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KPMG and REC, UK Report on Jobs: Midlands

Renewed rise in permanent staff appointments in July

50.6

PERMANENT PLACEMENTS INDEX
JUL '26

49.2

TEMPORARY BILLINGS INDEX
JUL '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 rise for the first time in six months...

... but temp billings fall slightly

Pay trends remain subdued amid rising candidate numbers

Kate Holt, People Consulting Partner at KPMG in the Midlands, said:

"The Midlands job market is beginning to show signs of renewed confidence. Employers remain focused on controlling costs, but the return to permanent hiring suggests that more businesses are prepared to invest in the people and skills they need for the longer term. At the same time, the slight fall in temporary billings also shows that caution has not disappeared from every area of the market, and many businesses are continuing to make more considered workforce decisions.

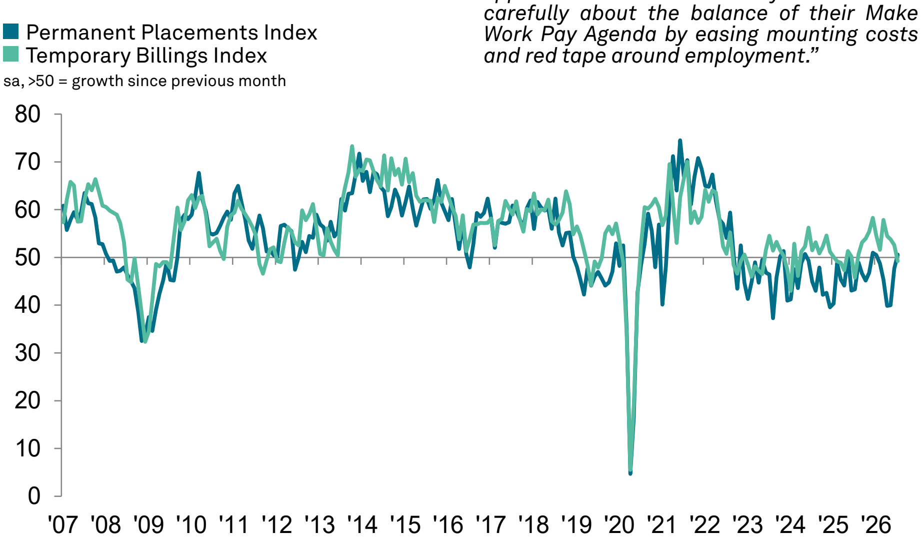
"With more candidates entering the market and pay growth remaining measured, employers have a timely opportunity to strengthen their teams. Those with a clear understanding of their future skills needs will be well placed to secure experienced and specialist talent while it is more readily available."

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

"Rays of light are beginning to break through for the job market as employers revive hiring plans, with permanent placements rising for the first time in six months in the Midlands. 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."



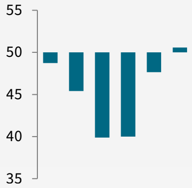
S&P Global

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.

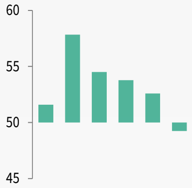
Permanent Placements Index

Feb - Jul '26
sa, >50 = growth



Temporary Billings Index

Feb - Jul '26
sa, >50 = growth



Fresh rise in permanent new joiners

July saw a turnaround in permanent staff hiring across the Midlands, with the number of people placed into permanent jobs rising for the first time since January. The rate of increase was only marginal, however. While some recruiters indicated that hiring had picked up in some sectors, others stated that a general lack of business confidence around the outlook and high staffing costs had dampened overall growth.

London was the only other monitored English area to record growth in permanent placements, though the upturn there was much stronger than that seen locally.

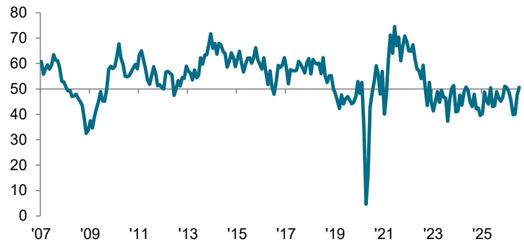
Temp billings fall for the first time in 12 months

In contrast to the trend seen for permanent placements, recruiters in the Midlands recorded a renewed fall in temp billings in July. Although marginal, the decline ended an 11-month sequence of growth. Panellists generally linked the decrease to fewer bookings and cost-cutting efforts among employers.

Meanwhile, temp billings rose across the three other monitored English regions during July, with the North of England recording the quickest rate of growth.

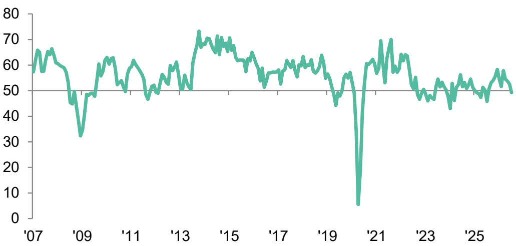
Permanent Placements Index

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
Feb-26	49.2	48.7	48.0	51.6
Mar-26	49.2	45.4	48.4	57.8
Apr-26	47.5	39.9	50.4	54.5
May-26	44.1	40.0	52.2	53.8
Jun-26	49.1	47.7	52.7	52.6
Jul-26	50.0	50.6	51.9	49.2

Job vacancies

Demand for permanent staff in the Midlands fell again in July, thereby extending the current downturn to 26 months. Although the rate of decline was the softest recorded in 2026 to date, it remained sharp and steeper than the UK-wide trend.

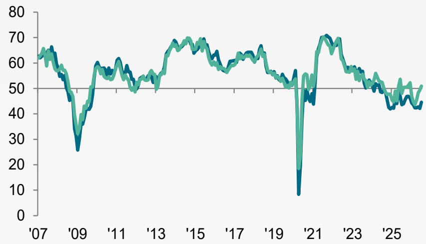
Meanwhile, temporary vacancies rose for the first time in seven months in July. In fact, for the first time in two years, demand for short-term workers improved across the UK as a whole. However, the pace of increase across the Midlands was slower than the national average and only marginal.

Vacancies Index

Permanent

Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

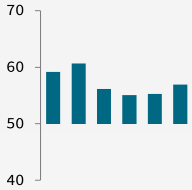
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Feb-26	45.8	43.6	45.5	44.8
Mar-26	46.0	42.4	45.6	43.6
Apr-26	46.1	42.4	47.9	45.6
May-26	45.6	42.8	49.6	48.3
Jun-26	44.8	42.2	49.5	49.4
Jul-26	46.8	44.6	52.2	50.9

2 Staff availability

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

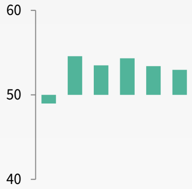
Permanent Staff Availability Index

Feb - Jul '26
sa, >50 = improvement



Temporary Staff Availability Index

Feb - Jul '26
sa, >50 = improvement



Growth in permanent staff supply hits four-month high

The latest data signalled a further rise in the supply of permanent workers across the Midlands. The rate of expansion quickened to a four-month high and was rapid overall, with redundancies again cited as the main driver of growth.

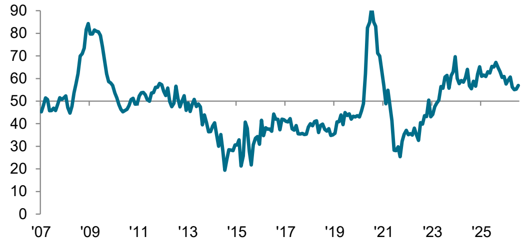
That said, the upturn in permanent staff availability across the Midlands remained weaker than that seen across the UK as a whole for the fifth month in a row.

Rise in temp candidate availability softest in five months

The supply of temp candidates in the Midlands rose for a fifth successive month in July. Anecdotal evidence linked the latest increase in candidate numbers to company layoffs. That said, the rate of growth moderated to the weakest in the aforementioned sequence of expansion and was the softest of the four monitored English regions.

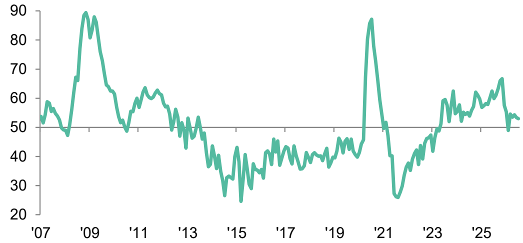
Permanent Staff Availability Index

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	Midlands	UK	Midlands
Feb-26	59.2	59.2	58.2	49.0
Mar-26	62.5	60.7	59.9	54.6
Apr-26	61.1	56.2	59.8	53.5
May-26	62.4	55.0	61.8	54.3
Jun-26	60.2	55.3	59.3	53.4
Jul-26	60.0	56.9	56.0	53.0

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
- Finance
- Finance Business Partner
- Finance Managers
- Management Accountants
- Payroll Specialists

Blue Collar
- Manufacturing

Construction
- Architectural Tech

Engineering
- Engineers

IT & Computing
- Software Developers
- Technical Roles

Skills in short supply: Temporary staff

Accounting/Financial
- Accountants
- Estimators
- Finance

Construction
- Building Surveyors
- Construction

Engineering
- Electrical Engineers
- Engineers

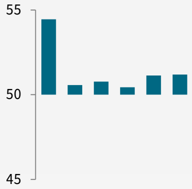
IT & Computing
- AI/ML Developers
- Software Developers

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.

Permanent Salaries Index

Feb - Jul '26
sa, >50 = inflation



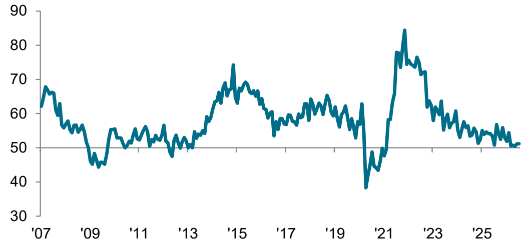
Starting salary inflation remains modest

Average starting salaries for permanent new joiners in the Midlands rose at the start of the third quarter. The rate of pay growth edged up to a five-month high but remained modest overall. Recruiters often attributed higher salaries to the hiring of senior staff and candidates for specialist roles.

Salary growth in the Midlands remained weaker than the UK-wide trend, with only the South of England recording a slower increase in pay.

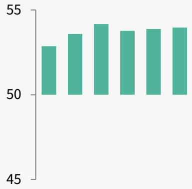
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Feb - Jul '26
sa, >50 = inflation



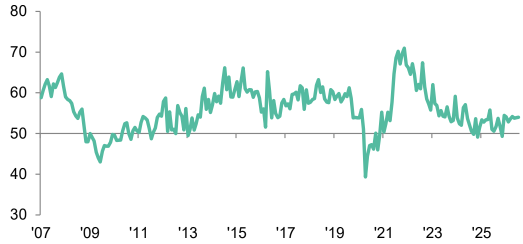
Temp pay inflation ticks up

usted for seasonal factors, the Temporary Wages Index signalled a further rise in temp pay across the Midlands in July. The rate of growth was strong overall and broadly in line with the average seen over the second quarter.

Nonetheless, hourly wage growth in the Midlands was weaker than the UK-wide average.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Feb-26	52.6	54.5	52.3	52.9
Mar-26	51.1	50.6	50.7	53.6
Apr-26	52.3	50.8	51.7	54.2
May-26	52.2	50.4	51.4	53.8
Jun-26	53.1	51.1	52.9	53.9
Jul-26	53.3	51.2	54.8	54.0

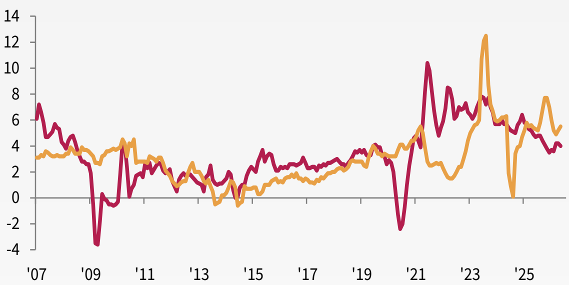
Official data: UK average weekly earnings

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.

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 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.

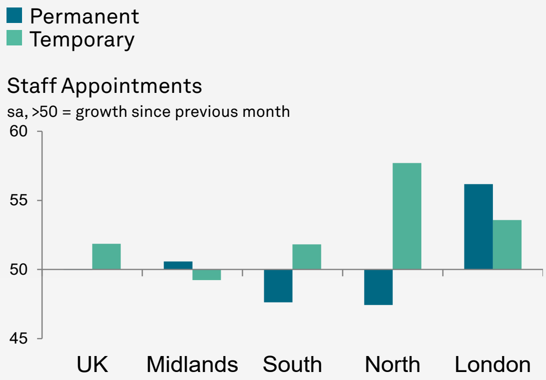
Temporary labour supply at the national level increased at a pace that, though rapid, was the slowest seen since May 2023. All four monitored English regions saw growth in temp staff availability ease. The South of England saw the steepest overall upturn, while the softest expansion was seen across the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

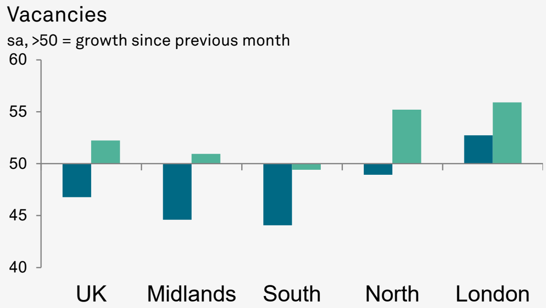
Pay Pressures

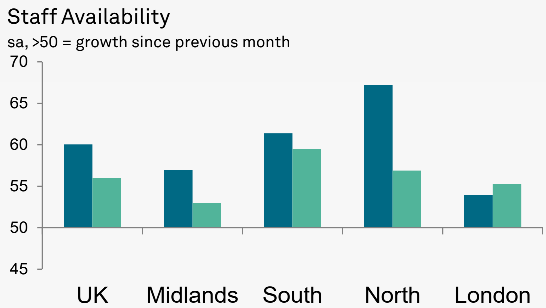
Pay pressures strengthened across the UK in July, as starting salaries for newly placed permanent staff rose at the fastest rate since January. The increase was supported by broad-based upturn in pay across all four monitored English areas amid a renewed upturn in salaries in the South of England. London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

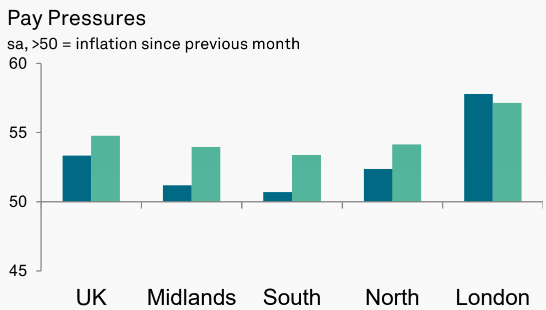
Temp wage inflation also gathered momentum in the latest survey period. All four monitored English regions reported higher temp pay, with rates of increase picking up across the board. This helped drive a solid rise in wages at the UK level, with the pace of growth the fastest since May 2024.

July 2026









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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 9-27 July 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.

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.

On 1 October 2024, KPMG UK and KPMG Switzerland merged to form KPMG UK/Swiss Group, scaling our strengths and amplifying the difference we make.

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The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.