreased at a softer, yet still marked rate at the start of the third quarter of 2025. Declines were recorded across all four monitored English regions, led by the South of England. The Midlands meanwhile saw the softest reduction.

Recruiters also signalled a sustained fall in temporary billings during July, thereby extending the current sequence of contraction to 13 months. The rate of decline was the most pronounced since January and sharp. All four monitored English regions posted a fall in temp billings, with the Midlands recording a reduction for the first time in three months.

Candidate availability

Recruiters across the UK indicated a robust increase in permanent candidate availability in July. Notably, the rate of expansion eased only slightly from June's post-pandemic record. Marked upturns 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 during July, with the sharpest upturn also seen in the North of England. The UK as a whole posted a substantial rise in temporary candidate availability, albeit with the rate of expansion slowing from June. 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 July. That said, the rate of inflation slowed for the second month running and was the weakest seen over this period. The North of England posted the strongest rise in starting salaries, while the Midlands and South of England recorded the slowest rates of growth.

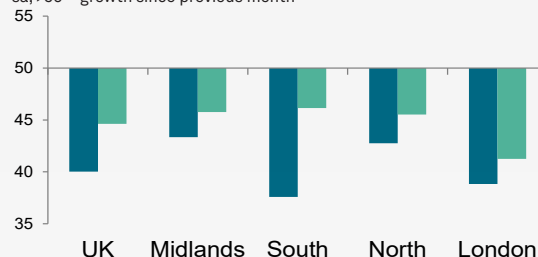
Temp wages also increased at a slower pace at the start of the third quarter. The rate of inflation was the softest in five months and only marginal. The strongest upturn in temp pay was registered in London, while the South of England recorded a reduction in wages for the first time since January.

July 2025

■ Permanent
■ Temporary

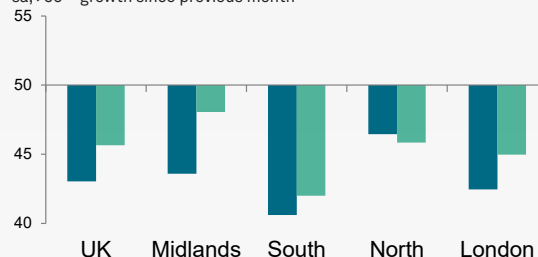
Staff Appointments

sa, >50 = growth since previous month



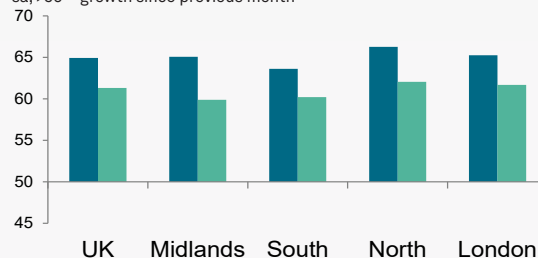
Vacancies

sa, >50 = growth since previous month



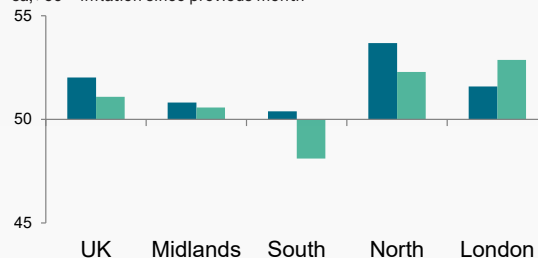
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



Contact

KPMG

Claire Barratt
Deputy Head of Media Relations
T: +44 (0)7923 439264
claire.barratt@kpmg.co.uk

REC

Hamant Verma
Communications Manager
T: +44 (0)20 7009 2129
hamant.verma@rec.uk.com

S&P Global

Maryam Baluch
Economist
S&P Global Market Intelligence
T: +44 134 432 7213
maryam.baluch@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

Methodology

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

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 10-25 July 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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