

KPMG and REC, UK Report on Jobs: Midlands

Temp billings rise at steepest rate since November 2024

45.2

PERMANENT
PLACEMENTS INDEX
OCT '25

54.0

TEMPORARY BILLINGS
INDEX
OCT '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.

Temp billings increase solidly in October

Sharp fall in permanent placements amid drop in vacancies

Permanent and temporary pay growth eases

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

"Divergence across permanent and temporary recruitment trends defined the Midlands in October. Permanent placements fell at their sharpest rate in three months, while temp billings rose solidly and at the fastest pace in nearly a year. This split demonstrates how employers are favouring flexibility over commitment in a changeable economic landscape. We're likely to see employers hedging against economic uncertainty and rising employment costs in this way ahead of the Autumn Budget."

"Notably, the Midlands was the only region to see temporary vacancies rise, suggesting resilience in short-term hiring appetite. Pay pressures are also easing, with permanent salary growth slowing to its softest pace since July, despite the region still recording the highest rate across England."

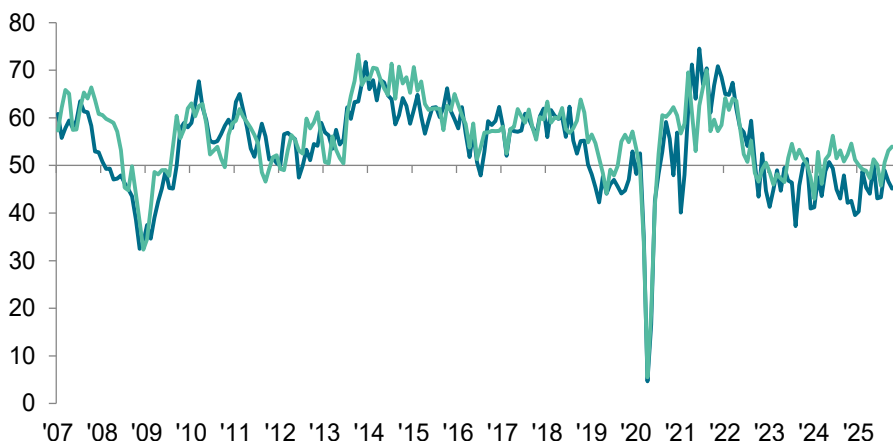
Neil Carberry, REC Chief Executive, said:

"Today's data reflects the more positive outlook we have been hearing from recruiters since the start of the autumn. They aren't exuberant – this is just a more stable market. For the third consecutive month, temp billings in the Midlands rose and we can hope that the long period of retrenchment we saw last into the summer, is starting to ebb away. 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 report today is the best we have seen for the UK since the summer of 2024. There is a broader base of demand forming across the UK, from accounting and finance to logistics and IT roles. 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

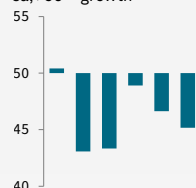


1 Staff appointments

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



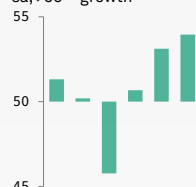
Sharpest fall in permanent placements since July

October data pointed to a sustained reduction in permanent placements in the Midlands that was the fifth in as many months. The rate of decline was the most pronounced since July and sharp. According to respondents, a range of factors dampened permanent staff hiring, including weaker demand for workers, recruitment freezes, higher employment costs and uncertainty surrounding future government policy.

The Midlands recorded the second-sharpest reduction in permanent placements across the four monitored English areas, behind the North of England.

Temporary Billings Index

May - Oct '25
sa, >50 = growth



Stronger rise in temp billings

For the third consecutive month, temp billings in the Midlands rose at the start of the fourth quarter. Where an increase was reported, recruiters mentioned greater demand for temporary staff. The rate of expansion was solid overall, having accelerated to the strongest since November 2024. The only other monitored English region to record an increase in billings was the North of England, though the upturn was marginal. Temp billings meanwhile fell in the South of England and London.

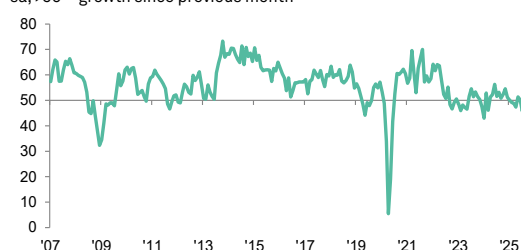
Permanent Placements Index

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
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
Oct-25	45.2	45.2	50.2	54.0

Job vacancies

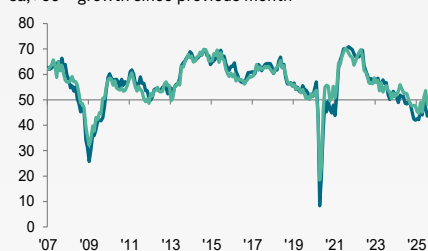
Demand for permanent workers declined again in October, albeit to a lesser extent than in September. Though solid, the rate of reduction was the softest in four months and the weakest of the four monitored English regions.

Demand for short-term staff, on the other hand, rose for the third consecutive month in October. The rate of increase was only marginal, however, and was unchanged from September. Nevertheless, the Midlands was the only monitored English region to post an uptick in temp vacancies.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

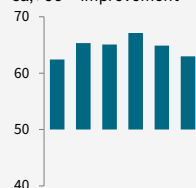
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
May-25	46.6	49.3	46.8	50.9
Jun-25	44.8	46.8	48.6	53.6
Jul-25	43.0	43.6	45.7	48.1
Aug-25	42.7	44.0	46.0	50.4
Sep-25	42.8	45.6	45.9	50.5
Oct-25	43.1	46.8	44.8	50.5

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

May - Oct '25
sa, >50 = improvement



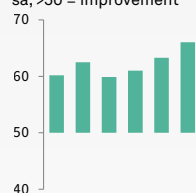
Slower increase in permanent candidate numbers

The number of permanent candidates rose for the thirty-first month running in October. Redundancies reportedly led permanent staff availability to increase in the latest survey period. Though rapid overall, the rate of growth was the softest seen since May.

The upturn in permanent labour supply in the Midlands was also weaker than those seen across the three other monitored English areas.

Temporary Staff Availability Index

May - Oct '25
sa, >50 = improvement



Temporary staff supply increases at a steeper pace

The rate of increase in temporary candidate numbers strengthened in October and was robust overall. As was the case for permanent labour supply, the upturn was mainly linked by recruiters to redundancies, though some firms mentioned higher staff turnover.

The rise in short-term staff availability in the Midlands was also stronger than that seen across the UK as a whole.

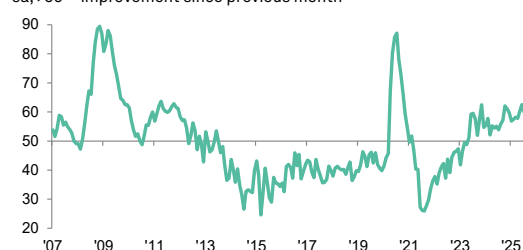
Permanent Staff Availability Index

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
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
Oct-25	65.1	63.0	64.1	66.0

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial

Accountants
Accounts Payable
Auditors
Credit Controllers
Entry Level Accountancy
Finance Business Partner
Management Accountants
Payroll
Taxation

Blue Collar

Blue Collar
Welders

Construction

Architectural Tech

Surveyors

Engineering

Design Engineers
Engineers
Senior Electronic Engineers
Service Engineers
Specialist Engineering

Executive/ Professional

Real Estate
Research

IT & Computing

Automation Testers
CNC

Data Engineers
Data Professionals
Data Scientists
IT
Senior IT Engineers
Software
Software Developers
Technical Roles

Secretarial/Clerical

Administration

Other

Security

Skills in short supply: Temporary staff

Accounting/Financial

Accountants
Accounts Payable
Auditors
Credit Controllers
Finance
Payroll

Blue Collar

Blue Collar
Drivers
Forklift Drivers

Machine Operators
Security Guards
VNA FLT Drivers
Welders

Construction

Architectural Tech

Engineering

Engineers
Maintenance Engineers

IT & Computing

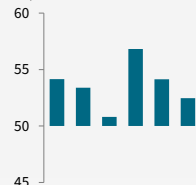
Automation Testers
CNC
Data Architect
Data Engineers
IT Generalists
Software Developers

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

May - Oct '25
sa, >50 = inflation

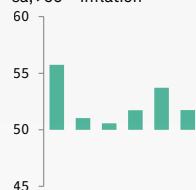


Permanent starting salaries rise at softest pace in three months

As has been the case since March 2021, starting salaries for permanent workers in the Midlands rose at the start of the fourth quarter. Panellists commented that the increase partly reflected competition for suitably skilled candidates that were often in short supply. The rate of salary inflation was only modest, however, having eased to the slowest since July. That said, the Midlands saw the strongest rate of salary inflation of the four English regions monitored by the survey.

Temporary Wages Index

May - Oct '25
sa, >50 = inflation



Temp pay growth eases for the first time since July

Hourly pay rates for temporary staff increased for the eleventh consecutive month during October. That said, the rate of wage inflation eased from September and was only modest overall.

Higher rates of temp pay in the Midlands and London contrasted with declines in the North and South of England.

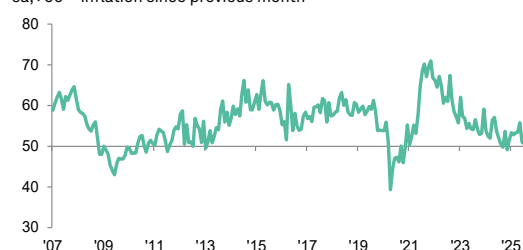
Permanent Salaries Index

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
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
Oct-25	50.8	52.5	49.9	51.8

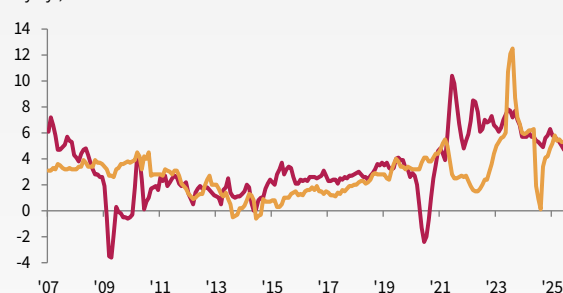
Official data: UK average weekly earnings

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: 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 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

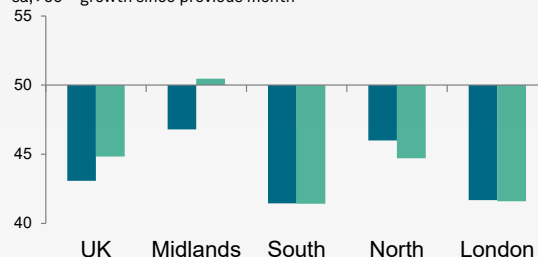
Staff Appointments

sa, >50 = growth since previous month



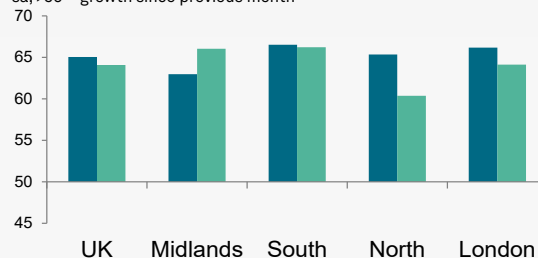
Vacancies

sa, >50 = growth since previous month



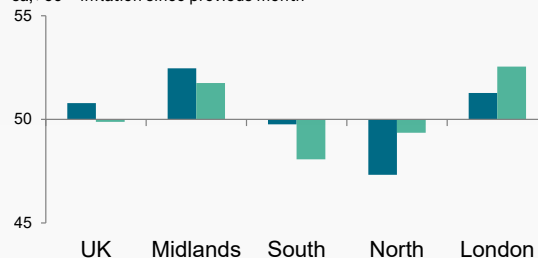
Staff Availability

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: 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 9-27 October 2025.

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