

KPMG and REC, UK Report on Jobs: Midlands

Sharp decline in permanent staff appointments during March

45.4

PERMANENT PLACEMENTS INDEX
MAR '26

57.8

TEMPORARY BILLINGS INDEX
MAR '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 fall at strongest rate in five months...

...but temp billings rise sharply

Demand for workers deteriorates markedly

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

"March's figures point to a Midlands labour market still under pressure, with permanent hiring slowing more sharply as businesses weigh economic uncertainty and rising costs against longer-term recruitment plans. However, the strong rise in temp billings suggests demand has not disappeared, with many employers opting for flexibility while the outlook remains unclear."

"This caution is reflected in the wider market picture. The Midlands saw the steepest decline of any English region in both permanent and temporary vacancies, while candidate availability continued to rise as redundancies fed into the labour pool, creating a more competitive environment for jobseekers. While employers may be holding back on permanent headcount, ongoing demand for temporary staff highlights underlying workforce needs. The key question now is whether improving economic confidence can translate this short-term activity into more sustained hiring."

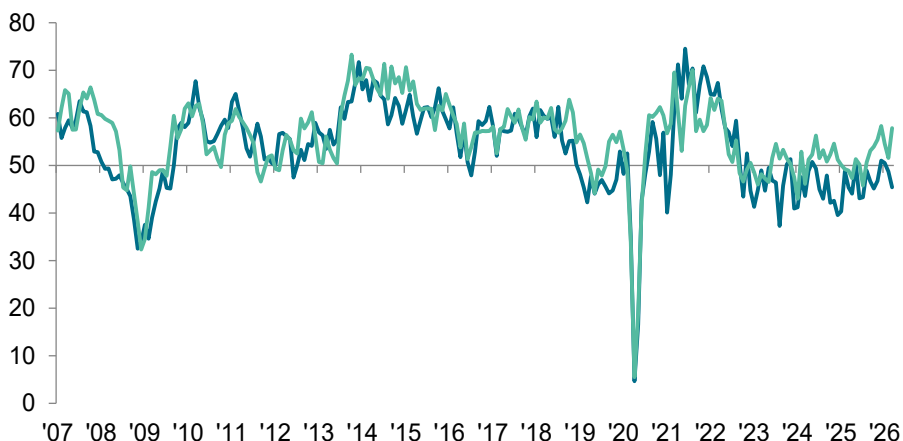
Neil Carberry, REC Chief Executive, said:

"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. There was a rapid rise in temp billings across the Midlands, which stretched the current run of increase to eight successive months."

"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."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

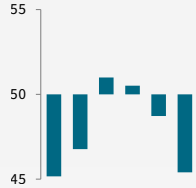


1 Staff appointments

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

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



Sharp decrease in permanent staff appointments

Recruitment consultancies in the Midlands recorded a second straight monthly fall in permanent placements in March. The rate of contraction quickened notably on the month to signal the most pronounced reduction since last October. According to anecdotal evidence, the latest decrease in permanent staff appointments was due to economic uncertainty and a general slowdown in permanent hiring activity.

Of the four monitored English regions, the South of England was the only other area to observe a fall in permanent placements.

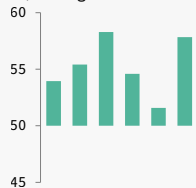
Temp billings growth hits three-month high

March data signalled a rapid rise in temp billings across the Midlands, which stretched the current run of increase to eight months. Moreover, the rate of expansion was the second-fastest since May 2022, behind only last December. The latest uptick was partly linked by recruiters to a greater preference for flexible workers.

Moreover, the Midlands was the only monitored English region to register growth in temp billings.

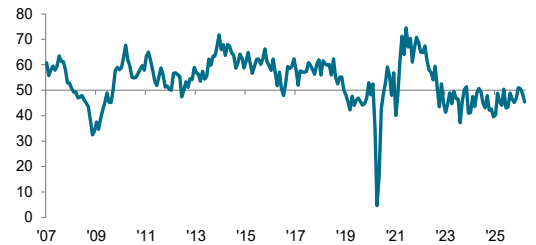
Temporary Billings Index

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



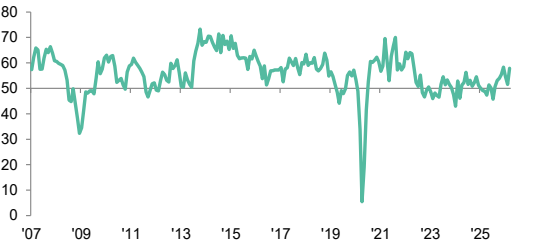
Permanent Placements Index

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
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
Mar-26	49.2	45.4	48.4	57.8

Job vacancies

A twenty-second consecutive monthly deterioration in demand for permanent workers was noted across the Midlands in March. The downturn was rapid and the steepest in just over a year.

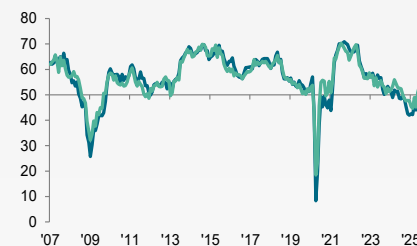
Temp staff vacancies in the Midlands fell for a third straight month during March. Furthermore, the rate of reduction was the sharpest seen since May 2020.

Of the four monitored English regions, the Midlands recorded the strongest reductions in both permanent and temp vacancies.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

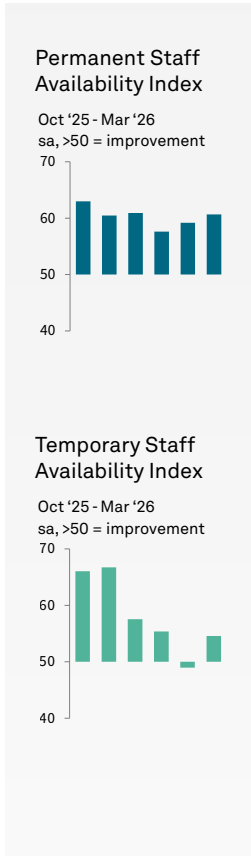


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Mar-26	46.0	42.4	45.6	43.6

2 Staff availability

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



Permanent candidate numbers rise rapidly

The number of people available for permanent roles in the Midlands grew rapidly in March. Notably, the pace of increase was the fastest seen in the year to date. Higher candidate supply was commonly linked by recruiters to company layoffs.

Fresh rise in temp staff supply

After a marginal decline in February, March data highlighted a renewed and strong rise in the number of workers available for temp roles across the Midlands. Improvements in availability have now been recorded in 34 of the past 35 months. Recruiters generally linked the latest increase to redundancies.

However, the Midlands recorded the weakest upturn in temp worker supply of all four monitored English areas.

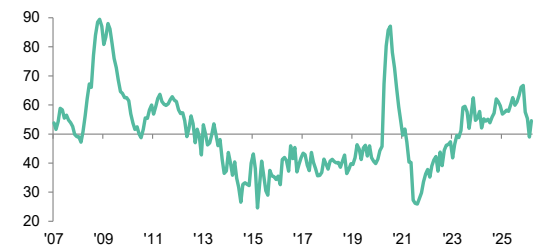
Permanent Staff Availability Index

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
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
Mar-26	62.5	60.7	59.9	54.6

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	Engineering
Accountants	Engineers
Accounts Payable	Specialist Engineering
Auditors	Executive/Professional
Bookkeepers	Automation Testers
Credit Controllers	IT & Computing
Finance Business Partner	IT
Finance Managers	Software Developers
Financial Controllers	Technical Roles
Management Accountants	Technical Sales
Payroll	Secretarial/Clerical
Blue Collar	Administration
Manufacturing	
Construction	
Architectural Tech	

Skills in short supply: Temporary staff

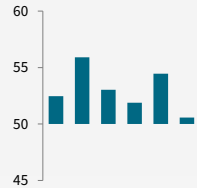
Accounting/Financial	IT & Computing
Accountants	Software Developers
Accounting Roles	Other
Accounts Payable	Teachers
Auditors	
Bookkeepers	
Credit Controllers	
Payroll	
Blue Collar	
Drivers	
Forklift Drivers	
Manufacturing	
Production	
Security Guards	
Warehouse Operatives	
Engineering	
Engineers	

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



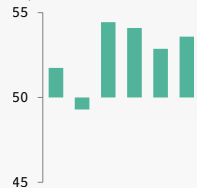
Starting salary inflation slips to weakest in over five years

An increase in salaries awarded to new permanent joiners was recorded by recruitment consultancies based in the Midlands during March. Some panellists that reported higher starting pay indicated this was due to increased hiring for senior roles. However, the overall rate of inflation was the weakest seen over the current 61-month sequence of pay growth and only marginal.

In fact, all four monitored English areas recorded slower increases in starting salaries in March.

Temporary Wages Index

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



Recruiters signal further rise in temp wages

March data indicated that average hourly pay for short-term workers in the Midlands rose for the fourth month running. The rate of wage inflation was strong and faster than seen February. Panellists often mentioned that wages had increased due to the growing cost of living.

The Midlands and the South of England were the only two of the four tracked English areas to record a rise in hourly pay rates.

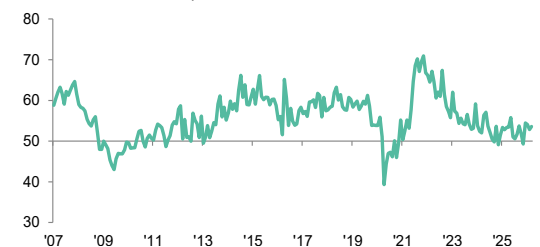
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

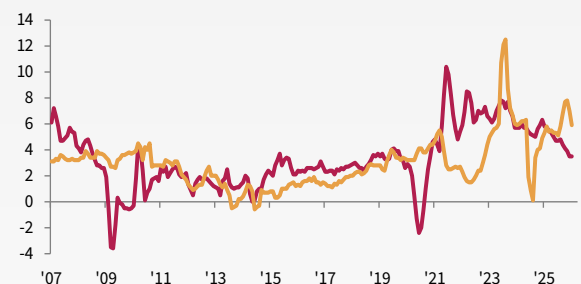
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Oct-25	50.8	52.5	49.9	51.8
Nov-25	52.7	55.9	50.0	49.3
Dec-25	53.1	53.0	51.0	54.4
Jan-26	54.2	51.9	54.4	54.1
Feb-26	52.6	54.5	52.3	52.9
Mar-26	51.1	50.6	50.7	53.6

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, 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

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.

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.

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.

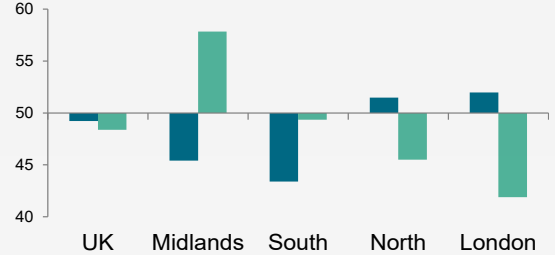
Hourly pay rates for short-term workers across the UK also rose in March. In line with the trend seen for starting salaries, the rate of wage inflation cooled from February, slipping to a four-month low overall. While the Midlands and the South of England recorded stronger increases in temp pay, fresh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

March 2026

■ Permanent
■ Temporary

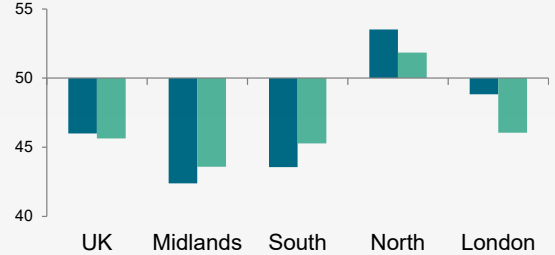
Staff Appointments

sa, >50 = growth since previous month



Vacancies

sa, >50 = growth since previous month



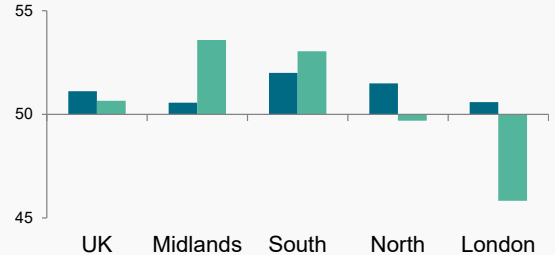
Staff Availability

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 12-25 March 2026.

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