

KPMG and REC, UK Report on Jobs: Midlands

Permanent placements fall at slowest pace in three months

48.9

PERMANENT
PLACEMENTS INDEX
AUG '25

50.7

TEMPORARY BILLINGS
INDEX
AUG '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.

Modest fall in permanent placements, while temp billings rise

Starting salary inflation improves to 16-month high

Permanent candidate availability rises amid steep fall in vacancies

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

"For the first time in a long time, the Midlands job market is showing tentative signs of recovery, testament to the adaptability and resilience of the businesses operating in the region. Permanent placements are still decreasing, but at a much slower rate – the softest decline of any monitored region."

"Temporary hiring continues as a critical lever for flexibility. Indeed, demand for temporary staff is still rising, and temporary billings are increasing in tow. Employers are also navigating a shifting talent landscape, with increased candidate availability creating new opportunities to rebalance teams and manage costs more strategically. Pay pressures remain, but more than ever, they're reflecting a proactive approach from employers to secure essential skills amid ongoing uncertainty."

Neil Carberry, REC Chief Executive, said:

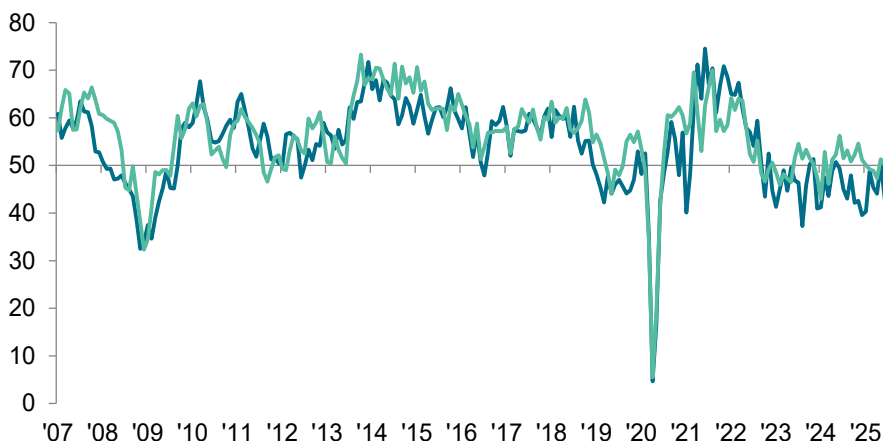
"Employers need a shot of confidence along with their seasonal flu jabs this autumn. August saw recent declines in the market moderating, and a few positive signs – such as an improving market for temps in the Midlands. Overall, the pace of decrease in permanent placements in the Midlands eased sharply on July and temp billings across the region increased for the third time in the past four months."

"There is certainly potential out there – but with fewer vacancies and more candidates looking for work across the UK, the overall picture is still subdued nationally. While we have seen a summer slowdown, we will hopefully see more positive signs when the September data come through next month."

"All eyes are now on the Autumn Budget, in hope now that the Chancellor won't do any further damage to the labour market with costs on hiring. For the economy to thrive, the Budget must recognise the need for investment in people. Long-term investment in skills, workforce stability, a more practical approach to the Employment Right Bill and meaningful partnerships with employers will yield far more enduring returns than short-term fixes."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

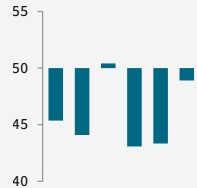


1 Staff appointments

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

Mar-Aug '25
sa, >50 = growth



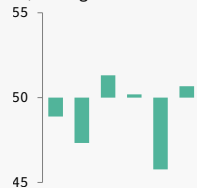
Softer decline in permanent placements

August data signalled a further decline in the number of permanent placements made by recruitment agencies in the Midlands. Permanent staff appointments were reportedly down due to weaker demand for staff and fewer vacancies. The pace of decrease eased sharply from July, however, and was only modest.

Across all four monitored English areas, the Midlands saw the softest drop in permanent placements.

Temporary Billings Index

Mar-Aug '25
sa, >50 = growth



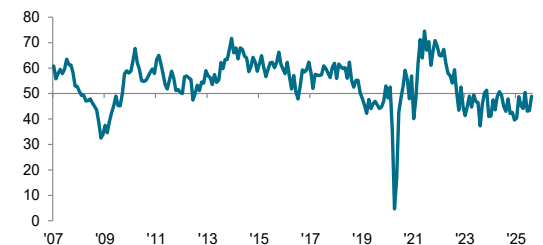
Fresh rise in temp billings in August

Temp billings across the Midlands increased for the third time in the past four months midway through the third quarter. Panellists generally attributed the latest rise to improved demand for temporary workers. The rate of increase was only marginal, however.

The rise in temp billings in the Midlands bucked the wider UK trend, with the three other monitored English regions recording sustained falls.

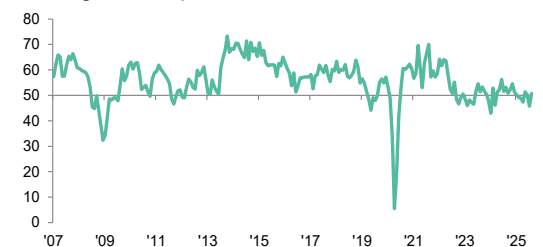
Permanent Placements Index

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
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
Aug-25	44.2	48.9	46.8	50.7

Job vacancies

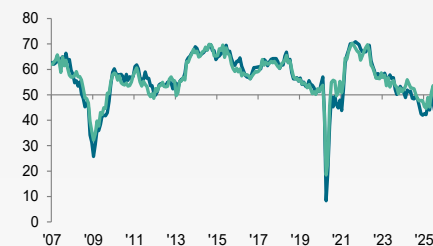
Permanent vacancies in the Midlands decreased for the fifteenth consecutive month in August. Though solid, the pace of contraction was the second-slowest seen across the four monitored English areas, after the North of England.

Temporary vacancies in the Midlands meanwhile rose for the third time in four months in August. Whilst only marginal, the increase contrasted with a solid fall at the national level.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Aug-25	42.7	44.0	46.0	50.4

2 Staff availability

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



Stronger rise in permanent staff availability

The supply of permanent staff rose again in August, thereby extending the current sequence of increasing candidate numbers to 29 months. Moreover, the pace of growth accelerated from July and was the steepest since December 2023. That said, the Midlands recorded the slowest increase in permanent candidate availability of all four monitored English areas. Anecdotal evidence suggested that redundancies and fewer job opportunities had driven the latest upturn in candidate supply.

Further marked upturn in temp staff supply

Temporary candidate availability in the Midlands increased during August, as has been the case in each month since May 2023. The rate of expansion picked up slightly from July and was sharp overall. Panellists stated that the supply of temp staff had risen due to fewer vacancies and staff redundancies. Nevertheless, the rate of expansion was softer than that seen at the UK level.

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
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
Aug-25	70.2	67.1	67.9	61.0

3 Demand for skills

Skills in short supply: Permanent staff

Blue Collar
Blue Collar
Machine Operators
Welders
Construction
Architectural Tech

Engineering
Engineers
IT & Computing
AI/ML Engineers
LLM Engineers
Software Developers

Technical Roles
Secretarial/Clerical
Administration
Office Staff

Skills in short supply: Temporary staff

Blue Collar
Blue Collar
Security Guards
Construction
Architectural Tech

Engineering
Engineers
Maintenance Engineers
IT & Computing
Automation Testers
Data Engineers
Software Developers

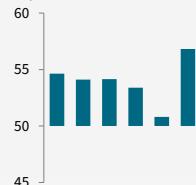
Secretarial/Clerical
Office Staff

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

Mar - Aug '25
sa, >50 = inflation



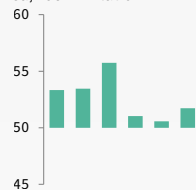
Permanent starters' salaries rise sharply

Permanent starting salaries in the Midlands increased again in August, thereby extending the current sequence of inflation that began in March 2021. The rate of pay growth accelerated sharply from the previous survey period and was the steepest seen since April 2024. The rise in salaries was often linked by recruiters to efforts to attract suitably skilled staff.

The pace of salary inflation in the Midlands was notably stronger than the UK average.

Temporary Wages Index

Mar - Aug '25
sa, >50 = inflation



Modest increase in temp wages

Recruitment consultancies based in the Midlands registered an increase in temp pay rates for the ninth time in as many months during August. Though modest, the pace of wage inflation was the strongest in three months. London was the only other monitored English area to record an increase in temp wage rates in August, with falls seen elsewhere.

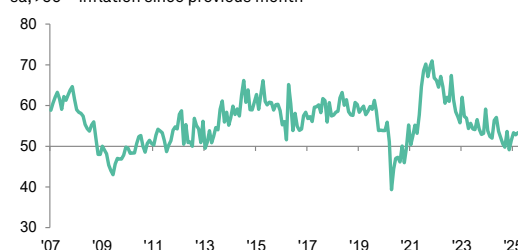
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

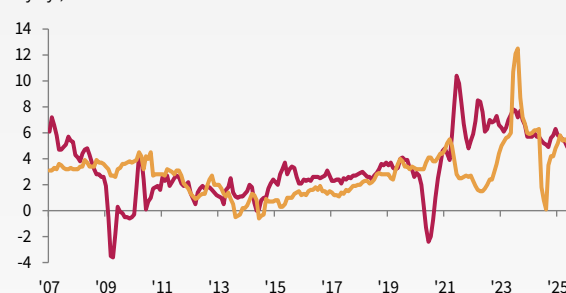
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Mar-25	53.3	54.6	51.6	53.3
Apr-25	53.3	54.1	53.9	53.5
May-25	54.1	54.2	54.4	55.8
Jun-25	52.7	53.4	52.3	51.0
Jul-25	52.0	50.8	51.1	50.6
Aug-25	50.6	56.8	51.5	51.7

Official data: UK average weekly earnings

Official data from the ONS showed that average weekly earnings (including bonuses) increased by 4.6 % on an annual basis in the three months to June. This marked the fourth successive period that pay growth has slowed, and pointed to the softest rise in earnings since the three months to September 2024.

This reflected a slower rise in private sector earnings (4.7%), which expanded at the softest pace since the three months to March 2021. Meanwhile, public sector pay growth held steady at 5.3%.

UK average weekly earnings



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 continued to decrease across the UK midway through the third quarter, thereby extending the current sequence of decline that began in October 2022. While the pace of contraction eased to the slowest in three months, it remained steep overall. All four monitored English regions noted a fall in permanent staff appointments, with the strongest downturn seen in the South of England and the softest in the Midlands.

Meanwhile, temp billings fell for the fourteenth consecutive month across the UK in August, and at a solid pace. Reductions were reported in three of the four monitored English regions, with the steepest fall seen in the South of England. The Midlands bucked the wider trend to record an increase for the third time in four months.

Candidate availability

Permanent staff availability increased at a substantial pace across the UK in August, with the rate of growth the steepest since November 2020. The upturn was led by the North of England, though sharper rates of expansion were seen across all four monitored English regions.

Temporary staff availability likewise rose markedly at the UK level during August. Notably, the rate of increase was the most pronounced since late-2020. All four monitored English areas saw a stronger rise in temp candidate numbers in the latest survey period. The fastest upturn was seen in London, while the slowest was in the Midlands.

Pay Pressures

Permanent starting salaries increased only marginally at the UK level during August, with the pace of inflation easing to the slowest since the current sequence began in March 2021. The Midlands and London saw an increase in permanent starting salaries, while the North and South of England saw fresh declines.

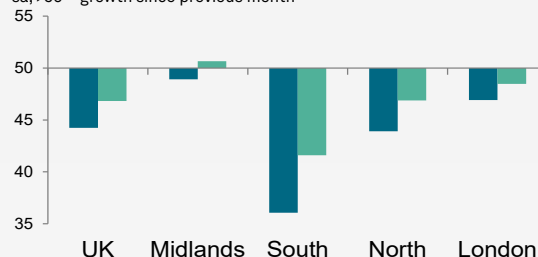
At the same time, hourly pay rates for temporary staff across the UK rose only modestly in the latest survey period. While there were faster increases in wages in London and the Midlands, there was a renewed fall in the North of England and a second successive monthly decrease in the South of England.

August 2025

■ Permanent
■ Temporary

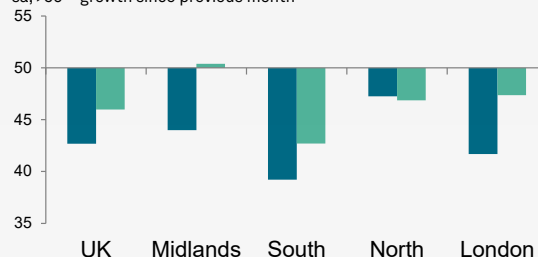
Staff Appointments

sa, >50 = growth since previous month



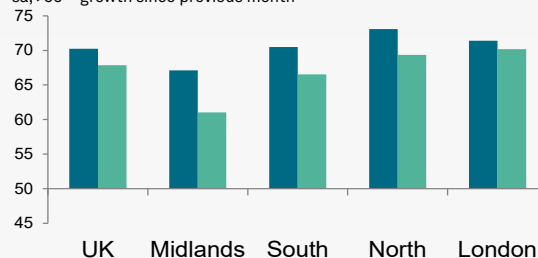
Vacancies

sa, >50 = growth since previous month



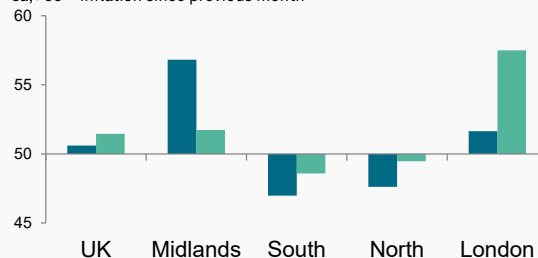
Staff Availability

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 12-22 August 2025.

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