

# KPMG and REC, UK Report on Jobs: London

## London records a solid reduction in permanent new joiners in October

46.7

PERMANENT  
PLACEMENTS INDEX  
OCT '25

49.1

TEMPORARY BILLINGS  
INDEX  
OCT '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.

Softer, but still solid decline in permanent placements

Downturn in temp billings weakest in five months

Marked reductions in permanent and temp vacancies

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

*"London's job market showed some tentative signs of stabilising in October, but the overall picture remains fragile. Employers are cautious, reflecting ongoing economic uncertainty and a continued focus on managing costs in the short term. Many are biding their time ahead of the Autumn Budget in a few weeks' time."*

*"For those businesses who are planning beyond the short term, the combination of slowing salary inflation for permanent staff and more professionals entering the market is creating a valuable opportunity for those willing to invest to secure the talent and skills they'll need for the future."*

*"There's growing momentum around this kind of longer-term workforce planning. The launch of London's Inclusive Talent Strategy, a comprehensive plan that places future skills at the heart of the capital's economic growth, is a timely reminder that while short-term challenges persist, London is already looking ahead to build a more resilient, inclusive and future-ready jobs market."*

Neil Carberry, REC Chief Executive, said:

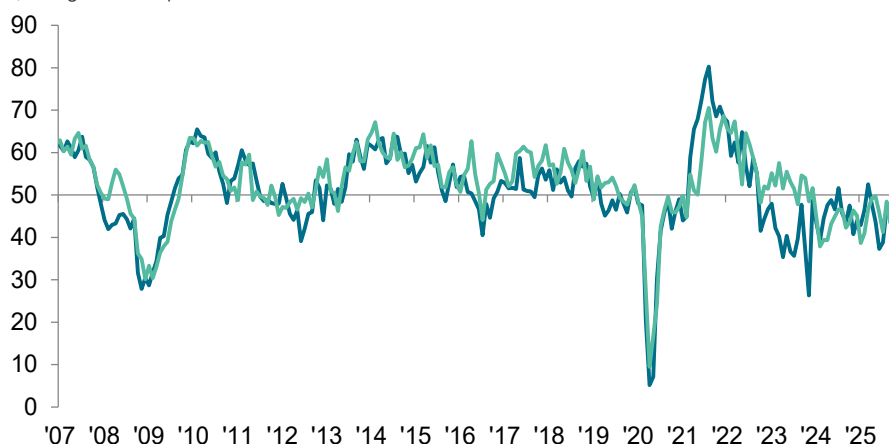
*"Today's data reflects the more positive outlook in the UK we have been hearing from recruiters since the start of the autumn. They aren't exuberant – partly because the all-important London market is lagging the upward curve. That may change soon, as the reduction in temp billings in London eased noticeably and the reduction in permanent placements in London was weaker than the month before."*

*"But we have been here before – there was a similar mood in the UK jobs market before the Chancellor's Halloween Budget last year. The huge surprise increase in payroll taxes then shocked the market and we have seen the results of that, as businesses predicted then, in higher unemployment and redundancy. As we go into Budget 2025, there can be no repeat. If Government cares about growth, as it claims, measures must stoke business investment, not deter it."*

*"The Budget must give employers confidence to invest, with a focus on unlocking potential through delivering on skills reform, supporting business investment and reforming the approach to the Employment Rights Bill, which needs a dose of practicality and realism."*

■ Permanent Placements Index  
■ Temporary Billings Index

sa, >50 = growth since previous month

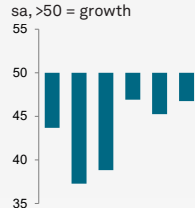


# 1 Staff appointments

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

May - Oct '25  
sa, >50 = growth



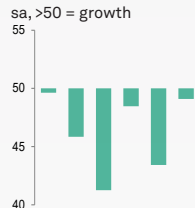
## Downturn in permanent placements eases

A seventh consecutive monthly decline in permanent placements across London was recorded in October. The pace of reduction was solid, albeit weaker than that seen in the previous month. Where decreases were noted, surveyed recruiters often cited fewer open vacancies as the reason.

While all four monitored English regions saw marked decreases in permanent placements, London recorded the least pronounced decline.

## Temporary Billings Index

May - Oct '25  
sa, >50 = growth



## Temp billings fall only slightly in October

Temp billings received from short-term workers across the capital fell in October, thereby stretching the current run of decrease to 22 months. That said, following a rapid decline in September, the pace of reduction eased noticeably to indicate only a slight fall, one which was the slowest since May.

That said, London went against the broader UK trend, which highlighted a fresh uptick in temp billings in October.

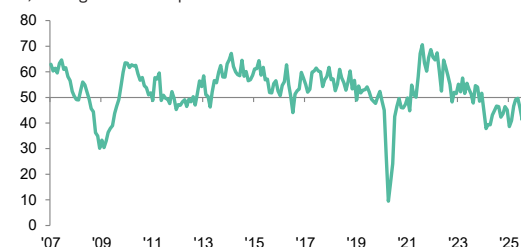
## Permanent Placements Index

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
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
Oct-25	45.2	46.7	50.2	49.1

# Job vacancies

As has been the case in each month since August 2024, recruiters based in London noted a decline in permanent vacancies in October. The pace of decrease was only slightly weaker than the recent high observed in September and marked overall.

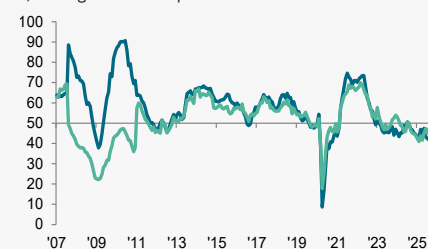
Demand for temporary workers also deteriorated at the start of the final quarter. The pace at which temp vacancies fell was rapid and the strongest in six months.

Both permanent and temp vacancies fell at rates stronger than their respective UK-wide averages.

## Vacancies Index

■ Permanent  
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

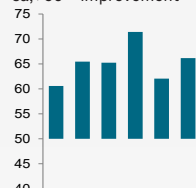
	Permanent		Temporary	
	UK	London	UK	London
May-25	46.6	47.4	46.8	45.1
Jun-25	44.8	43.2	48.6	47.4
Jul-25	43.0	42.4	45.7	45.0
Aug-25	42.7	41.7	46.0	47.4
Sep-25	42.8	40.4	45.9	44.0
Oct-25	43.1	41.7	44.8	41.6

## 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

May - Oct '25  
sa, >50 = improvement



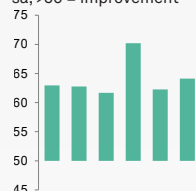
### Redundancies fuel sharp rise in permanent staff supply

Adjusted for seasonal variation, the Permanent Staff Availability Index rose in October and signalled a marked increase in the supply of permanent candidates in London. The uptick was again largely attributed to redundancies. Expansions have now been noted for nearly three years.

Moreover, London was the only English area monitored where the supply of permanent staff increased at a stronger rate in October.

### Temporary Staff Availability Index

May - Oct '25  
sa, >50 = improvement



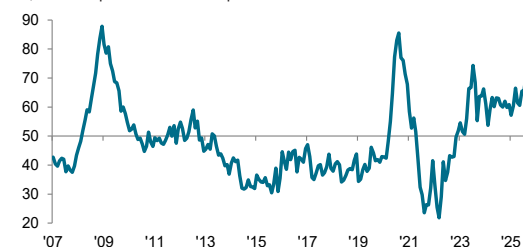
### Temp staff supply rises markedly

The availability of workers looking for temporary positions rose across the capital in October, stretching the current run of increase to 34 months. The pace of growth was the fastest since the recent high seen in August. Anecdotal evidence often noted that redundancies had pushed up candidate numbers.

The rate at which temp staff availability rose across London equalled the UK-wide average.

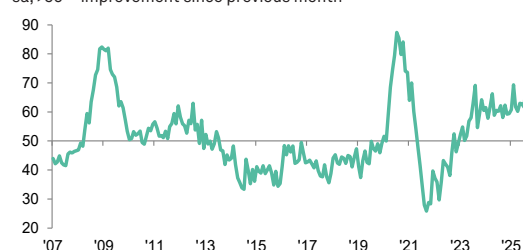
### Permanent Staff Availability Index

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
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
Oct-25	65.1	66.2	64.1	64.1

## 3 Demand for skills

### Skills in short supply: Permanent staff

Blue Collar	Digital
Drivers	Technical Roles
Construction	Nursing/Medical/Care
Construction Project Managers	Carers
Construction Site Managers	Medical
Quantity Surveyors	Social Workers
Engineers	Secretarial/Clerical
Engineers	Administration
Gas Engineers	Receptionist
Executive/Professional	Other
Management Professional Roles	Customer Service
Hotel & Catering	Operations
Hospitality	Sales
IT & Computing	White Collar
AI/ML Engineers	

### Skills in short supply: Temporary staff

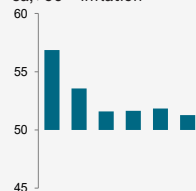
Blue Collar
Carpenters
Construction
Labourers
Engineering
Gas Engineers
Engineering
Gas Engineers
Nursing/Medical/Care
Social Workers

## 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

May - Oct '25  
sa, >50 = inflation



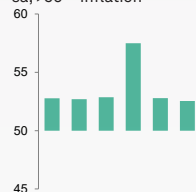
### Starting salary inflation slowest for a year

Starting salaries for permanent joiners in the capital increased in October. Where salaries rose, recruiters attributed this to the onboarding of senior roles and demand for higher skilled candidates. That said, the rate of salary inflation eased to a 12-month low and was mild overall, amid reports of cost-saving measures.

Of the four monitored areas, the Midlands was the only other region where permanent salaries rose.

### Temporary Wages Index

May - Oct '25  
sa, >50 = inflation



### Temp wages rise solidly again in October

London recruiters reported a rise in temporary pay rates in October. Respondents indicated that competition for suitably skilled workers had driven up hourly pay. Albeit being the strongest of the four monitored English regions, the pace of inflation across London eased slightly on the month to the slowest since February and was historically subdued.

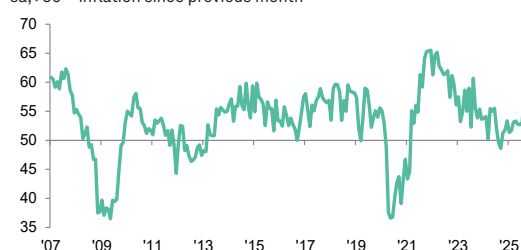
### Permanent Salaries Index

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
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
Oct-25	50.8	51.3	49.9	52.5

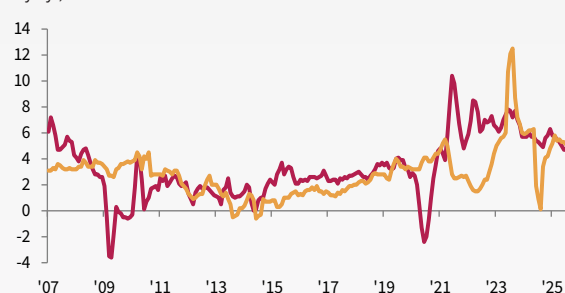
## Official data: UK average weekly earnings

Official data from the ONS pointed to a further year-on-year increase in average weekly earnings in the three months to August. The rate of growth (5%) was slightly stronger than that seen in the three months to July (4.8%) and was strong in the context of historical data.

The public sector was a key driver of the acceleration of wider earnings growth. The latest data indicated that public sector pay increased 5.8% compared to a year ago. Meanwhile, private sector earnings growth ticked up slightly to 4.8% in the latest period.

### 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 decreased again across the UK during October. The rate of decline was solid, but the softest recorded since July 2024. Permanent staff appointments fell across all four monitored English regions at the start of the fourth quarter. The sharpest reduction was seen in the North of England, with the slowest in London.

Recruitment agencies across the UK saw an increase in temporary billings during October, marking the first instance of growth since June 2024. That said, the increase was only marginal, and driven by a solid increase in the Midlands and slight uplift in the North of England. Temp billings meanwhile fell at noticeably slower rates in London and the South of England.

### Candidate availability

Candidate availability for permanent positions continued to increase across the UK in October. The rate of growth was the slowest seen for three months but remained rapid overall. Higher candidate numbers were seen across each of the four monitored English regions, led by the South of England. The slowest increase in permanent staff availability was recorded in the Midlands.

October data pointed to a robust increase in the number of candidates available for temporary roles, though the rate of expansion moderated for the second month running to reach the softest since July. Stronger upturns in temporary labour supply were registered in the Midlands and London, while the North and South of England saw softer, but still marked increases.

### Pay Pressures

Latest data signalled a marginal pace of starting salary inflation at the UK level that was well below the series average. This was despite the rate of salary growth lifting from September's multi-year low. Of the four monitored English regions, the Midlands and London recorded softer rises in salaries, while the North and South of England saw further reductions.

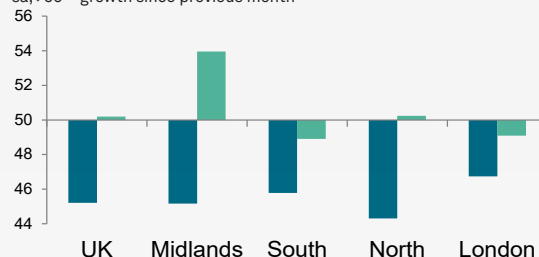
Temp pay rates decreased fractionally across the UK at the start of the fourth quarter, following a one-year period of growth. As was the case with permanent salaries, the North and South of England both registered a drop in hourly pay rates in October, while rates of wage inflation slowed in London and the Midlands.

October 2025

■ Permanent  
■ Temporary

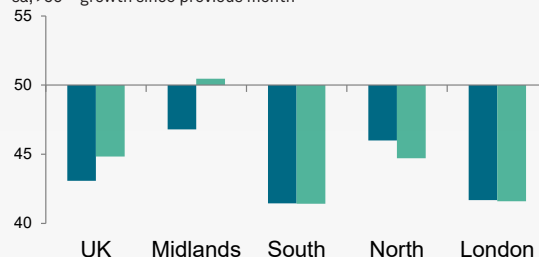
#### Staff Appointments

sa, >50 = growth since previous month



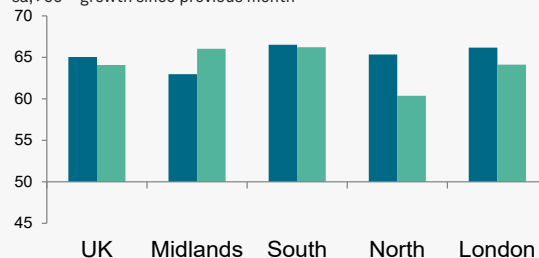
#### Vacancies

sa, >50 = growth since previous month



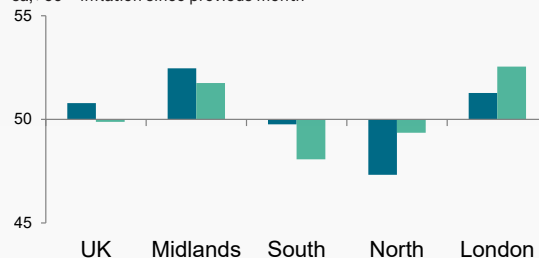
#### Staff Availability

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](mailto:economics@spglobal.com).

### Survey Dates

Data were collected 09-27 October 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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