

KPMG and REC, UK Report on Jobs: Midlands

Sharper fall in permanent placements, but temp billings rise solidly

46.6

PERMANENT
PLACEMENTS INDEX
SEP '25

53.1

TEMPORARY BILLINGS
INDEX
SEP '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.

Strongest rise in temp billings for ten months

Temp pay inflation improves to four-month high

Further rapid increases in candidate availability

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

"Despite permanent hiring remaining underwhelming, the Midlands is holding up better than elsewhere, with the softest decline in placements across the UK. This reflects the resilience of businesses in the region, who continue to make cautious but considered workforce decisions."

"Meanwhile, the Midlands saw the strongest rise in temp billings in ten months and was the only region to record growth in temp vacancies – a sign that employers are using flexible staffing to keep projects moving and adapt to change."

"Candidate availability is also on the rise, creating new opportunities for employers to access talent that might not have been available previously. While pay pressures are easing slightly, many businesses are still prepared to offer competitive salaries to secure skills essential to growth and team development."

Neil Carberry, REC Chief Executive, said:

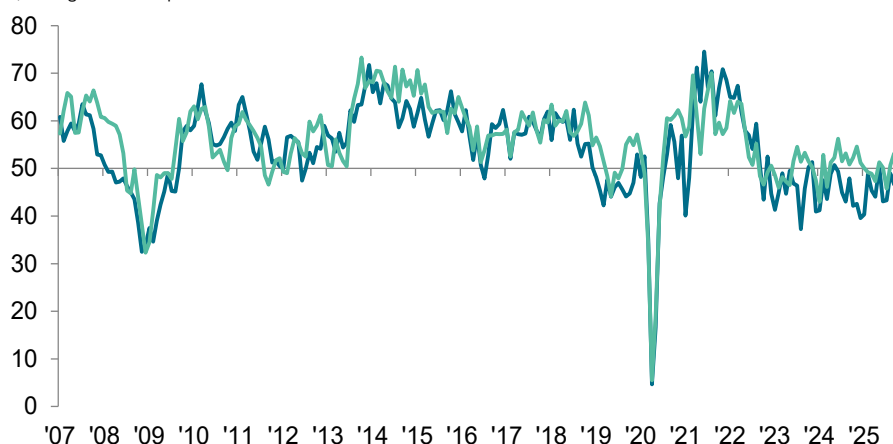
"Recruiters have been reporting a trend towards stabilisation in the permanent job market since the summer, and today's data back that up for September. The temporary market remains somewhat healthier, with growth in some regions. We can hope that the jobs market and the economy may be moving towards 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

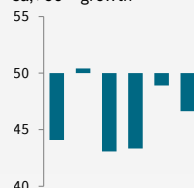


1 Staff appointments

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

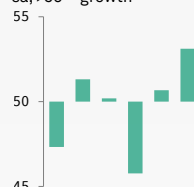


Solid decrease in permanent staff appointments

The number of people placed into permanent roles across the Midlands declined in September, marking the fourth decrease in as many months. Recruiters often linked the reduction to weaker confidence around the economic outlook, higher employment costs and falling vacancies. That said, the Midlands saw the softest decrease in permanent placements of all four monitored English regions in September.

Temporary Billings Index

Apr - Sep '25
sa, >50 = growth

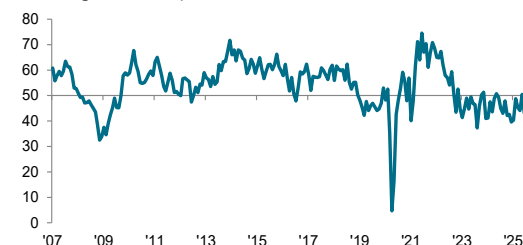


Temp billings rise at quicker pace in September

September data indicated that billings received from the employment of temporary staff increased for the second successive month. The respective seasonally adjusted index hit its highest reading since November 2024, and was consistent with a solid rate of growth overall. Recruiters mentioned that stronger demand for short-term staff and new projects had helped to lift billings. The Midlands and the North of England were the only monitored English area to see temp billings rise in September, with falls recorded elsewhere.

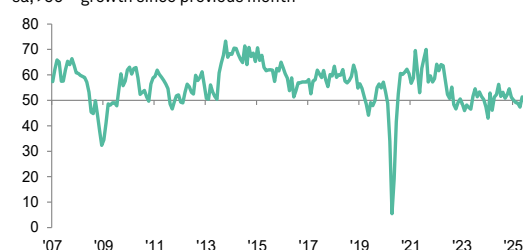
Permanent Placements Index

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
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
Sep-25	44.8	46.6	46.0	53.1

Job vacancies

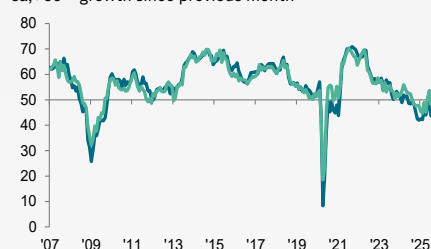
Latest data pointed to a sixteenth successive monthly decrease in demand for permanent staff in the Midlands. Though sharp, the pace of reduction was the softest since June. Of the four monitored English regions, the Midlands saw the second-slowest fall in permanent vacancies, behind the North of England.

In contrast, temp vacancies rose for the second month running. The increase was marginal, but nevertheless the most pronounced in three months. The Midlands was the only English region to see an improvement in temp staff demand.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

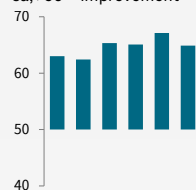
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Apr-25	43.1	44.1	43.2	45.2
May-25	46.6	49.3	46.8	50.9
Jun-25	44.8	46.8	48.6	53.6
Jul-25	43.0	43.6	45.7	48.1
Aug-25	42.7	44.0	46.0	50.4
Sep-25	42.8	45.6	45.9	50.5

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

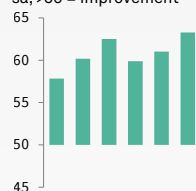


Permanent staff availability continues to rise markedly

Adjusted for seasonal factors, the Permanent Staff Availability Index signalled an increase in permanent candidate numbers in September, extending the current sequence of expansion to two-and-a-half years. There were reports that redundancies and a drop in vacancies had contributed to the uplift in staff supply. The rise in the Midlands was slightly softer than that seen across the UK as a whole.

Temporary Staff Availability Index

Apr - Sep '25
sa, >50 = improvement



Rapid upturn in temporary staff supply

Temp staff availability across the Midlands rose again at the end of the third quarter, thereby stretching the current run of growth to 29 months. Recruiters mentioned that redundancies and weaker demand for temp staff had pushed up candidate numbers. Furthermore, the rate of expansion quickened from August and was the strongest since October 2020.

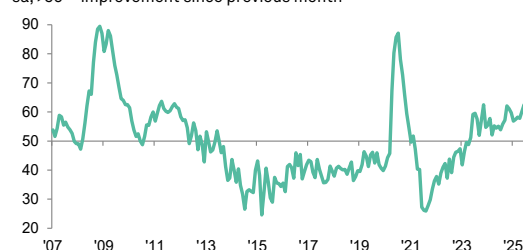
Permanent Staff Availability Index

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
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
Sep-25	65.5	64.9	65.2	63.3

3 Demand for skills

Skills in short supply: Permanent staff

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

CNC Roles
Construction
Architectural Tech
Surveyors
Engineering
Engineers
Maintenance Engineers
Specialist Engineering
Executive/Professional
Research

Transformation Directors
IT & Computing
AI/ML Engineers
Automation Testers
Cloud Computing
Gaming
IT
LLM Engineers
Security Operations
Software Developers
Technical Roles
Technical Sales

Skills in short supply: Temporary staff

Accounting/Financial
Accountants
Accounts Payable
Auditors
Credit Controllers
Finance
Payroll
Blue Collar
Blue Collar
CNC Machinist
Drivers

Forklift Drivers
Paint Sprayers
Welders
Construction
Architectural Tech
Engineering
Design Engineers
Engineers
Maintenance Engineers
Mechanical Engineers

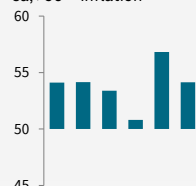
Senior Electronic Engineers
IT & Computing
Automation Testers
Data Engineers
IT
Software Developers

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

Apr - Sep '25
sa, >50 = inflation

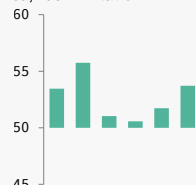


Starting salary inflation eases in September

Recruiters across the Midlands continued to record an increase in starting salaries for permanent workers in September. Permanent pay has now risen for just over four-and-a-half years. Some panellists mentioned that higher salaries were offered to attract suitably skilled staff. The rate of inflation eased from August, however, and, though solid, was slower than the long-run survey average. Nevertheless, only the Midlands and London recorded increases in starting salaries in the latest survey period, with falls seen in the North and South of England.

Temporary Wages Index

Apr - Sep '25
sa, >50 = inflation



Temp pay rises at strongest rate in four months

Average hourly pay for short-term staff rose across the Midlands for the tenth consecutive month at the end of the third quarter. Where wages had increased, anecdotal evidence suggested this was often due to competition for highly-skilled staff. The rate of pay growth was the steepest seen since May, and comfortably above the national average.

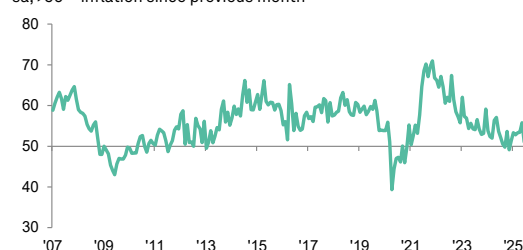
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Sep-25	50.2	54.1	50.8	53.7

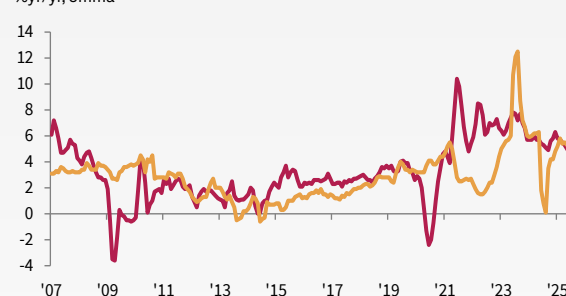
Official data: UK average weekly earnings

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: 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

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.

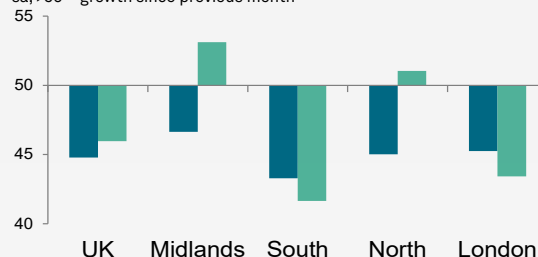
At the same time, temp wages rose only marginally at the UK level during September, with the latest increase the slowest seen since January. While the Midlands and London registered further upticks in temp pay, reductions were seen across the North and South of England at the end of the third quarter.

September 2025

■ Permanent
■ Temporary

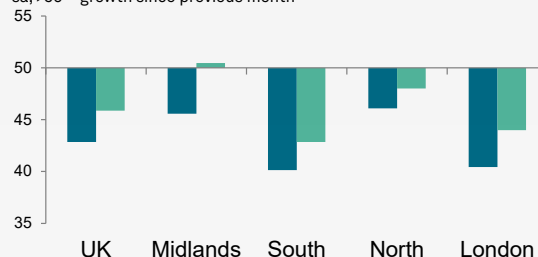
Staff Appointments

sa, >50 = growth since previous month



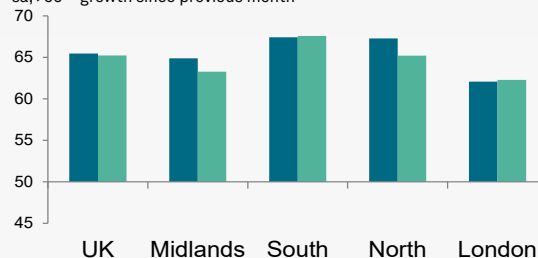
Vacancies

sa, >50 = growth since previous month



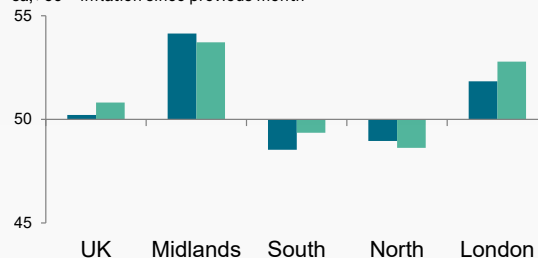
Staff Availability

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: 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 11-24 September 2025.

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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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