

KPMG and REC, UK Report on Jobs: London

Hiring downturn deepens in September

45.2

PERMANENT
PLACEMENTS INDEX
SEP '25

43.4

TEMPORARY BILLINGS
INDEX
SEP '25

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.

Stronger rates of reduction for permanent placements and temp billings

Permanent vacancies fall at fastest pace since COVID-19 pandemic

Pay pressures modest and historically subdued

Anna Purchas, London Office Senior Partner at KPMG UK, said:

"After some signs of recovery in August, London's jobs market slipped back in September, with permanent placements falling at a quicker pace. This isn't across the board; we see significant variation by industry sector, with some such as parts of the construction sector, showing buoyancy in both the permanent and temporary jobs market."

"Weaker demand more broadly is keeping pay pressures subdued, which means businesses willing to invest now have a real opportunity to secure skills at more stable pay levels. We're also seeing encouraging signs of a shift towards alternative routes into employment, such as apprenticeships, which help employers build the skills and resilience they need for the future."

Neil Carberry, REC Chief Executive, said:

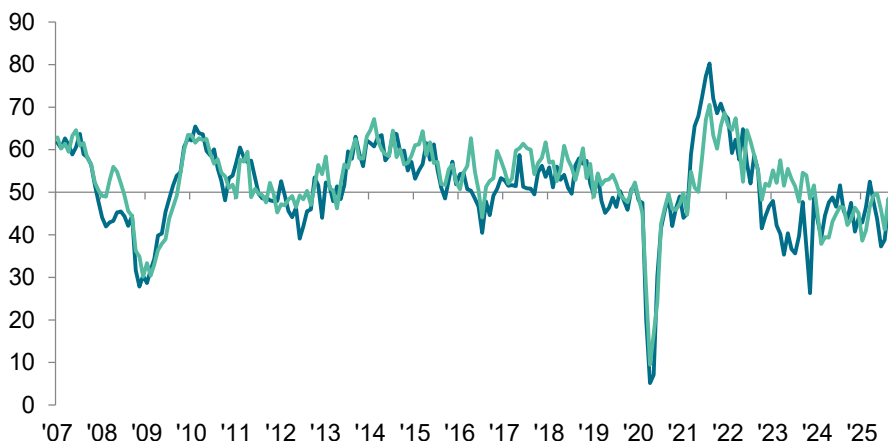
"Recruiters have been reporting a trend towards stabilisation in the permanent job market since the summer, and today's data back that up for September. The temporary market remains somewhat healthier, with growth in some regions. We can hope that the jobs market and the economy may be moving towards calmer waters, but falling vacancies is a reminder that what is really needed is a shot of confidence in the wider economy to get things going."

"Pay trends remain subdued where pay is set by the market rather than the Government. This suggests that pay growth should not be a drag on the Bank of England's upcoming interest rate decision."

"The economic picture is still challenging for employers, with pressures beyond their control. A genuinely pro-business, pro-growth Autumn Budget next month could provide much-needed relief, by avoiding unaffordable tax rises on business, committing to real practicality on the Employment Rights Bill, supporting flexible work and reforming public sector hiring."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

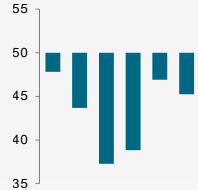


1 Staff appointments

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

Apr - Sep '25
sa, >50 = growth



Permanent placements fall sharply in September

The number of people placed in permanent positions in London decreased during September. The sixth consecutive monthly reduction was sharp and more pronounced than that recorded in the month prior, albeit weaker than the UK-wide average. Recruiters attributed the latest fall to a combination of limited job openings and prevailing economic uncertainty.

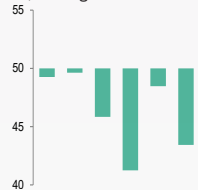
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Apr - Sep '25
sa, >50 = growth

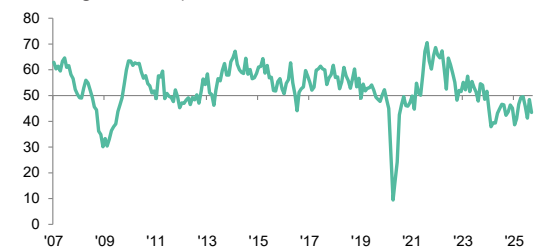


Downturn in short-term billings deepens notably

Billings received from the employment of temporary staff also fell at a quicker pace in September, thereby extending the current sequence of decrease to 21 months. The rate of contraction was rapid and notably more pronounced than seen in August. Anecdotal evidence suggested that the reduction in billed hours was attributed to fewer available roles and the shortening of contracts.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Aug-25	44.2	46.9	46.8	48.5
Sep-25	44.8	45.2	46.0	43.4

Job vacancies

Permanent vacancies fell across the capital in September. The rate of contraction was rapid overall and after having quickened for a fourth month straight, the strongest since August 2020. Excluding the COVID-19 pandemic period the decline was the most pronounced since March 2009.

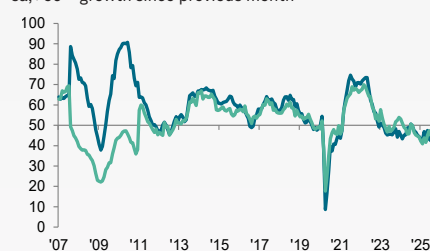
Demand for temp workers also deteriorated more markedly in September. The rate of contraction was sharp and the fastest since April.

In both cases, the downturns were more pronounced than those observed for the UK as a whole

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

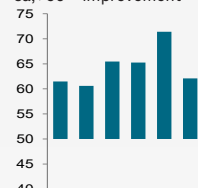
	Permanent		Temporary	
	UK	London	UK	London
Apr-25	43.1	44.6	43.2	41.6
May-25	46.6	47.4	46.8	45.1
Jun-25	44.8	43.2	48.6	47.4
Jul-25	43.0	42.4	45.7	45.0
Aug-25	42.7	41.7	46.0	47.4
Sep-25	42.8	40.4	45.9	44.0

2 Staff availability

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

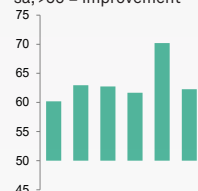
Permanent Staff Availability Index

Apr - Sep '25
sa, >50 = improvement



Temporary Staff Availability Index

Apr - Sep '25
sa, >50 = improvement



Marked but softer rise in permanent staff availability

The availability of candidates seeking permanent positions rose for a thirty-fourth consecutive month in September. The pace of expansion was marked, albeit the weakest in four months. Redundancies was a key factor contributing to the increased supply of candidates.

Among the four tracked English regions, London experienced the largest easing in the pace of growth of candidate numbers, placing it at the bottom of the rankings.

Uptick in temp staff supply sharp, but weakens

Following a robust increase in the previous month, the rate of temporary staff supply growth in September softened but broadly aligned with the rapid expansions observed in the first half of the year. The latest increase was attributed to a reduction in freelance roles, fewer contracts, and a lack of new permanent positions.

A notable loss of growth momentum meant that London recorded the weakest expansion of the four monitored English regions.

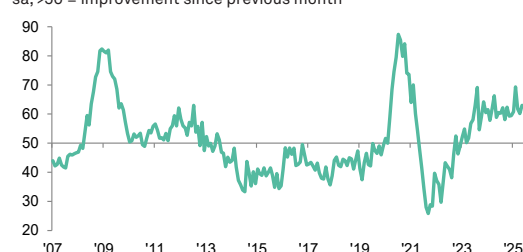
Permanent Staff Availability Index

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
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
Aug-25	70.2	71.4	67.9	70.2
Sep-25	65.5	62.1	65.2	62.3

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	IT & Computing	Sales
Estimators	Digital	
Blue Collar	Technical Roles	
Drivers	Nursing/Medical/Care	
Construction	Carers	
Construction Professionals	Medical	
Floor Layer	Nurses	
Quantity Surveyors	Occupational Therapist	
Engineers	Paramedics	
Engineers	Physiotherapist	
Gas Engineers	Social Workers	
Executive/Professional	Secretarial/Clerical	
Management	Receptionist	
Mid-Senior Management	Other	
Professional Roles	Commercial	
Hotel & Catering	Customer Service	
Hospitality	German Speakers	
	Languages	

Skills in short supply: Temporary staff

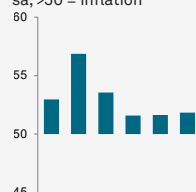
Construction
Construction
Floor Layer
Labourers
Site Supervisors
Engineering
Gas Engineers
Nursing/Medical/Care
Social Workers
Secretarial/Clerical
Administration
Other
Languages

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

Apr - Sep '25
sa, >50 = inflation

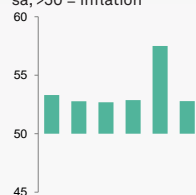


Permanent starting pay inflation mild in September

After reaching a nine-month low in July, the seasonally adjusted Permanent Salaries Index has remained largely stable since then, with September indicating only a modest increase in starting pay — one of the weakest this side of the pandemic and historically subdued. Rising cost concerns and a market slowdown prompted some businesses to lower their pay, while others raised their offers to attract suitable candidates, recruiters noted.

Temporary Wages Index

Apr - Sep '25
sa, >50 = inflation



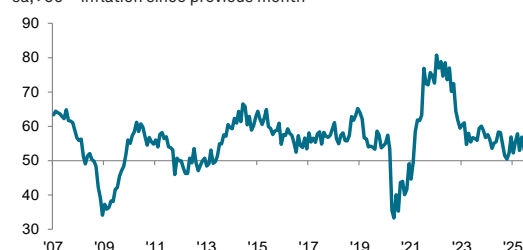
Temp wage inflation eases notably since August

September data highlighted a rise in temporary wages across London. The increase was solid, but much weaker than that seen in August. Where temp wages rose, recruiters linked this to recent placements being made at higher rates.

Moreover, the pace at which hourly pay rose across London remained stronger than the UK-wide average.

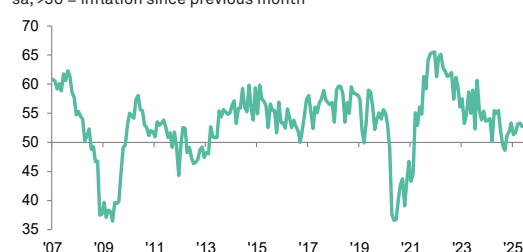
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Aug-25	50.6	51.6	51.5	57.5
Sep-25	50.2	51.8	50.8	52.8

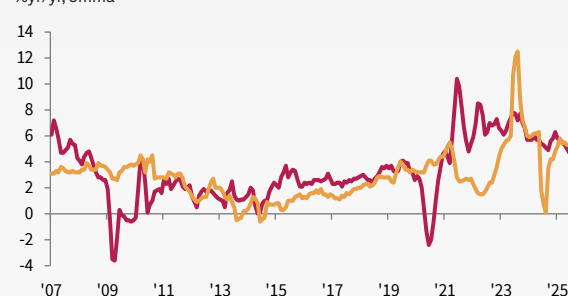
Official data: UK average weekly earnings

Official data from the ONS signalled that annual growth in average weekly earnings (including bonuses) was 4.7% in the three months to July, little-changed from 4.6%. Consequently, the rate of growth was among the lowest seen over the past year.

Underlying data indicated that public sector pay rose at a slightly quicker pace than that seen for the private sector (5.1% versus 4.6%). Notably, this marked the slowest rate of earnings growth across the private sector since the three months to March 2021.

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

The number of permanent staff appointments across the UK dropped again in September, extending the current sequence of reduction to exactly three years. Though sharp, the rate of contraction was the least pronounced in 12 months. Permanent placements fell across all four monitored English regions, with the quickest drop seen in the South of England. Meanwhile, the Midlands recorded the softest fall in permanent staff hiring, despite the pace of contraction quickening on the month.

Billings received from the employment of temp workers fell at the UK level during September, as has been the case for the past 15 months. Furthermore, the rate of reduction accelerated from August and was solid overall. Regional trends diverged, with the Midlands and North of England registering increases in temp billings, while marked decreases were seen in London and the South of England.

Candidate availability

There was a further rise in permanent staff availability across the UK in September, thereby stretching the current run of growth to 31 months. Although the pace of expansion eased from August, it remained rapid overall. The South and North of England recorded the steepest increases in permanent staff supply, though historically sharp rates of growth were also seen in the Midlands and London.

At the national level, temporary staff supply rose at a softer rate in September, albeit one that remained marked overall. The South of England and the Midlands both saw stronger upticks in temp staff supply, while slower increases were recorded across the North of England and London.

Pay Pressures

As has been the case since March 2021, starting salaries for permanent workers across the UK increased during September. The rate of inflation was only fractional, however, and the slowest seen over this period. The Midlands recorded a solid increase in permanent pay, while growth remained modest in London. Starting salaries meanwhile fell for the second successive month across the North and South of England.

At the same time, temp wages rose only marginally at the UK level during September, with the latest increase the slowest seen since January. While the Midlands and London registered further upticks in temp pay, reductions were seen across the North and South of England at the end of the third quarter.

September 2025

■ Permanent
■ Temporary

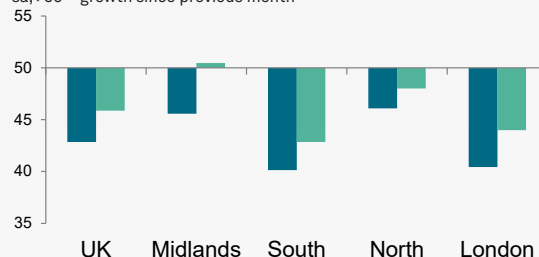
Staff Appointments

sa, >50 = growth since previous month



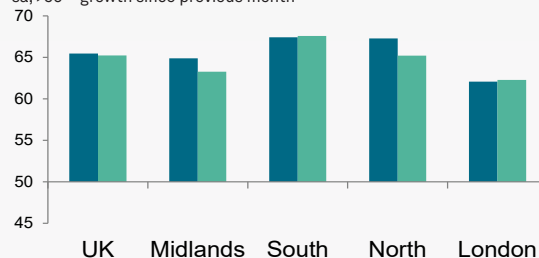
Vacancies

sa, >50 = growth since previous month



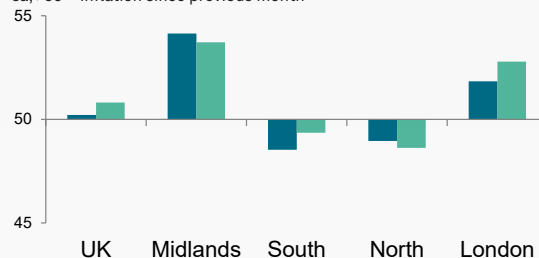
Staff Availability

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: 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 11-24 September 2025.

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