

KPMG and REC, UK Report on Jobs: Midlands

Further sharp fall in permanent staff appointments in July

43.3

PERMANENT
PLACEMENTS INDEX
JUL '25

45.8

TEMPORARY BILLINGS
INDEX
JUL '25

Temp billings decline for first time in three months

Candidate numbers rise markedly

Rates of both permanent and temporary pay growth slow

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

"Hiring conditions in the Midlands remain tough, but employers are responding with agility. With permanent recruitment under pressure, firms are leaning into temporary hiring, and the Midlands is leading the way. We were the only region that saw a rise in temp billings and short-term vacancies across England."

"At the same time, a growing pool of available talent is giving businesses the chance to rethink how and where they invest. We're seeing a clear shift in focus toward retaining core teams and building flexibility into future workforce planning."

Commenting, 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 starting salaries and temp pay rising in the Midlands but only modestly, 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."

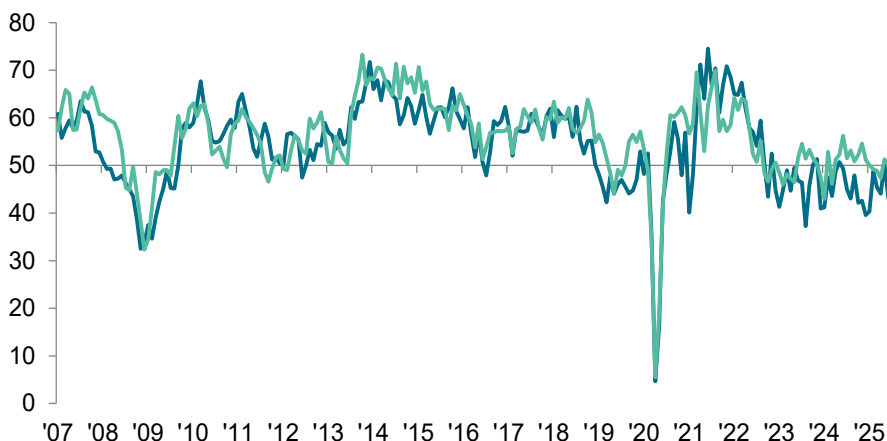
"Fluctuations in permanent and temporary job placements in the Midlands signal a labour market that remains resilient but uneven. Across the UK, construction, a key economic bellwether, has seen a rise in temp vacancies, an early sign of confidence returning. Demand for blue-collar temp roles and permanent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



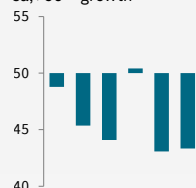
The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands.

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



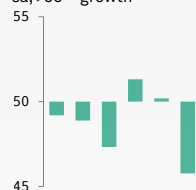
Sharp decrease in permanent placements

Permanent placements fell in the Midlands for the second successive month in July. The rate of decrease was little-changed from that seen in June and was sharp overall. Survey respondents indicated that weaker confidence around the outlook and lower job postings had weighed on permanent staff appointments.

The reduction seen in the Midlands was the softest of the four monitored English regions.

Temporary Billings Index

Feb-Jul '25
sa, >50 = growth

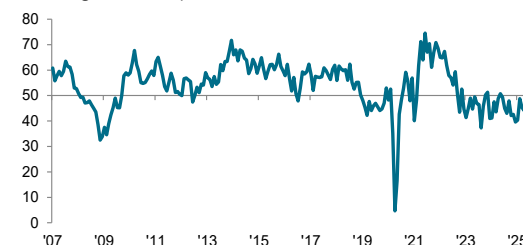


Temp billings fall at strongest rate for a year-and-a-half

Recruiters in the Midlands recorded a renewed decrease in temporary billings at the start of the third quarter, marking the first fall in three months. The rate of reduction was the strongest since January 2024 and sharp. Anecdotal evidence suggested that lower demand for temp workers and higher staffing costs had weighed on billings. That said, the fall in the Midlands was softer than the national average, with only the South of England posting a weaker rate of decline.

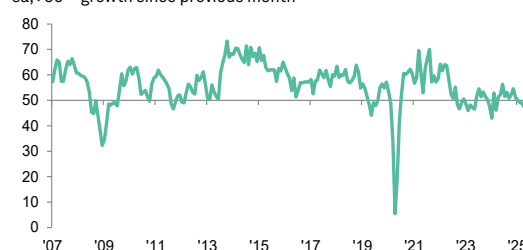
Permanent Placements Index

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
Feb-25	43.6	48.8	45.0	49.2
Mar-25	43.4	45.4	46.0	48.9
Apr-25	44.7	44.1	46.3	47.3
May-25	44.2	50.4	47.1	51.3
Jun-25	39.1	43.1	45.5	50.2
Jul-25	40.0	43.3	44.6	45.8

Job vacancies

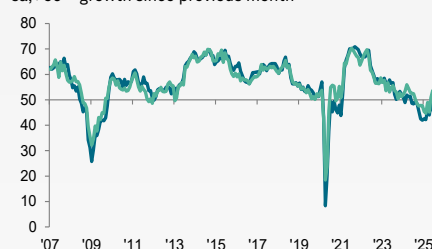
Demand for permanent staff in the Midlands fell for the fourteenth month running in July, and at the most pronounced rate since February. The Midlands saw a slightly softer fall in permanent vacancies than that seen on average across the UK as a whole, however.

There was a decline in demand for temporary workers in the Midlands for the first time in three months during July, albeit one that was modest overall. Moreover, the pace of reduction in the Midlands was softer 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

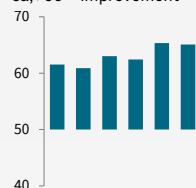
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Feb-25	41.7	42.2	43.5	44.7
Mar-25	44.1	46.1	45.2	48.9
Apr-25	43.1	44.1	43.2	45.2
May-25	46.6	49.3	46.8	50.9
Jun-25	44.8	46.8	48.6	53.6
Jul-25	43.0	43.6	45.7	48.1

2 Staff availability

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

Permanent Staff Availability Index

Feb - Jul '25
sa, >50 = improvement

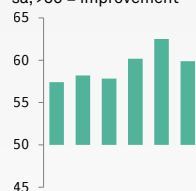


Sustained upturn in permanent candidate numbers

The number of candidates available for permanent roles in the Midlands increased markedly during July, with the latest uptick extending the current sequence of expansion to 28 months. The rate of growth eased only slightly from June's one-and-a-half-year record, and was broadly in line with the UK-wide trend. Panellists indicated that redundancies had been a key factor pushing up candidate supply.

Temporary Staff Availability Index

Feb - Jul '25
sa, >50 = improvement



Temporary staff supply rises at steep pace

Recruitment consultancies in the Midlands reported that a lack of temp job opportunities and redundancies contributed to a further rise in temp candidate availability in July. The rate of increase remained historically marked, despite easing to a three-month low.

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

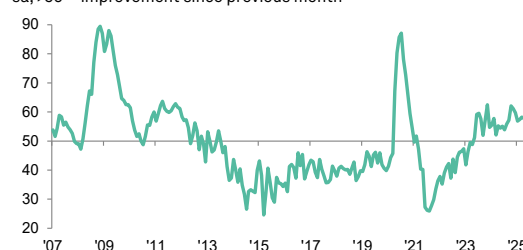
Permanent Staff Availability Index

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
Feb-25	59.2	61.5	59.6	57.4
Mar-25	63.2	60.9	60.2	58.2
Apr-25	62.8	63.0	59.6	57.8
May-25	63.5	62.4	61.3	60.2
Jun-25	66.3	65.3	63.2	62.5
Jul-25	64.9	65.1	61.3	59.9

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial

Accountants
Accounts Payable
Auditors
Credit Controllers
Entry Level Accountancy
Finance
Finance Business Partner
Finance Managers
Financial Controllers
Financial Planners
Management Accountants
Payroll

Blue Collar

Blue Collar

Construction

Architectural Tech
Surveyors

Engineering

Electrical Design
Engineers
Specialist Engineering

Executive/Professional

Project Managers

IT & Computing

AI Developers
Automation Testers
Data Engineers
Data Scientists
Developers
Software
Technical Roles

Secretarial/Clerical

Administration

Other

Security

Skills in short supply: Temporary staff

Accounting/Financial

Accountants
Accounts Payable
Auditors
Credit Controllers
Payroll

Blue Collar

Forklift Drivers
Security Guards
Steel Operatives
Warehouse

Operatives

Construction

Architectural Tech

Engineering

Engineers
Maintenance Engineers

IT & Computing

Automation Testers
Data Architect
Data Engineers

Developers

Secretarial/Clerical

Administration

Other

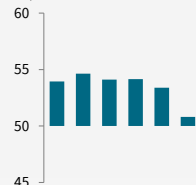
Entry Level

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



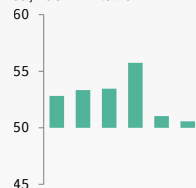
Slowest rise in starting salaries for nearly four-and-a-half years

Salaries for new permanent joiners in the Midlands continued to rise during July. The pace of salary inflation slowed sharply, however, and was the weakest seen since the current period of pay growth began in March 2021. Recruiters often indicated that higher salaries were offered to attract suitably skilled staff. However, others noted that improved candidate availability had dampened overall growth.

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

Temporary Wages Index

Feb-Jul '25
sa, >50 = inflation



Temp wages rise only marginally

Recruitment consultancies in the Midlands signalled a further increase in temp pay at the start of the third quarter. The rate of inflation was only marginal, however, and the softest recorded in the current eight-month sequence of rising pay. Moreover, the Midlands saw a slightly slower increase in temp wages than that seen at the national level.

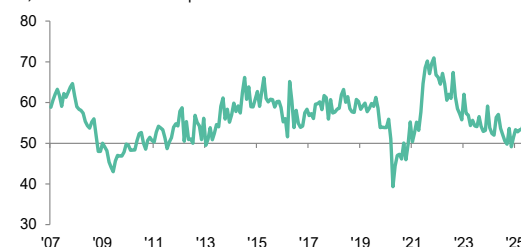
Permanent Salaries Index

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
Feb-25	52.1	53.9	51.1	52.8
Mar-25	53.3	54.6	51.6	53.3
Apr-25	53.3	54.1	53.9	53.5
May-25	54.1	54.2	54.4	55.8
Jun-25	52.7	53.4	52.3	51.0
Jul-25	52.0	50.8	51.1	50.6

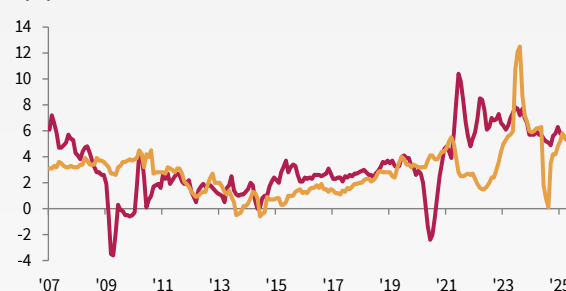
Official data: UK average weekly earnings

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: 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 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.

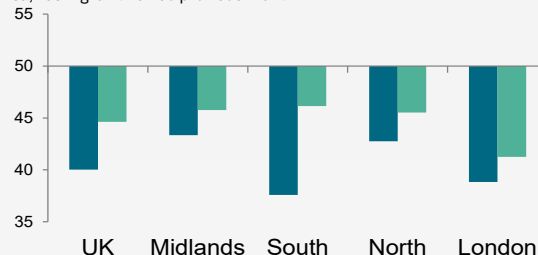
Temp wages also increased at a slower pace at the start of the third quarter. The rate of inflation was the softest in five months and only marginal. The strongest upturn in temp pay was registered in London, while the South of England recorded a reduction in wages for the first time since January.

July 2025

■ Permanent
■ Temporary

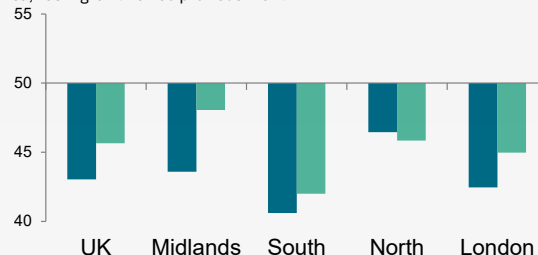
Staff Appointments

sa, >50 = growth since previous month



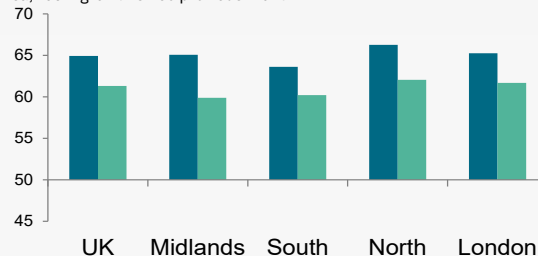
Vacancies

sa, >50 = growth since previous month



Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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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 10-25 July 2025.

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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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