

KPMG and REC, UK Report on Jobs: Midlands

Renewed rise in permanent placements in December

51.0

PERMANENT
PLACEMENTS INDEX
DEC '25

58.3

TEMPORARY BILLINGS
INDEX
DEC '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.

Permanent placements rise for the first time since last May

Temp billings grow at strongest pace since April 2022

Temp hourly pay increases sharply

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

"The Midlands closed 2025 on a positive note, delivering the only growth in permanent placements of all monitored English regions, as well as the strongest rise in temporary billings in nearly four years. The region stood alone in recording hiring growth while all other areas contracted, making it the standout performer in December."

"What's particularly encouraging is that this reflects genuine business confidence rather than just cautious hiring. Temporary hourly pay rose sharply - the fastest increase across any region - while permanent placements returned to growth after six months of decline. Midlands employers are clearly pursuing growth, investing in both permanent teams and flexible capacity. This combination of confidence and strategic workforce planning suggests the region is well-positioned to lead heading into 2026."

Neil Carberry, REC Chief Executive, said:

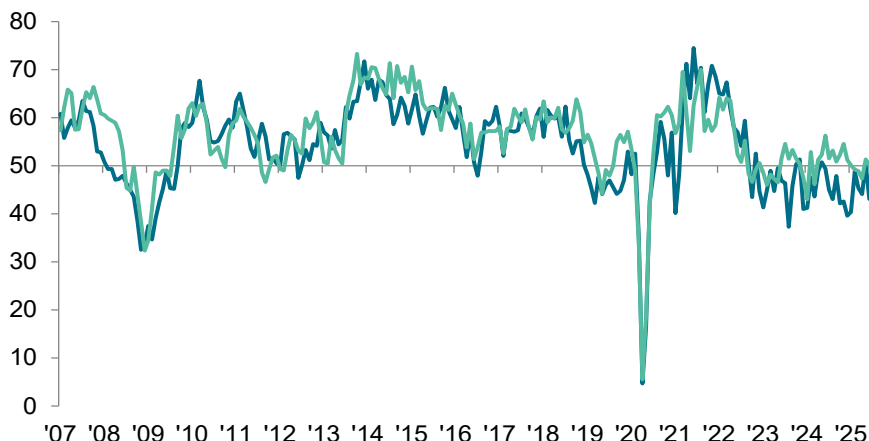
"It's always difficult to draw conclusions from jobs data in December, but the fact that the market in the UK slipped back a little on November is a reminder of the pressure employers are under."

"Nevertheless, the second half of 2025 showed some signs of a long run of negative data softening in the UK, and with placements falling at a slower pace than the 2025 average in December there is some hope that we are seeing a December dip, rather than a change in the trend. There is certainly a wider range of experience now: in the Midlands we are seeing permanent placements rise for the first time since last May and temp billings grew at the strongest pace since April 2022. Activity kicked off this month is what will really tell us if the tide is turning."

"Making this a better year for hiring will require a focus on building business confidence to invest. With the Budget behind us, the government needs to set out a clear path that firms can believe in, from the industrial strategy to pragmatic approaches on the Employment Rights Act, which is worrying many firms."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

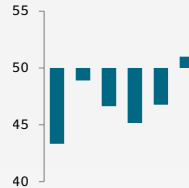


1 Staff appointments

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

Jul - Dec '25
sa, >50 = growth



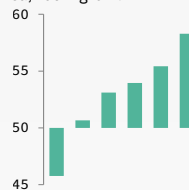
Fresh rise in permanent new joiners

Recruiters based in the Midlands recorded a fresh rise in permanent placements during December, thereby marking the first month of growth in seven months. The pace of increase was modest but the fastest in over two years. Where staff appointments rose, panel recruiters linked this to higher demand.

Moreover, of the four monitored English regions, the Midlands was the only area to record a rise in the number of staff placed into permanent roles.

Temporary Billings Index

Jul - Dec '25
sa, >50 = growth

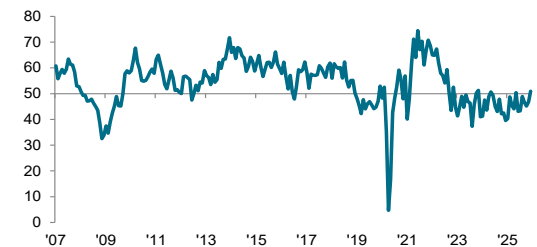


Temp billings growth strongest since April 2022

The latest data signalled a fifth consecutive monthly rise in temporary billings across the Midlands in December. The pace of expansion was rapid and the fastest in 44 months, with the respective seasonally adjusted index rising further from its recent low last July. Increased demand for temp workers was attributed to the latest uptick.

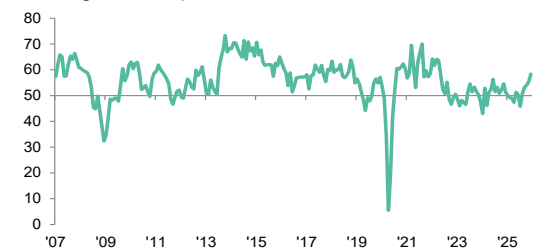
Permanent Placements Index

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
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
Nov-25	45.5	46.8	48.8	55.4
Dec-25	44.3	51.0	47.6	58.3

Job vacancies

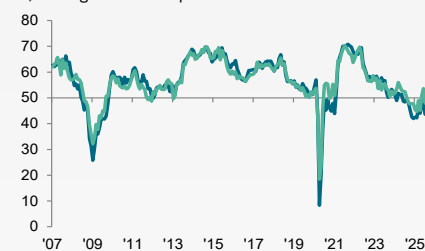
The downturn in permanent vacancies deepened across the Midlands in December. The pace of decline was sharp and the fastest in three months. That said, the Midlands recorded the least marked reduction in permanent vacancies of the four monitored English regions.

Meanwhile, temp vacancies rose for a fifth straight month across the Midlands in December. The upturn was solid and the most marked since mid-2025. Moreover, the Midlands bucked the broader trend by being the only tracked region to post growth.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Nov-25	43.9	46.9	44.9	51.2
Dec-25	43.3	46.2	46.4	52.2

2 Staff availability

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



Upturn in permanent staff supply remains marked

As has been the case since April 2023, the availability of permanent staff in the Midlands rose in December. Panel members primarily linked the uptick to redundancies.

The rate of growth was marked and faster than that seen in November, despite being among the weakest in 2025. However, of the four English regions monitored by the survey, the Midlands recorded the softest increase in permanent staff supply.

Temporary staff supply growth slows to ten-month low

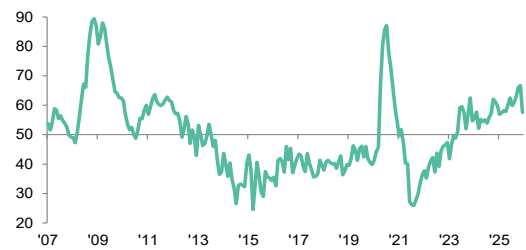
December survey data highlighted a rapid increase in the availability of temporary staff across the Midlands. Surveyed recruiters often noted that redundancies drove up the supply of temp workers. That said, the pace of growth was the softest since last February.

In fact, the upturn across the Midlands was the weakest 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

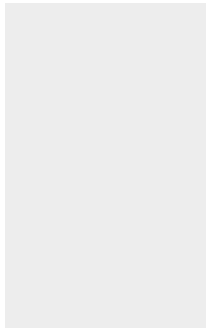
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jul-25	64.9	65.1	61.3	59.9
Aug-25	70.2	67.1	67.9	61.0
Sep-25	65.5	64.9	65.2	63.3
Oct-25	65.1	63.0	64.1	66.0
Nov-25	66.6	60.5	65.2	66.7
Dec-25	66.7	60.9	60.0	57.6

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
Part Qualified Accountants
Payroll
Blue Collar
Security Guards
Construction
Surveyors

Engineering
Electrical Design
Engineer
Engineers
Specialist Engineering
Executive/Professional
Solicitors
IT & Computing
AI/ML Developers
Data Scientists
Software Developers
Technical Roles
Technology



Skills in short supply: Temporary staff

Accounting/Financial
Accountants
Accounts Payable
Auditors
Credit Controllers
Finance
Payroll
Blue Collar
Blue Collar
Drivers
FLT Operators
Forklift Drivers

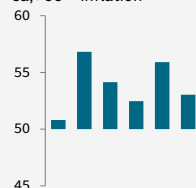
Machine Setter
Security Guards
Warehouse Operatives
Construction
Architectural Tech
Engineering
Engineers
IT & Computing
Automation Testers
Software Developers

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

Jul - Dec '25
sa, >50 = inflation

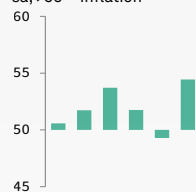


Starting salary inflation eases in December

The Midlands recorded another monthly rise in permanent starting salaries in December, thereby extending the current sequence of growth which began in March 2021. According to surveyed recruiters, high demand for talented candidates drove up salary offerings. The respective seasonally adjusted index was broadly in line with the UK average but fell on the month to signal only a modest and historically muted rise in salaries.

Temporary Wages Index

Jul - Dec '25
sa, >50 = inflation



Fresh rise in temp wages

December data highlighted a renewed rise in hourly pay rates for short-term staff in the Midlands, following a slight drop seen for the first time in a year in November. The pace of temp wage inflation was the fastest since last May and sharp overall.

Moreover, the Midlands registered the strongest rise in short-term pay of the four monitored English regions.

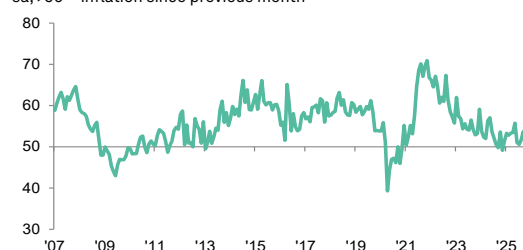
Permanent Salaries Index

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
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
Nov-25	52.7	55.9	50.0	49.3
Dec-25	53.1	53.0	51.0	54.4

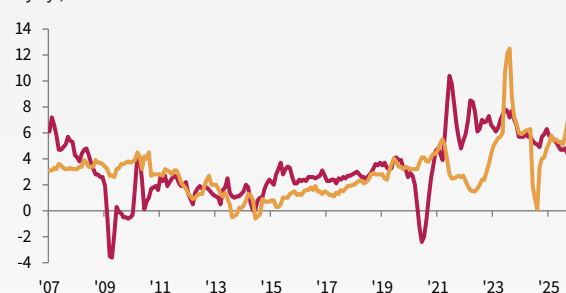
Official data: UK average weekly earnings

Total employee earnings (including bonuses) rose by 4.7% year-on-year in the three months to October, marking the lowest rate of growth since the three months to June.

This reflected a softening of private sector earnings growth from 4.4% to 4.0% in October - the slowest increase in more than four-and-a-half years. This offset stronger growth in public sector pay, which rose at the quickest pace for over two years (7.7%). The latter was linked by the ONS to some pay rises in the public sector being paid earlier in 2025 than in 2024.

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 staff appointments across the UK declined sharply in December. A contraction has now been noted on a monthly basis in each of the last 39 survey periods. The rate of decrease was the fastest in four months and sharp overall. Underlying regional data noted steeper downturns across the North of England, London and the South of England. However, going against the trend was the Midlands. Here, a fresh rise in permanent new joiners was signalled for the first time in seven months.

A fall in temporary billings was recorded for a second straight month across the UK in December. The rate of contraction was stronger than seen in the month prior and solid overall. The North of England posted the sharpest decrease in temporary billings, while the Midlands was the only region to record a rise.

Candidate availability

December data indicated a further marked expansion in the supply of permanent candidates across the UK. The respective seasonally adjusted index posted above the neutral 50.0 threshold for a thirty-fourth successive month. The rate of increase was only slightly stronger than seen in the month prior but the fastest since last August and historically strong. Regional data highlighted that the upturn was broad-based.

The latest data marked a further rise in the availability of short-term candidates across the UK. The rate of expansion was the softest in eight months but steep overall. All four monitored English regions saw temp staff availability rise, with London leading the upturn. The Midlands recorded the weakest pace of expansion.

Pay Pressures

Average starting pay for permanent UK workers rose in December, thereby extending the current sequence of inflation to 58 months. The rate of growth was the fastest in seven months but weaker than the long-run average. At a regional level, the steepest increase in starting salaries was seen in the North of England and the softest in London, where growth slowed to a crawl.

The seasonally adjusted Temporary Wages Index posted above the neutral mark of 50.0 for the first time in three months during December, to signal a modest and renewed rise in temp wages across the UK. Bar London, all the measured regions saw temporary wages increase, with the Midlands recording the strongest pace of inflation.

December 2025

■ Permanent
■ Temporary

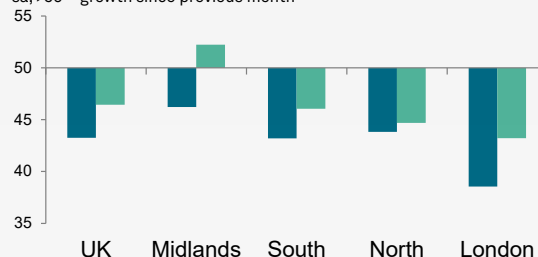
Staff Appointments

sa, >50 = growth since previous month



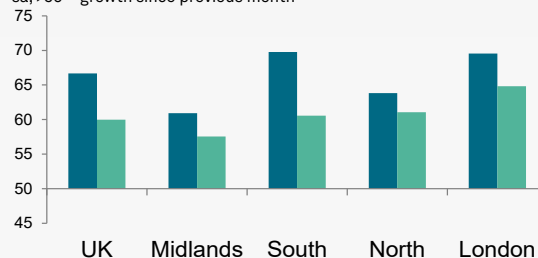
Vacancies

sa, >50 = growth since previous month



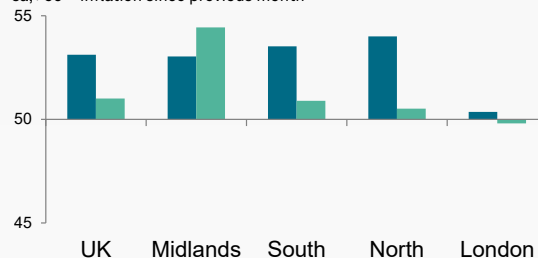
Staff Availability

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 4-17 December 2025.

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