

KPMG and REC, UK Report on Jobs: London

Growth in permanent placements strongest in 43 months in April

54.9

PERMANENT PLACEMENTS INDEX
APR '26

47.1

TEMPORARY BILLINGS INDEX
APR '26

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.

Permanent new joiners rise solidly

Downturn in temp billings eases

Fresh rise in permanent vacancies

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

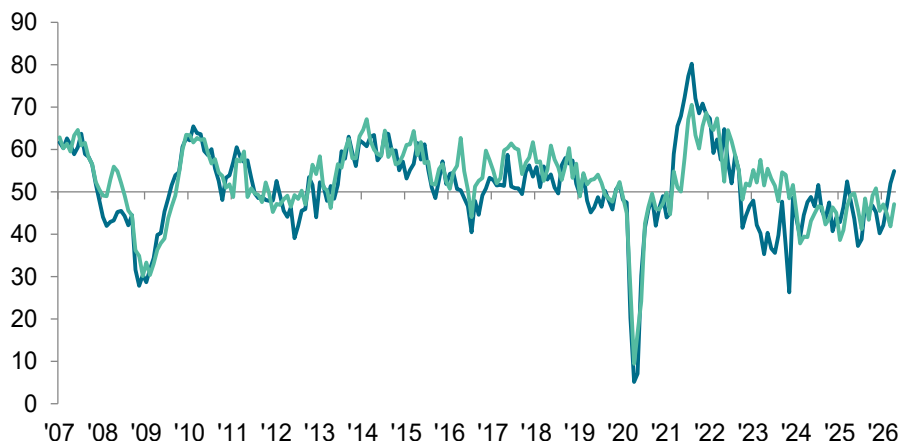
"April's figures suggest London is beginning to pull away from the wider UK's hiring slowdown, with permanent placements rising at their fastest rate in more than three-and-a-half years. The uptick underlines just how resilient the capital's job market is, with client activity appearing to be picking up even while confidence remains fragile elsewhere."

"Demand for temporary workers is still low, and candidate availability remains elevated. But the return to growth in permanent vacancies, alongside stronger placements and firmer salary growth, suggests some employers in London are starting to move from caution to selective investment. The question now is whether that momentum can be sustained in the months ahead."

Neil Carberry, REC Chief Executive, said:

"So far this year we've seen signs of improving momentum across the UK, but that is now being tempered by the economic effects of the Gulf conflict. Businesses will be particularly concerned about the impact on inflation, their borrowing costs and any disruption to wider supply chains. A boost comes from a second consecutive monthly rise in permanent placements in London, even as temp billings remain sluggish. Government can do more to help firms feel able to commit to permanent hiring too, by addressing the cost of doing business – the key domestic contributor to hiring activity. Taking the threat of badly designed guaranteed hours rules off the table would make a huge difference."

■ Permanent Placements Index
■ Temporary Billings Index
sa, >50 = growth since previous month

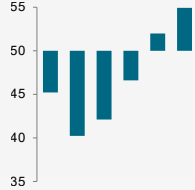


1 Staff appointments

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

Nov '25 - Apr '26
sa, >50 = growth



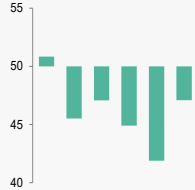
Growth in permanent placements hits 43-month high in April

April survey data signalled a second consecutive monthly rise in permanent placements across the capital. The respective seasonally adjusted index ticked up for a fourth month running to post a 43-month high and signalled a strong increase. Anecdotal evidence indicated that the latest upturn was due to increased client activity.

On the other hand, permanent staff appointments fell at the UK level, and at a stronger pace than in March.

Temporary Billings Index

Nov '25 - Apr '26
sa, >50 = growth



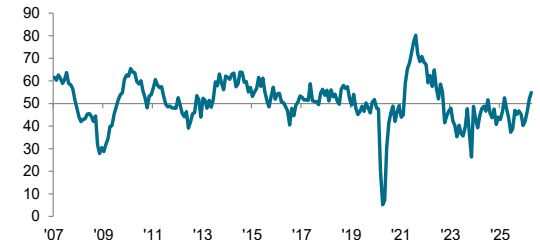
Temp billings fall for fifth consecutive month

The seasonally adjusted Temporary Billings Index posted below the crucial 50.0 mark for a fifth successive month in April, indicating a further fall in temp billings across London. Although solid, the rate of contraction was notably weaker than seen in March. Where recruiters reported a fall in temp billings, this was attributed to weak market conditions.

Meanwhile, temp billings rose at the UK level for the first time in three months.

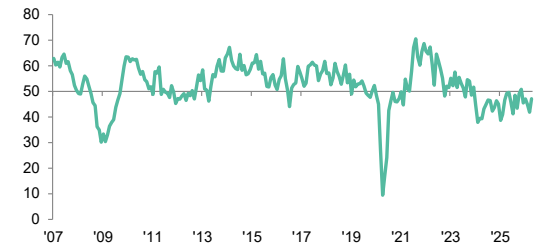
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Apr-26	47.5	54.9	50.4	47.1

Job vacancies

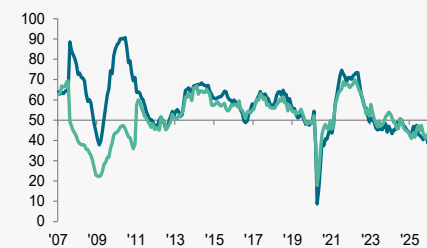
For the first time in 21 months, permanent vacancies rose across the capital in April. The pace of increase was moderate and the fastest in nearly three-and-a-half years. The uptick across the capital contrasted with a sustained and solid downturn seen at the UK level.

Meanwhile, demand for temporary workers worsened in London for a twentieth straight month in April. That said, the pace of deterioration moderated further to the weakest in the aforementioned sequence, signalling only a modest drop.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

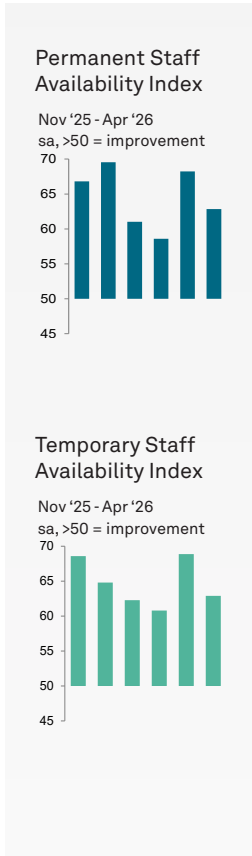


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Apr-26	46.1	52.0	47.9	48.7

2 Staff availability

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



Rapid but moderated rise in permanent staff supply

As has been the case on a monthly basis since December 2022, recruiters based in London indicated a further increase in permanent staff availability in April. Where surveyed respondents noted a rise, they commonly linked this to redundancies.

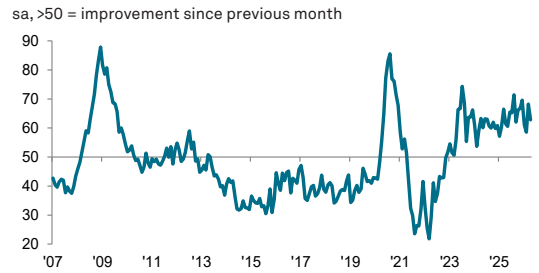
Despite being marked and stronger than the UK-wide average, the pace of expansion in permanent staff availability moderated on the month.

Temp staff availability sees slower upturn in April

In line with the picture for permanent candidates, the supply of temp staff expanded further but at a moderated pace in April. According to anecdotal evidence, redundancies, a lack of new projects in the pipeline and the completion of current projects were factors driving up the availability of short-term workers.

The rise in temporary staff availability across London was the most marked of the four monitored English regions.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Apr-26	61.1	62.8	59.8	62.9

3 Demand for skills

Skills in short supply: Permanent staff

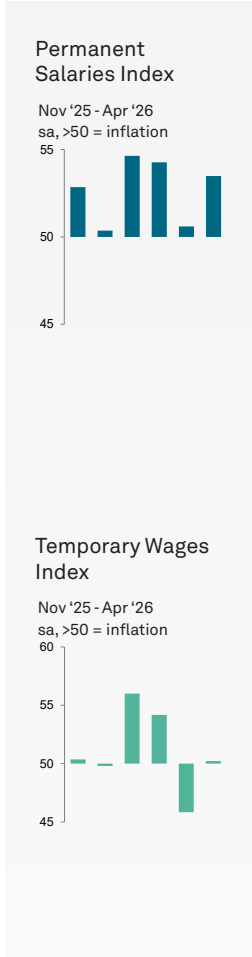
Accounting/Financial	Premium Hospitality
Accountants	IT & Computing
Estimators	Analysts
Finance	Digital
Transactional Finance	Technical Roles
Blue Collar	Nursing/Medical/Care
Drivers	Care Assistants
Construction	Medical
Quantity Surveyors	Social Workers
Engineering	Retail
Engineers	Merchandiser
Gas Engineers	Other
Executive/Professional	Buyers
Management	European Languages
Professional Roles	Sales
Hotel & Catering	White Collar
Chefs	

Skills in short supply: Temporary staff

Accounting/Financial
Finance Business Partner
Financial Accountant
Blue Collar
Carpenters
Construction
Dryliners
Labourers
Engineering
Gas Engineers
IT & Computing
Technology
Nursing/Medical/Care
Social Workers

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 salary inflation accelerates in April

Recruiters in London recorded a further rise in starting salaries awarded to permanent new joiners in April, thereby extending the current run of growth to over five years. The rate of pay inflation quickened on the month and was the fastest of the four monitored English regions. In some cases, recruiters attributed higher salaries to the hiring of candidates for senior roles.

Renewed but marginal rise in temp wages

Following a decrease in the month prior, April marked a fresh rise in temp wages in London. Temp wages have risen in three of the last four survey periods. That said, the pace of inflation was minimal overall, historically weak and slower than the UK-wide average.

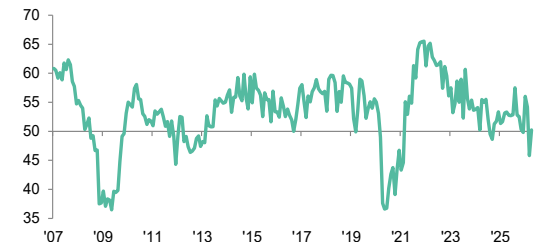
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

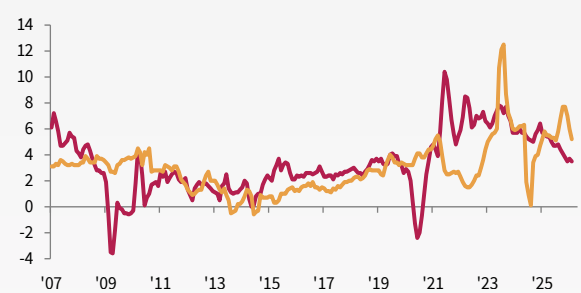
	Permanent		Temporary	
	UK	London	UK	London
Nov-25	52.7	52.8	50.0	50.4
Dec-25	53.1	50.4	51.0	49.8
Jan-26	54.2	54.6	54.4	56.0
Feb-26	52.6	54.3	52.3	54.2
Mar-26	51.1	50.6	50.7	45.8
Apr-26	52.3	53.5	51.7	50.2

Official data: UK average weekly earnings

The latest official data published by the ONS pointed to a further easing in the rate of growth of total employee earnings (including bonuses) in the three months to February 2026. On an annual basis, pay rose 3.8%, which was the slowest rate of increase since the three months to November 2020.

Softer upturns in pay were recorded across both the private and public sectors. In the private sector, earnings growth slowed to 3.5%, which was the joint-weakest rise since late-2020. Public sector pay meanwhile expanded by 5.2%, marking the softest increase since the three months to July 2025.

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: 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

Permanent placements across the UK decreased at a stronger, but modest pace in April. As was the case in March, the Midlands and the South of England were the only two monitored areas to register declines, with rates of contraction accelerating in both regions since the previous month. Meanwhile, London and the North of England saw permanent placements rise at stronger rates. The capital saw the steepest overall upturn, with growth hitting a 43-month high.

April data pointed to a slight rise in temp billings across the UK, following modest falls in February and March. The overall increase was driven by expansions in the Midlands and the South of England, as billings fell across the North of England and London (albeit at slower rates).

Candidate availability

Recruiters across the UK signalled a marked rise in permanent candidate availability during April. However, the rate of growth eased since March, with three of the four tracked English regions recording softer expansions. The only exception was the North of England, which registered the sharpest rate of growth overall.

The supply of temporary staff at the UK level increased rapidly in April, with the pace of growth broadly in line with that seen in the previous survey period. All four tracked English regions recorded a rise for a second straight month. London once again led the upturn, whilst the Midlands continued to record the slowest pace of growth.

Pay Pressures

April data signalled a moderate rise in average salaries awarded to permanent new joiners across the UK. Following a broad-based softening of pay growth in March, rates of salary inflation accelerated across all four monitored English areas, led by London. That said, rates of increase remained historically weak across all regions.

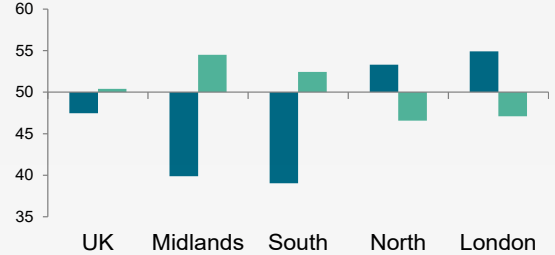
Hourly rates of pay for short-term staff rose for a fifth consecutive month across the UK at the start of the second quarter. The pace of increase accelerated on the month but remained historically subdued. The South of England recorded the strongest rate of temp wage inflation, followed closely by the Midlands. In the capital, temp pay rose for the third time in the past four months, albeit fractionally. Lastly, wages in the North of England continued to fall.

March 2026

■ Permanent
■ Temporary

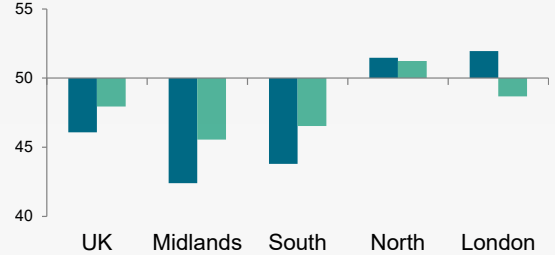
Staff Appointments

sa, >50 = growth since previous month



Vacancies

sa, >50 = growth since previous month



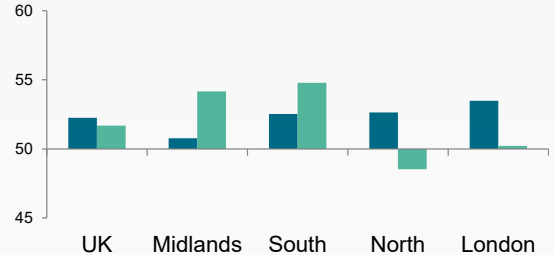
Staff Availability

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: 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 9-24 April 2026.

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