

KPMG and REC, UK Report on Jobs: Midlands

February sees fresh reduction in permanent staff appointments

48.7

PERMANENT PLACEMENTS INDEX
FEB '26

51.6

TEMPORARY BILLINGS INDEX
FEB '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 decline for first time in three months

Growth in temp billings continues to weaken

Vacancies fall at steeper rates

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

"February's data points to a more cautious hiring environment across the Midlands. Permanent placements fell for the first time in three months as client demand softened and economic uncertainty weighed on employers' decision-making, while vacancies for both permanent and temporary roles also declined. Employers are no doubt looking ahead to the increase in the National Minimum Wage in April and assessing how it's likely to impact their margins before committing to job postings."

"Despite this backdrop, the Midlands continued to show resilience in the temporary labour market. It was the only monitored region to record growth in temp billings – its seventh straight month of expansion. This highlights how employers are turning to flexible staffing to manage through uncertainty."

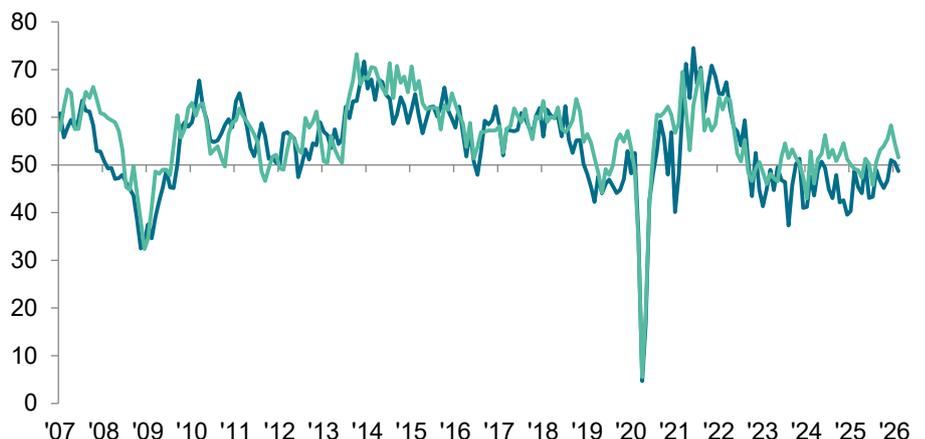
Neil Carberry, REC Chief Executive, said:

"While February's report is by no means a source of unalloyed celebration, it does suggest that the worst of the hiring slowdown in the UK has passed. There may still be a few bumpy months to come, especially in light of global instability, but the stabilising trend we have seen so far this year has continued. It is notable that regions and sectors most exposed to the industrial strategy seem to be the liveliest. We are on the seventh straight monthly rise in billings received from the employment of short-term staff across the Midlands which is such a hub for business."

"A real turnaround requires growing confidence amongst businesses and consumers. There is cash in the system to spend if consumers and businesses feel better – a core goal of policy should be to tackle this by reducing the cost of doing business, which will in turn address the rising cost of living. From a more practical approach to the Employment Rights Act, to energy costs, the impact of business tax rises and planning reform, there is plenty to do that could back businesses to grow and create jobs sustainably."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

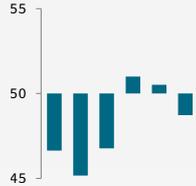


1 Staff appointments

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

Sep '25 - Feb '26
sa, >50 = growth



Permanent placements fall for first time in three months

A renewed decline in new permanent joiners was recorded across the Midlands during February, thereby marking the first month of decrease since last November. The pace of reduction was modest but stronger than the UK average. According to surveyed recruiters, the number of placements fell due to a drop in client demand and economic uncertainty.

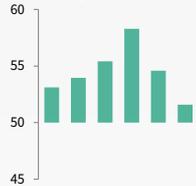
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Sep '25 - Feb '26
sa, >50 = growth

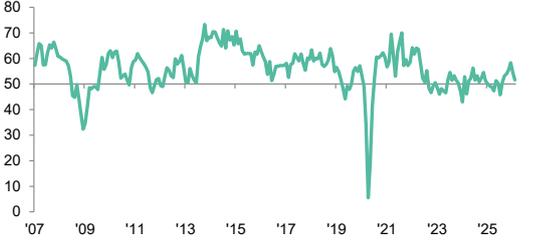


Temp billings growth slips to six-month low

February survey data indicated a seventh straight monthly rise in billings received from the employment of short-term staff across the Midlands. Where recruiters reported an increase, this was linked to the commencement of new projects and greater demand for flexible workers. That said, the respective seasonally adjusted index dropped further since December to register a six-month low and signalled only a modest rise.

Temporary Billings Index

sa, >50 = growth since previous month



Nonetheless, the Midlands was the only English area of the four monitored to record growth in temp billings.

sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Feb-26	49.2	48.7	48.0	51.6

Job vacancies

Permanent vacancies fell rapidly across the Midlands in February, with reductions now noted on a monthly basis since June 2024. The pace of decrease quickened for a third straight month to the joint-strongest for a year. Moreover, the downturn across the Midlands was the most marked of the four monitored English regions.

Demand for temporary workers also deteriorated across the Midlands in February. The rate at which short-term vacancies decreased was the most pronounced for a year and sharp.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

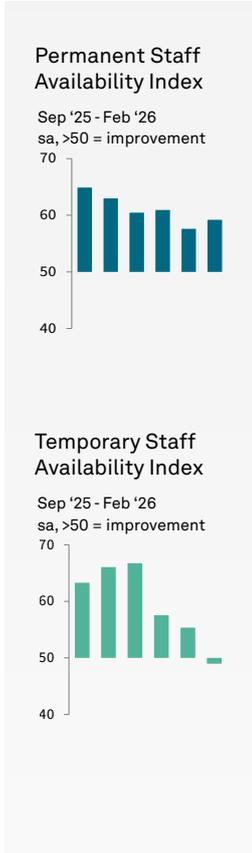


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Feb-26	45.8	43.6	45.5	44.8

2 Staff availability

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



Permanent staff supply rises rapidly in February

As has been the case in each month since April 2023, permanent staff availability rose across the Midlands in February. The pace of expansion was stronger than seen in January, indicating a marked rise which was in line with the wider UK trend. There were widespread reports that the latest increase was largely due to redundancies which had led to more job seekers.

Temp staff availability falls for the first time in 34 months

A modest decline in temp staff supply was recorded across the Midlands in February, thereby concluding a 33-month sequence of expansion. Some recruiters noted that workers were more reluctant to move roles amid economic uncertainty.

Moreover, the Midlands was the only monitored English area to record a fall in temp candidate numbers.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

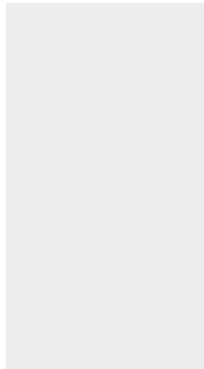
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Sep-25	65.5	64.9	65.2	63.3
Oct-25	65.1	63.0	64.1	66.0
Nov-25	66.6	60.5	65.2	66.7
Dec-25	66.7	60.9	60.0	57.6
Jan-26	58.1	57.6	59.0	55.4
Feb-26	59.2	59.2	58.2	49.0

3 Demand for skills

Skills in short supply: Permanent staff

- Accounting/Financial**
 - Accountants
 - Accounts Payable
 - Auditors
 - Bookkeepers
 - Credit Controllers
 - Finance
 - Financial Controllers
 - Payroll
 - Tax & Audit
- Blue Collar**
 - Drivers
 - Manufacturing
- Construction**
 - Architectural Tech
 - Surveyors

- Engineering**
 - Engineers
 - Specialist Engineering
- IT & Computing**
 - Automation Testers
 - Software Developers
 - Technical Roles
- Nursing/Medical/Care**
 - Ultrasound Staff
- Secretarial/Clerical**
 - Administration



Skills in short supply: Temporary staff

- Accounting/Financial**
 - Accountants
 - Accounting Roles
 - Accounts Payable
 - Auditors
 - Bookkeepers
 - Credit Controllers
 - Payroll
- Blue Collar**
 - Drivers
 - Manufacturing Operatives
 - Security Guards
 - VNA FLT Drivers
- Engineering**
 - Engineers

- Hotel & Catering**
 - Food Safety Managers
- IT & Computing**
 - 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.



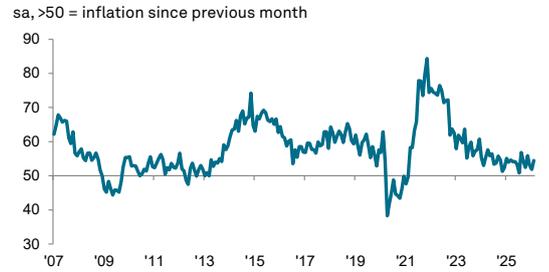
Starting salaries rise at quicker rate

Starting salaries across the Midlands rose again in February, thereby stretching the current run of inflation to exactly five years. Though below the long-run average, the respective seasonally adjusted index ticked up to a three-month high. It also marked the strongest rate of salary growth of the four monitored English regions. Some panellists noted that hiring for more senior roles had pushed up pay.

Temp wages rise at slower but solid pace

A third successive monthly increase in temp wages was recorded across the Midlands in February. According to anecdotal evidence, shortages of particular candidates had driven up pay rates. Whilst solid overall, the pace of inflation moderated to the weakest in the aforementioned sequence.

Permanent Salaries Index



Temporary Wages Index



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Feb-26	52.6	54.5	52.3	52.9

Official data: UK average weekly earnings

Latest official data published by the ONS showed a further easing in the rate of growth in total employee earnings (including bonuses) over the final quarter of 2025. Pay rose by 4.2% on an annual basis, marking the slowest rise in earnings since the three months to August 2024.

The slowdown was driven by weaker increases in both private and public sector pay. Private sector earnings expanded 3.5%, which marked the slowest rate of growth in just over five years. At the same time, there was a renewed softening of public sector pay inflation, but the rate of increase remained marked overall at 7.0%.

UK average weekly earnings ■ private ■ public %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 across the UK during February, thereby stretching the current run of reduction to 41 months. That said, the pace of contraction was the weakest in nearly three years and only marginal. The North of England was the only monitored English region to record growth in permanent placements. Meanwhile, the Midlands reported a fresh fall. Softer but solid reductions were meanwhile noted in the South of England and London.

Following a marginal rise in January, temp billings declined modestly across the UK in February. The Midlands was the only English region to register an increase in billings, though growth slipped to a six-month low. Reductions were meanwhile reported across the other three tracked English areas, with London recording the steepest rate of contraction.

Candidate availability

Permanent staff supply expanded at a robust and faster pace across the UK in February, thereby stretching the current sequence of increase to three years. All four monitored English regions recorded expansions, led by the North of England. Though marked overall, the weakest rise in permanent candidate availability was seen across the capital. Moreover, it was the only area where the pace of growth moderated since January.

February data revealed another sharp rise in the supply of temp workers across the UK, albeit with the pace of growth easing to a 13-month low. With the exclusion of the Midlands - where temp staff supply contracted for the first time in 34 months - temp candidate numbers rose across all monitored English regions.

Pay Pressures

Permanent starting salaries rose again across the UK in February. That said, the rate of inflation remained historically muted and was the weakest in four months. The Midlands recorded the fastest rise in permanent pay of the four monitored English regions and was the only area where the rate of inflation quickened since January.

February saw a third straight monthly increase in hourly wages paid to short-term staff across the UK. The pace of inflation moderated since January, however, and was historically weak. Recruiters based in London recorded the fastest increase in temp pay rates, while the slowest was seen in the South of England. However, all four monitored English regions reported softer rates of inflation compared to the start of 2026.

February 2026

■ Permanent
■ Temporary

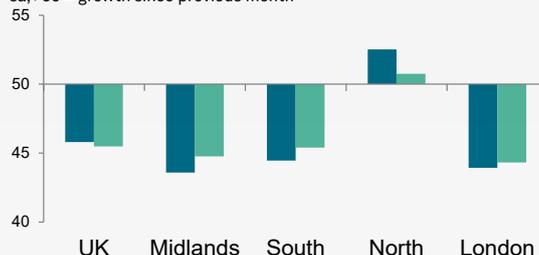
Staff Appointments

sa, >50 = growth since previous month



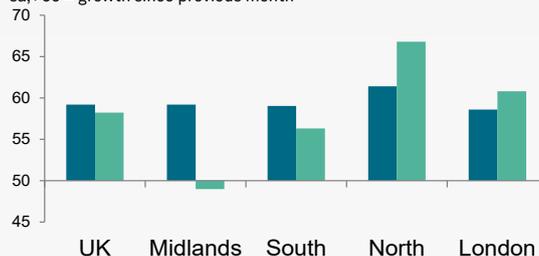
Vacancies

sa, >50 = growth since previous month



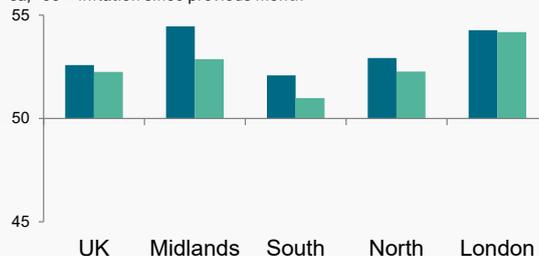
Staff Availability

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.

Survey Dates

Data were collected 10-23 February 2026.

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About KPMG UK

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.

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