KPMG and REC, UK Report on Jobs: London

Permanent placements record fresh rise in March

52.0

PERMANENT PLACEMENTS INDEX MAR '26

41.9

TEMPORARY BILLINGS INDEX MAR '26

Renewed growth in permanent new joiners

Downturn in temp billings steepest in eight months

Substantial expansions in candidate availability

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

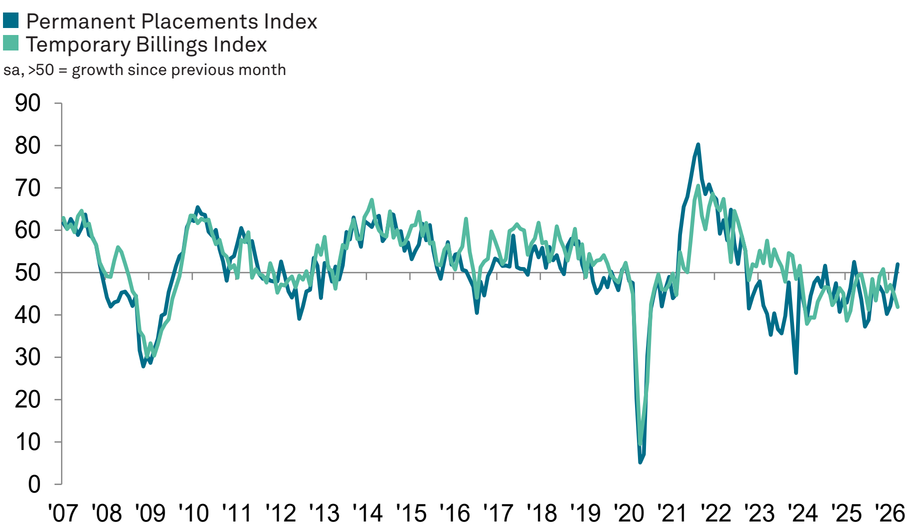
"London's jobs market is starting to find its feet again, with a return to growth in permanent hiring offering a welcome boost after a long period of slowdown. The impact of the current geopolitical situation means businesses are showing some caution - there's a clear sense that employers are waiting to see how things unfold globally before making bigger hiring decisions.

"At the same time, with investment in areas like AI gathering pace, it's important that people have the right skills to take advantage of these opportunities. Closing that gap and building confidence in digital and AI skills will be key to supporting long-term growth and keeping London competitive."

Neil Carberry, REC Chief Executive, said:

"The Gulf Conflict provided a headwind to hiring in March, but this did not stop the trend of stabilisation in the UK job market that has defined 2026 so far. The effects of a longer-run crisis are unclear, but the resilience of the job market last month was heartening. We had the first growth in permanent placements for a year in London – and this was the fastest increase in England.

"Business prospects for 2026 remain finely balanced, and confidence will be key. Households and businesses are still sitting on cash that might be put to work in the economy if the climate is right, boosting growth and particularly helping struggling consumer-facing sectors like retail and hospitality. The key way government can help is to tackle the root cause of the cost-of-living squeeze – the rising cost of doing business. Greater pragmatism on key policies, including the unworkable approach that has been taken on guaranteed hours, is needed now."



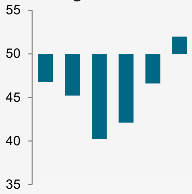
The KPMG and REC, UK Report on Jobs: London is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in London.

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

Oct '25 - Mar '26
sa, >50 = growth

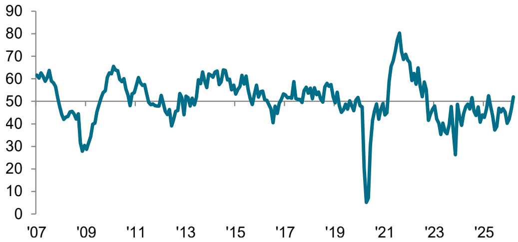


Fresh rise in permanent staff placements

The opening quarter ended with a renewed rise in permanent new joiners across the capital, thereby marking the first month of growth for a year. The rate of increase was modest, and also the fastest of the four monitored English regions. According to anecdotal evidence, increased hiring within certain sectors and the availability of suitable candidates allowed firms to add to their payrolls.

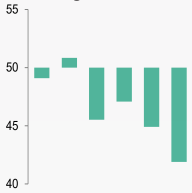
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Oct '25 - Mar '26
sa, >50 = growth



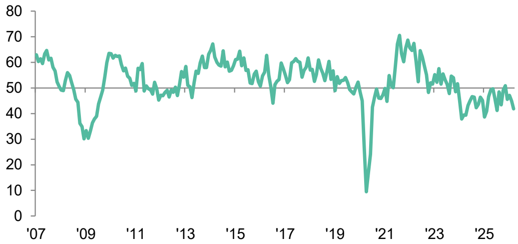
Temp billings fall at steepest pace in eight months

A fourth straight monthly drop in temp billings was recorded across the capital in March. Moreover, the pace of decrease quickened further to the fastest in eight months and was rapid overall. Fewer contracts and reduced hours were reasons cited by panellists for the latest downtick.

Moreover, of the four tracked English regions, London recorded the steepest fall in billings received from short-term workers.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Oct-25	45.2	46.7	50.2	49.1
Nov-25	45.5	45.2	48.8	50.8
Dec-25	44.3	40.2	47.6	45.5
Jan-26	46.9	42.1	50.3	47.1
Feb-26	49.2	46.6	48.0	44.9
Mar-26	49.2	52.0	48.4	41.9

Job vacancies

March data indicated a drop in permanent vacancies across the capital, stretching the current trend of contraction to 20 months. The rate of decline eased further and was the slowest since August 2024.

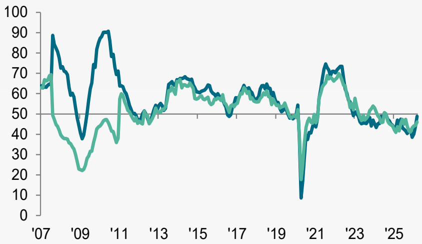
Similarly, demand for temp staff also worsened to a lesser extent, as evidenced by a moderated drop in temp vacancies, one which was the softest in seven months. Nonetheless, the rate of decrease remained solid and stretched the current run of contraction to 19 months.

Vacancies Index

Permanent

Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

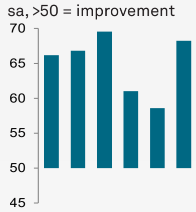
	Permanent		Temporary	
	UK	London	UK	London
Oct-25	43.1	41.7	44.8	41.6
Nov-25	43.9	42.1	44.9	41.1
Dec-25	43.3	38.6	46.4	43.2
Jan-26	43.7	40.2	45.7	44.1
Feb-26	45.8	43.9	45.5	44.3
Mar-26	46.0	48.8	45.6	46.0

2 Staff availability

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

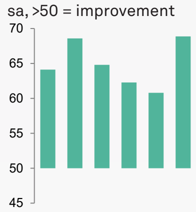
Permanent Staff Availability Index

Oct '25 - Mar '26
sa, >50 = improvement



Temporary Staff Availability Index

Oct '25 - Mar '26
sa, >50 = improvement



Marked and notably stronger rise in permanent staff availability

The seasonally adjusted Permanent Staff Availability Index moved higher in March, and signalled a marked rise in permanent staff supply in London. The rate of expansion quickened notably from February's recent low to a three-month high. Recruiters linked the increase to a rise in redundancies.

All four monitored English regions recorded growth in permanent staff supply, with London recording by far the largest increase.

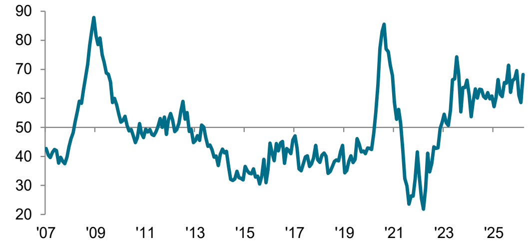
Steep expansion in temp candidate numbers

In line with the trend in permanent staff availability, temporary candidate numbers also rose at a notably faster and marked pace across London in March. The upturn was the fastest in seven months. As per qualitative data, a combination of layoffs and fewer job openings were factors cited for higher temp staff availability.

Moreover, the expansion across London was the strongest of the four monitored English regions.

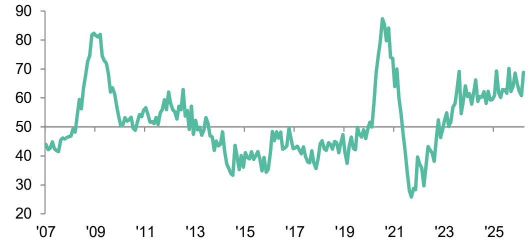
Permanent Staff Availability Index

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	London	UK	London
Oct-25	65.1	66.2	64.1	64.1
Nov-25	66.6	66.8	65.2	68.6
Dec-25	66.7	69.5	60.0	64.8
Jan-26	58.1	61.0	59.0	62.3
Feb-26	59.2	58.6	58.2	60.8
Mar-26	62.5	68.2	59.9	68.9

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Tax Accountant
Transactional Finance

Blue Collar
Drivers

Construction
Construction Project Managers
Planners
Quantity Surveyors

Engineers
Engineers
Gas Engineers

Executive/ Professional
Management
Professional Roles

IT & Computing
Analysts
Data Scientists
Digital
IT
Technical Roles

Nursing/Medical/Care
Carers
Medical
Nurses
Occupational Therapist
Paramedics
Physiotherapist
Social Workers

Other
Commercial
Sales

Skills in short supply: Temporary staff

Blue Collar
Carpenters

Construction
Planners
Quantity Surveyors
Roofers
Stonemasons

Engineering
Gas Engineers

Hotel & Catering
Chefs

Nursing/Medical/Care
Social Workers
Ultrasound Staff

Other
Commercial

S&P Global

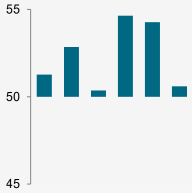
Produced in association with REC.

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

Oct '25 - Mar '26
sa, >50 = inflation



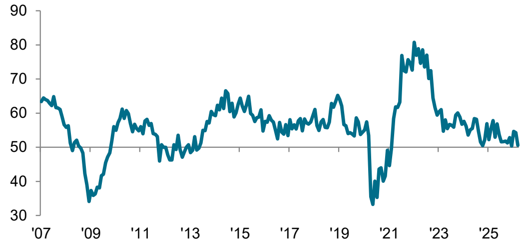
Starting salary inflation eases to marginal pace

March survey data indicated another monthly rise in starting salaries awarded to permanent staff in London. Efforts to secure skilled staff was a reason driving the latest increase. However, the rate of starting salary inflation moderated notably on the month and was among the weakest in the current sequence of rising salaries which stretches just over five years.

Of the four monitored English regions, the Midlands and London recorded the joint-softest inflation rates.

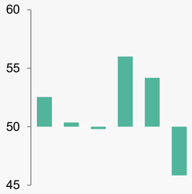
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Oct '25 - Mar '26
sa, >50 = inflation



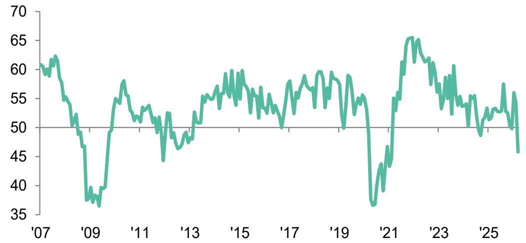
Fresh fall in temp wages

Following back-to-back months of increases, temp wages fell across the capital in March. Moreover, the respective seasonally adjusted index dipped to a 61-month low and indicated a strong decrease.

London and the North of England were the only two English areas to record a drop in hourly pay rates, albeit the pace of decrease in the latter was minimal.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
Oct-25	50.8	51.3	49.9	52.5
Nov-25	52.7	52.8	50.0	50.4
Dec-25	53.1	50.4	51.0	49.8
Jan-26	54.2	54.6	54.4	56.0
Feb-26	52.6	54.3	52.3	54.2
Mar-26	51.1	50.6	50.7	45.8

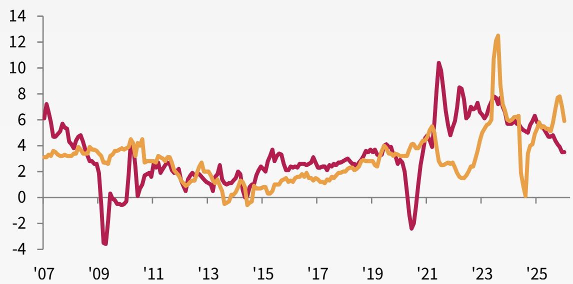
Official data: UK average weekly earnings

Official data published by the ONS pointed to a sustained slowdown in growth of total employee earnings (including bonuses) during the three months to January 2026. The latest data showed that pay increased 3.9% year-on-year, signalling the softest increase in earnings since the three months to November 2020.

Underlying data showed that public sector pay continued to rise at a quicker pace than in the private sector (5.9% versus 3.5%). Notably, the rate of private sector earnings growth was unchanged from that seen over the three months to December 2025, and therefore the joint-lowest in over five years.

UK average weekly earnings ■ private ■ public

%yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

S&P Global

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

March data revealed a further drop in permanent placements across the UK during March, thereby stretching the current run of contraction to three-and-a-half years. The pace of reduction was unchanged from February and only marginal, however. Trends diverged on a regional basis, as stronger declines in the South of England and the Midlands contrasted with upturns in the North of England and London.

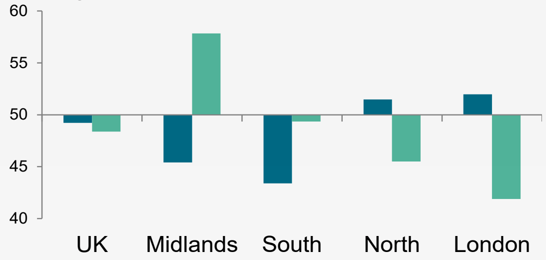
Temp billings across the UK fell for a second straight month in March. The pace of decrease was moderate and weaker than that seen in February. Once again, the Midlands was the only English region to register an increase in billings. Elsewhere, the downturn across the South of England eased, but steeper reductions in billings were seen across London and the North of England.

March 2026

Permanent
Temporary

Staff Appointments

sa, >50 = growth since previous month



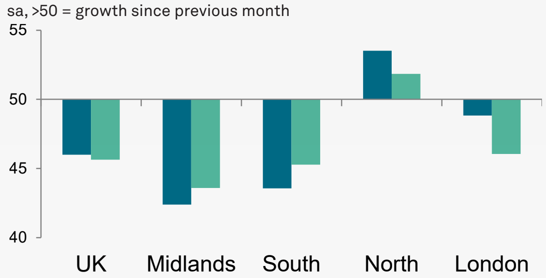
Candidate availability

Permanent candidate availability continued to rise rapidly across the UK in March. The pace of expansion was the fastest in 2026 to date. Steeper increases in permanent staff supply were seen across all four tracked English regions, with London recording the largest upswing by a notable margin.

Meanwhile, the supply of temporary staff at the UK level increased further in March. The rate of growth was likewise the fastest in three months. A fresh rise in the Midlands meant that all four monitored English regions recorded improvements in temp labour availability at the end of the first quarter.

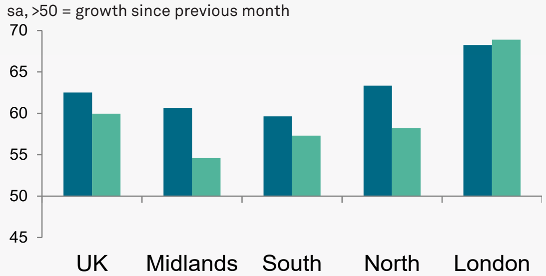
Vacancies

sa, >50 = growth since previous month



Staff Availability

sa, >50 = growth since previous month



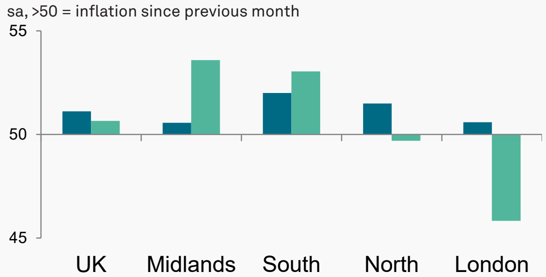
Pay Pressures

Average starting salaries for new permanent joiners rose in the UK during March. That said, the pace of inflation was among the slowest seen over the past five years and only modest. Softer increases in starting salaries were observed across all four monitored English regions.

Hourly pay rates for short-term workers across the UK also rose in March. In line with the trend seen for starting salaries, the rate of wage inflation cooled from February, slipping to a four-month low overall. While the Midlands and the South of England recorded stronger increases in temp pay, fresh falls were seen across London and the North of England.

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.

Survey Dates

Data were collected 12-25 March 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.

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