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KPMG and REC, UK Report on Jobs: London

Sharp rise in permanent staff placements

56.2

PERMANENT PLACEMENTS INDEX JUL '26

53.6

TEMPORARY BILLINGS INDEX JUL '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.

Growth in permanent placements fastest for nearly four years

Solid and sustained increase in temp billings

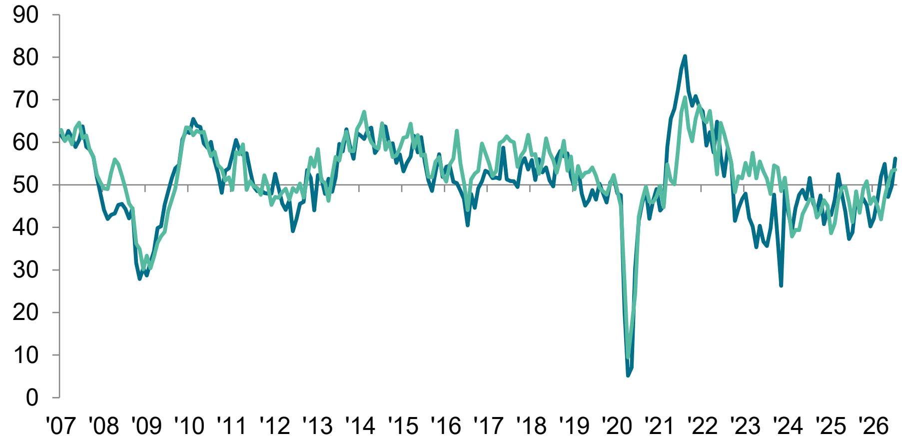
Candidate availability rises at much slower rate

Anna Purchas, Vice Chair & London Senior Partner at KPMG UK, said:

"The headline for recruitment as we head through the summer is businesses are back hiring. While the geopolitical picture remains uncertain, things are settled enough for businesses to start taking a pragmatic approach to their hiring plans. London's leading the charge, principally because of very concentrated demand in high growth sectors. Financial services firms are committing to capital investments here, and there's genuine momentum in the tech ecosystem, particularly around AI infrastructure roles.

"However, being as sector-driven as it is, this growth is not being seen across the board. Candidate availability is still increasing, but at a much slower rate than earlier in the year. London has a deeper pool of people looking for work, yet businesses are still struggling to fill roles in areas such as construction, hospitality, care and specialist professional services. So, the priority now must be to turn this improvement into sustained growth across every area of London's economy."

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



Maxine Bligh, Recruitment and Employment Confederation's Chief Membership & Innovation Officer, said:

"Rays of light are beginning to break through for the job market in bellwether London as employers revive hiring plans. Recruiters' revenue from supplying temporary workers has risen for a third successive month in London. And the growth in permanent placements in London was the fastest for nearly four years. This reflects the overall national trend where, remarkably, this is the first month without a decline in permanent placements in the UK since Liz Truss resigned as Prime Minister in 2022, underlining just how prolonged the downturn in permanent hiring has been nationwide.

"That makes it all the more important that the government takes decisions now that builds business confidence and momentum in hiring. This means action to bring the Industrial Strategy to life and exercising pragmatism around the implementation of the Employment Rights Act, particularly guaranteed hours proposals. The Autumn Budget is a great opportunity to give businesses the shot of confidence they need to hire and invest.

"If the government is serious about getting more young people their first vital opportunities of work they must think carefully about the balance of their Make Work Pay Agenda by easing mounting costs and red tape around employment."

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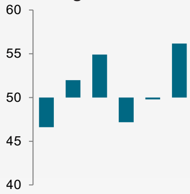
1 Staff appointments

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

Feb - Jul '26

sa, >50 = growth



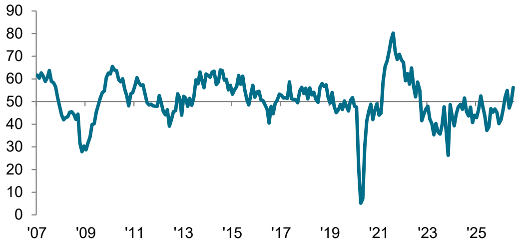
Fresh rise in permanent placements

Permanent placements across London returned to growth in July, rising for the first time in three months. The upturn was robust and the strongest recorded for almost four years, with recruiters linking the latest increase to demand for skilled staff and stronger hiring activity for certain roles.

Among the other monitored English regions, only the Midlands recorded an increase in permanent placements, though there growth was only marginal.

Permanent Placements Index

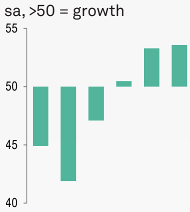
sa, >50 = growth since previous month



Temporary Billings Index

Feb - Jul '26

sa, >50 = growth



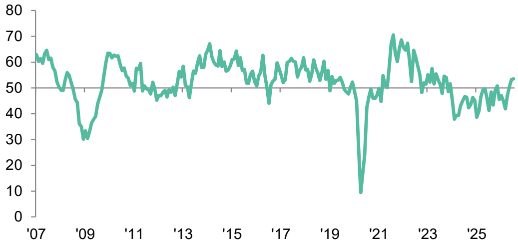
Sustained and solid rise in temp billings

Temporary billings across London rose for a third successive month in July, with the seasonally adjusted index climbing for the fourth month running to reach a 33-month high. Recruiters attributed the latest upturn to stronger activity levels, while the FIFA World Cup was also cited as a factor.

Of the four monitored English regions, only the North of England recorded a stronger uptick in temp billings than seen in London.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-26	44.1	47.2	52.2	50.5
Jun-26	49.1	49.8	52.7	53.3
Jul-26	50.0	56.2	51.9	53.6

Job vacancies

Once again, London was the only monitored English region of the four to register a rise in permanent vacancies in July. Growth has now been reported on a monthly basis since April, with the latest uptick solid and the most pronounced since October 2022.

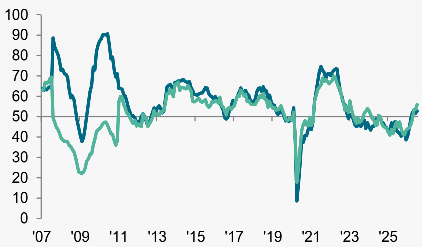
Demand for temporary workers also rose, with the third straight monthly rise in temp vacancies sharp and the fastest in three-and-a-half years.

Vacancies Index

Permanent

Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-26	45.6	52.4	49.6	53.3
Jun-26	44.8	51.6	49.5	53.6
Jul-26	46.8	52.7	52.2	55.9

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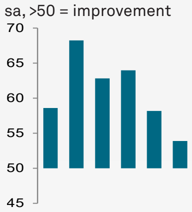
2 Staff availability

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

Permanent Staff Availability Index

Feb - Jul '26
sa, >50 = improvement



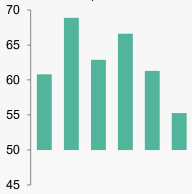
Growth in permanent candidate availability recedes

Though permanent staff supply continued to rise solidly across the capital in July, the pace of growth receded further to the weakest in nearly two-and-a-half years. In fact, of the four monitored English regions, London recorded the softest uptick.

Where permanent staff supply rose, London recruiters linked this to redundancies.

Temporary Staff Availability Index

Feb - Jul '26
sa, >50 = improvement



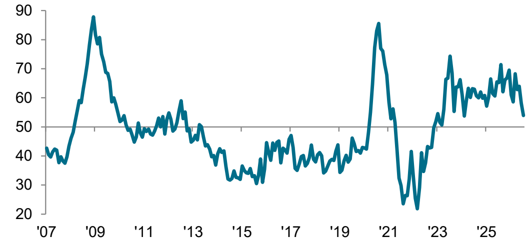
Temp staff supply growth weakest in 34 months

The number of candidates available for temporary roles increased sharply but at a moderated pace across London in July. The upturn, having weakened for a second month running, was the least pronounced since September 2023. In some cases, recruiters linked high candidate availability to a larger pool of senior employees.

All four tracked English regions saw temp staff availability rise at softer rates during July.

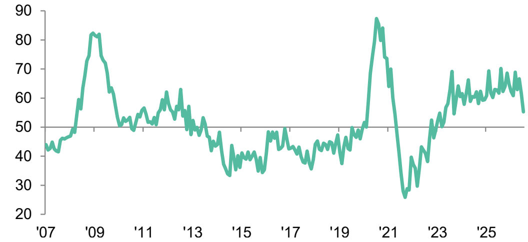
Permanent Staff Availability Index

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
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
May-26	62.4	64.0	61.8	66.6
Jun-26	60.2	58.2	59.3	61.3
Jul-26	60.0	53.9	56.0	55.3

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Estimators

Blue Collar
Drivers

Construction
Quantity Surveyors

Engineering
Engineers

Executive/Professional
Commercial Planners
Management
Professional Roles

Hotel & Catering
Hospitality

IT & Computing
Analysts
Digital
Technical Roles

Nursing/Medical/Care
Care Assistants
Medical
Nurses
Occupational Therapist
Paramedics
Physiotherapist
Social Workers
Ultrasound Staff

Other
European Languages
Export Sales
German Speakers
Sales

Skills in short supply: Temporary staff

Blue Collar
Carpenters
HGV Drivers

Construction
Decorators
Labourers

Executive/Professional
Commercial Planners

Hotel & Catering
Chefs

IT & Computing
Cyber Security

Nursing/Medical/Care
Social Workers

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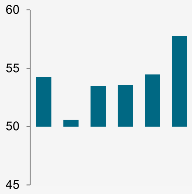
4 Pay pressures

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

Feb - Jul '26
sa, >50 = inflation



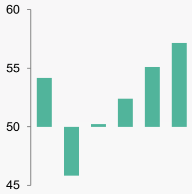
Starting salary inflation picks up notably in July

July marked a rapid rise in salaries awarded to new permanent joiners across London. The pace of increase was the fastest in 16 months, having gathered momentum for a fourth month running. Higher salaries were linked by panellists to the hiring of senior staff and continued efforts to attract candidates with the right skillsets.

In fact, the rate of starting salary inflation across London noticeably outpaced the other three tracked English regions.

Temporary Wages Index

Feb - Jul '26
sa, >50 = inflation



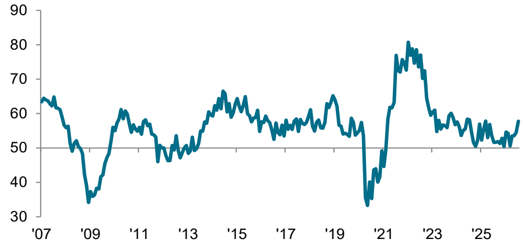
Hourly wages rise at fastest rate for nearly a year

Hourly wages for short-term workers rose across the capital for a fourth successive month in July. The respective seasonally adjusted index ticked up further from a sub-50.0 reading in March to an 11-month high and was indicative of a rapid increase. According to anecdotal evidence, contracts awarded for senior positions had pushed up rates.

All four English regions saw temp wage inflation quicken in July, with London leading for a second month running.

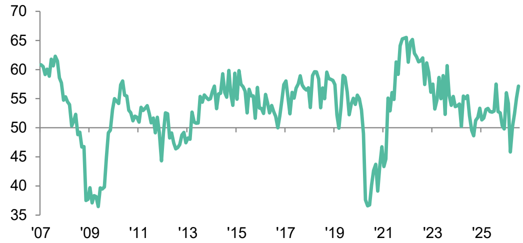
Permanent Salaries Index

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
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
May-26	52.2	53.6	51.4	52.4
Jun-26	53.1	54.5	52.9	55.1
Jul-26	53.3	57.8	54.8	57.1

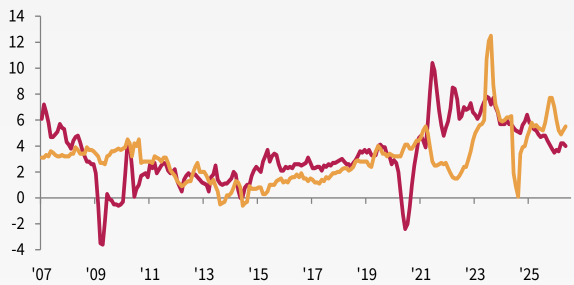
Official data: UK average weekly earnings

Total employee earnings (including bonuses) increased at a slower annual rate in the three months to May. Latest data published by the ONS revealed that earnings across the economy as a whole rose by 4.3%, which was the softest rate of growth since the three months to February (3.9%), and among the weakest increases since the pandemic.

The slowdown at the whole economy level was driven by the private sector. During the three months to May, private sector pay growth slipped to a near post-pandemic low of 4.0%, which in turn offset a stronger rise in public sector earnings (5.5%).

UK average weekly earnings ■ private ■ public

%yr/yr, 3mma



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

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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 stabilised across the UK in July, thereby ending a 45-month run of decline. This improvement was led by a renewed and robust rise in placements in London, alongside a marginal increase in the Midlands. In contrast, permanent staff appointments fell at slightly quicker rates across the North and South of England.

Temp billings rose for a fourth successive month at the UK level in July. That said, the rate of growth eased to a modest pace that was the softest since April. Regionally, three of the four monitored English areas recorded higher billings, led by robust growth in the North of England and London. The Midlands meanwhile bucked the wider trend by posting its first decline in a year, albeit one that was marginal overall.

Candidate availability

Permanent staff availability across the UK continued to expand in July, extending the current growth sequence to 41 months. Although the increase remained marked, it was the softest recorded since February. The North of England recorded the sharpest rise in permanent staff availability, while the slowest was seen in London.

Temporary labour supply at the national level increased at a pace that, though rapid, was the slowest seen since May 2023. All four monitored English regions saw growth in temp staff availability ease. The South of England saw the steepest overall upturn, while the softest expansion was seen across the Midlands.

Pay Pressures

Pay pressures strengthened across the UK in July, as starting salaries for newly placed permanent staff rose at the fastest rate since January. The increase was supported by broad-based upturn in pay across all four monitored English areas amid a renewed upturn in salaries in the South of England. London recorded the steepest rise in pay, with the rate of salary growth accelerating to a 16-month high.

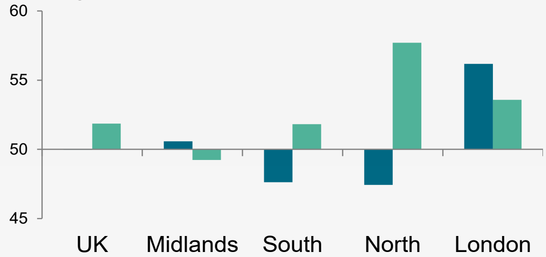
Temp wage inflation also gathered momentum in the latest survey period. All four monitored English regions reported higher temp pay, with rates of increase picking up across the board. This helped drive a solid rise in wages at the UK level, with the pace of growth the fastest since May 2024.

July 2026

Permanent
Temporary

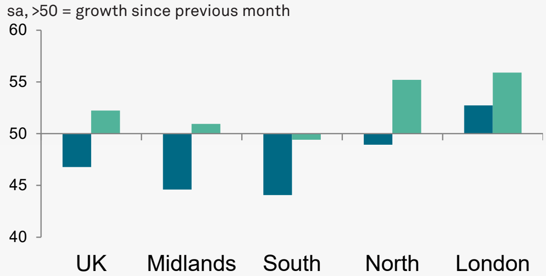
Staff Appointments

sa, >50 = growth since previous month



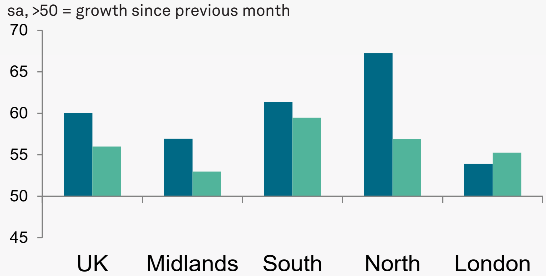
Vacancies

sa, >50 = growth since previous month



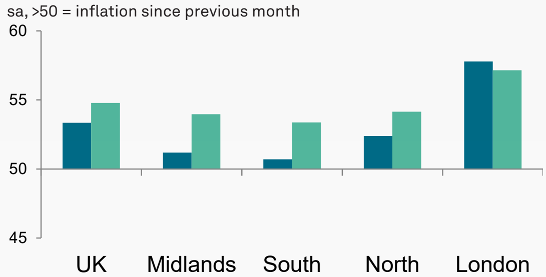
Staff Availability

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 9-27 July 2026.

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