

# KPMG and REC, UK Report on Jobs: Midlands

## Permanent placements rise slightly in January

50.5

PERMANENT PLACEMENTS INDEX  
JAN '26

54.6

TEMPORARY BILLINGS INDEX  
JAN '26

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.

Permanent placements and temp billings expand at slower rates

Pay growth remains historically subdued

Demand for labour deteriorates

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

*"The Midlands has started 2026 in a strong position, reporting growth in permanent placements for the second consecutive month – remaining the only English region to do so. While the increase had softened, it reflects momentum and confidence among Midlands employers that sets the region apart from the rest of the country. Temporary billings also continued to expand, achieving their sixth consecutive month of growth."*

*"What's notable is the shift in pay dynamics – temp wages rose sharply, the strongest increase across all monitored regions, signalling demand for flexible skills in the face of broader economic uncertainty. For Midlands businesses, this combination of steady permanent hiring and strategic use of temporary staff positions the region well to capitalise on a brightening outlook and start planning for the longer term. The ability to access a strong talent pool while maintaining flexibility gives forward-thinking employers a genuine competitive advantage for the year ahead."*

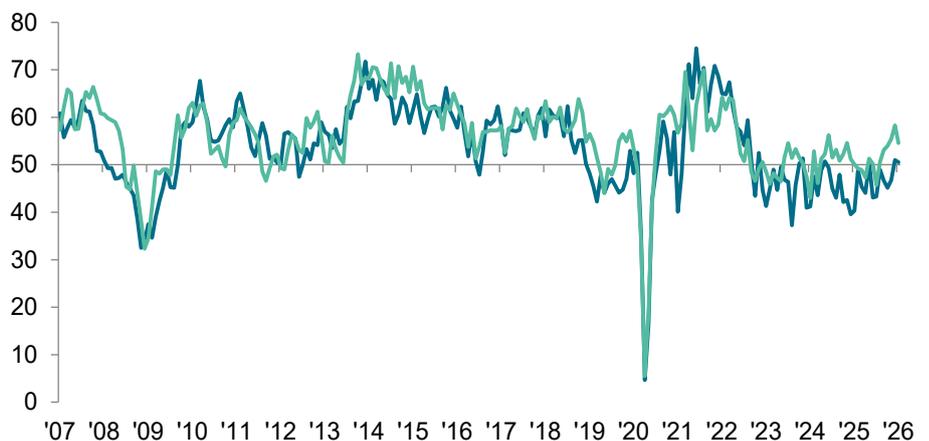
Neil Carberry, REC Chief Executive, said:

*"There have been increasing signs from businesses as we enter 2026 that uncertainty on hiring plans is giving way to action. That does not mean a general hiring upswing, but the "wait-and-see" period seems to be ending, with the Midlands seeing a rise in permanent new joiners and growth in temp billings."*

*"The decisions firms are now making involve lots of trade-offs, such as whether to create jobs in the UK or elsewhere, or which jobs need the human touch as opposed to an automated solution. A growing, inclusive economy requires high levels of employment – a focus on encouraging firms to create jobs rather than discouraging that investment is more important than ever. So far, the Government has struggled to convince businesses it wants them to hire. That must change in the decisions that are made this year if we are to avoid a continued rise in unemployment."*

■ Permanent Placements Index  
■ Temporary Billings Index

sa, >50 = growth since previous month

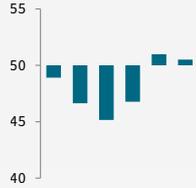


# 1 Staff appointments

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

Aug '25 - Jan '26  
sa, >50 = growth



## Marginal rise in permanent new joiners

Recruiters in the Midlands signalled a marginal increase in permanent placements in January. The respective seasonally adjusted index posted above the neutral 50.0 level for the second successive month, but edged down from December. Where a rise was noted, respondents partly attributed this to a relative improvement in client confidence following November's Budget announcement, which had lifted some uncertainty.

Once again, the Midlands was the only monitored English area to record a rise in permanent staff appointments.

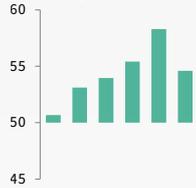
## January sees softer growth in temp billings

A sixth consecutive monthly rise in billings received from the employment of temp workers was recorded across the Midlands in January. The pace of growth eased notably from December and, though marked, was the weakest in three months. Anecdotal evidence linked the latest uptick to rising business activity at clients.

The Midlands recorded the strongest rise in temp billings of all four monitored English regions.

## Temporary Billings Index

Aug '25 - Jan '26  
sa, >50 = growth



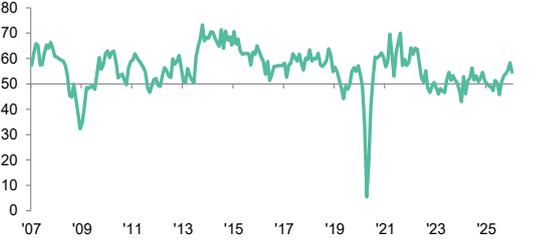
## Permanent Placements Index

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
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
Nov-25	45.5	46.8	48.8	55.4
Dec-25	44.3	51.0	47.6	58.3
Jan-26	46.9	50.5	50.3	54.6

# Job vacancies

Permanent vacancies fell for a twentieth consecutive month across the Midlands in January. The pace of decrease was the fastest since last August and sharp overall.

Additionally, demand for temp workers fell for the first time in six months during January. The pace of decrease was solid, albeit the weakest of the four monitored English regions.

## Vacancies Index

■ Permanent  
■ Temporary

sa, >50 = growth since previous month

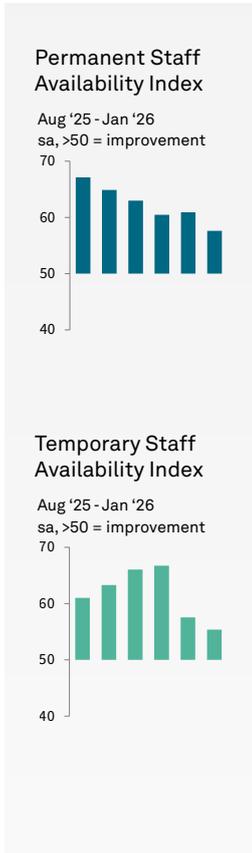


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Nov-25	43.9	46.9	44.9	51.2
Dec-25	43.3	46.2	46.4	52.2
Jan-26	43.7	44.2	45.7	47.0

## 2 Staff availability

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



### Softest upturn in permanent staff supply in 15 months

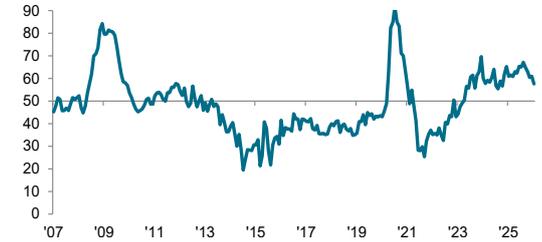
A marked increase in permanent staff supply was recorded across the Midlands in January. According to panellists, company layoffs were generally behind the latest uptick. That said, the rate of expansion was the softest in 15 months, having eased in four of the last five survey periods.

Moreover, the pace at which permanent staff supply increased across the Midlands was slower than the UK-wide average.

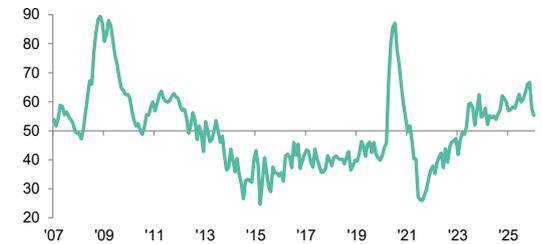
### Growth in temp staff availability eases further

The availability of temporary/contract staff rose sharply at the start of the year. Short-term candidate availability has now risen in each of the past 33 months. Redundancies were reportedly behind the latest increase in temp candidate numbers. That said, the rate of expansion was the weakest in one-and-a-half years.

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
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
Nov-25	66.6	60.5	65.2	66.7
Dec-25	66.7	60.9	60.0	57.6
Jan-26	58.1	57.6	59.0	55.4

## 3 Demand for skills

### Skills in short supply: Permanent staff

<b>Accounting/Financial</b> Accountants Accounts Payable Auditors Bookkeepers Credit Controllers Finance Business Partner Finance Managers Financial Controllers Management Accountants Payroll Qualified Accountancy	<b>Construction</b> Architectural Tech Building Surveyors Surveyors <b>Engineering</b> Engineers <b>IT &amp; Computing</b> Cloud Computing Security Operations Software Developers Technical Roles <b>Other</b> Health & Safety
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### Skills in short supply: Temporary staff

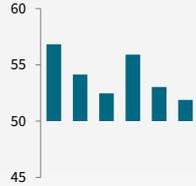
<b>Accounting/Financial</b> Accountants Accounting Roles Accounts Payable Auditors Bookkeepers Credit Controllers Payroll <b>Blue Collar</b> FLT Operators Machine Operators Machine Setter Machine Technician Paint Sprayers Security Guards Welders <b>Construction</b> Architectural Tech	<b>Engineering</b> Engineers Toolmaker <b>IT &amp; Computing</b> CNC Software Developers
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# 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

Aug '25 - Jan '26  
sa, >50 = inflation



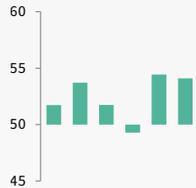
## Starting salary inflation slips to six-month low

The seasonally adjusted Permanent Salaries Index remained above the neutral 50.0 value in January, indicating an increase in starting salaries across the Midlands for nearly five years. However, the rate of inflation eased for the second straight month to a mild pace that was the weakest since last July.

The Midlands also recorded the softest rise in starting salaries of all four monitored English areas.

### Temporary Wages Index

Aug '25 - Jan '26  
sa, >50 = inflation



## Temp wages rise solidly in January

January data revealed a further rise in temp wages across the Midlands, with increases recorded in 13 of the last 14 survey periods. The pace of inflation was solid, albeit slightly weaker than that seen at the end of 2025.

For the first time in eight months, all four English regions monitored by the survey recorded higher pay for short-term staff.

### Permanent Salaries Index

sa, >50 = inflation since previous month



### Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

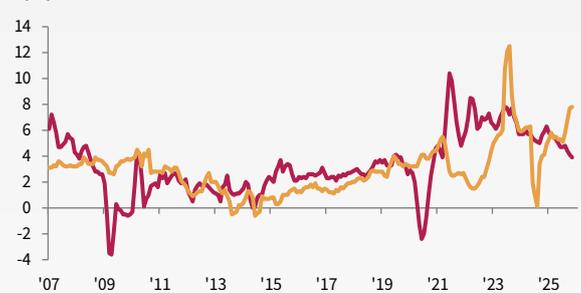
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Aug-25	50.6	56.8	51.5	51.7
Sep-25	50.2	54.1	50.8	53.7
Oct-25	50.8	52.5	49.9	51.8
Nov-25	52.7	55.9	50.0	49.3
Dec-25	53.1	53.0	51.0	54.4
Jan-26	54.2	51.9	54.4	54.1

# Official data: UK average weekly earnings

Latest official data published by the ONS indicated that total employee earnings (including bonuses) increased 4.7% in the three months to November. This marked the second-slowest rise in pay since the three months to August 2024 (after the 4.6% increase seen in the three months to June 2025).

Underlying data showed that private sector pay growth slowed to 3.9%; the weakest increase since the three months to March 2021. Public sector earnings meanwhile rose at the quickest rate since the three months to September 2023 (7.8%), which was attributed to public sector pay rises being paid earlier in 2025 than in 2024.

UK average weekly earnings %/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 January, thereby extending the current run of contraction to 40 months. That said, the rate of decrease was the weakest seen in one-and-a-half years. Permanent placements fell across three of the four monitored English regions, with the strongest decline seen in London. The Midlands was the only area to record a rise for the second month in a row, albeit one that was marginal overall.

Meanwhile, billings received from the employment of temp workers expanded at the national level during January. The upturn was slight but marked the first instance of growth for three months. The increase was supported by expansions across the Midlands and the South of England. However, further contractions were reported across London and the North of England.

### Candidate availability

Recruiters across the UK indicated a rapid rise in candidate availability in January. That said, the pace of growth at the national level eased to a 12-month low, as regional data revealed softer upturns across all four monitored English areas. The South of England recorded the softest increase, while London registered the strongest pace of growth.

In line with the trend seen for permanent workers, the availability of short-term staff also rose at a slower pace across the UK in January. Though rapid, the upturn was the least pronounced for a year. All four monitored English regions recorded softer rates of expansion, with the Midlands signalling the weakest increase overall.

### Pay Pressures

Latest survey data signalled a further increase in starting salaries for new permanent joiners in the UK, thereby extending the current sequence of pay growth that began in March 2021. While the pace of salary inflation quickened across the UK as a whole, trends diverged at the regional level. The North of England and London recorded faster rates of salary inflation, while weaker increases were observed across the South of England and the Midlands.

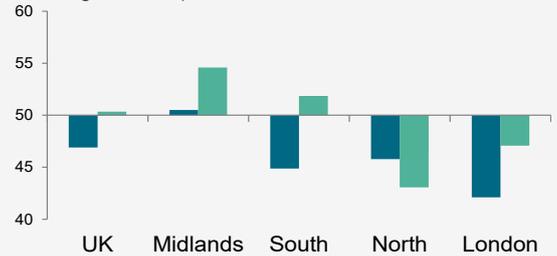
Average rates of pay for temporary staff continued to rise at the UK level in January. The latest increase in wages was sharp and the joint-fastest since May 2024. For the first time in eight months, all four monitored English regions saw a rise in hourly pay rates. The strongest rate of wage growth was observed in London, while the slowest was seen in the North of England.

January 2026

■ Permanent  
■ Temporary

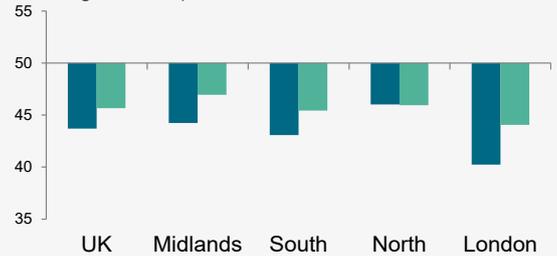
Staff Appointments

sa, >50 = growth since previous month



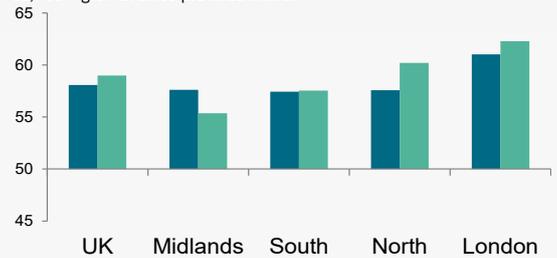
Vacancies

sa, >50 = growth since previous month



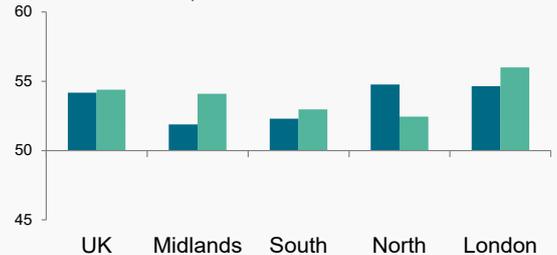
Staff Availability

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](mailto:economics@spglobal.com).

### Survey Dates

Data were collected 12-26 January 2026.

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

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**KPMG is trusted to make the difference** for our clients, people and the communities we work in. With our people's deep sector expertise and cutting-edge technology, we help organisations overcome their biggest challenges and unlock new opportunities to transform and grow.

On 1 October 2024, KPMG UK and KPMG Switzerland merged to form KPMG UK/Swiss Group, scaling our strengths and amplifying the difference we make.

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The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at [www.rec.uk.com](http://www.rec.uk.com).

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