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KPMG and REC, UK Report on Jobs: London

Permanent placements near stabilisation in June

49.8

PERMANENT PLACEMENTS INDEX JUN '26

53.3

TEMPORARY BILLINGS INDEX JUN '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.

Decline in new permanent joiners only marginal

Temp billings growth hits 32-month high

Pay inflation accelerates

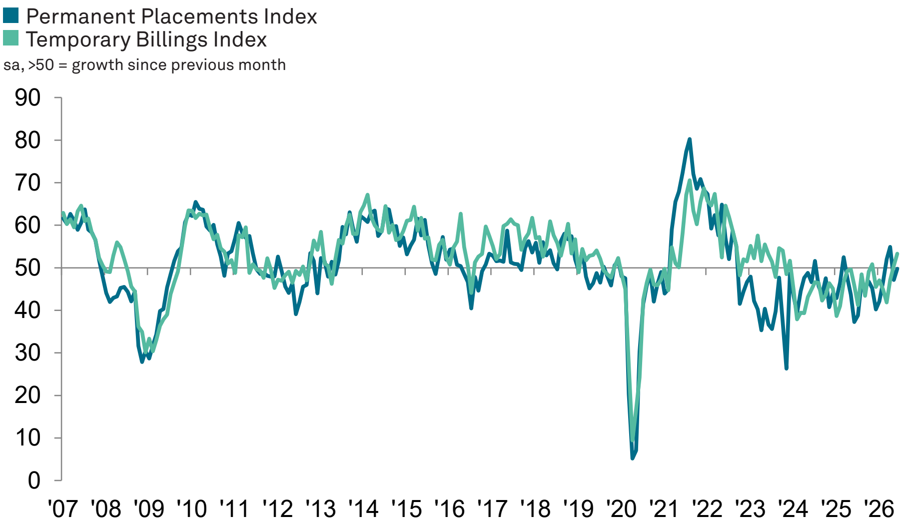
Anna Purchas, Vice Chair & London Senior Partner at KPMG UK, said:

"June's figures suggest London's jobs market is moving in the right direction with temporary hiring reaching its strongest level in more than two-and-a-half years in our capital city, and permanent and temp vacancies increasing. While some employers are still taking a cautious approach to permanent hiring, it's positive to see temporary placements giving employers the chance to get new projects going and test the market. These are encouraging signs that confidence is returning.

"The priority now is turning these signs of recovery into sustained growth. As businesses look to invest and expand, having access to the right skills will be critical - particularly in sectors like construction, engineering, social care and digital where recruiters are reporting significant shortages. Strengthening talent pipelines through apprenticeships, graduate programmes, digital skills and greater workforce mobility will help ensure London has the talent it needs to remain competitive and drive long-term economic growth."

Neil Carberry, REC Chief Executive, said:

"After a long recruitment winter, these figures offer genuine grounds for optimism. Temporary and contract work continues to lead the recovery, with London temp billings growth reaching its highest for over two-and-a-half years. Employers are responding to stronger demand, while remaining cautious about committing to larger-scale permanent hiring. Encouragingly, the decline in permanent placements eased in June. Businesses are sending a clear message to Government. The potential for growth is there, but confidence will only return if ministers give employers the certainty they need to invest and create jobs. Government must work in partnership with business, not increase costs and complexity. Policies such as unworkable guaranteed hours proposals and higher employment taxes risk holding back hiring, particularly for younger workers. If ministers want growth, they must create the conditions for businesses to invest, recruit and expand."



S&P Global

Produced in association with REC.

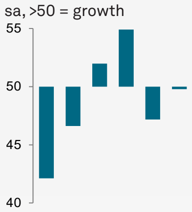
1 Staff appointments

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

Jan - Jun '26

sa, >50 = growth



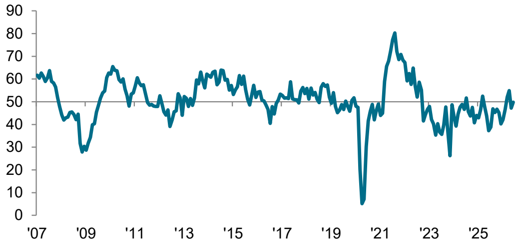
Marginal fall in permanent placements

A second successive monthly reduction in permanent placements across the capital was recorded in June. Where recruiters posted a decline, this was linked to a lack of suitable candidates, reduced demand and tighter budgets.

That said, the pace of reduction eased since May to signal only a fractional drop, and one which was the weakest of the four tracked English regions.

Permanent Placements Index

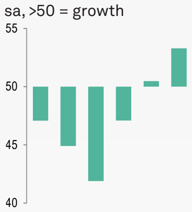
sa, >50 = growth since previous month



Temporary Billings Index

Jan - Jun '26

sa, >50 = growth

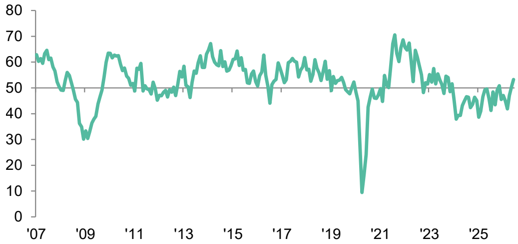


Upturn in temp billings strongest since October 2023

After having risen for the first time in six months during May, temp billings across London increased again in June. Moreover, the pace of growth was solid and the fastest in 32 months. Anecdotal evidence highlighted that temp billings increased as a result of new projects starting and better sales environments.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-26	44.1	47.2	52.2	50.5
Jun-26	49.1	49.8	52.7	53.3

Job vacancies

As was the case in May, London was the sole tracked English region of the four monitored to register a rise in permanent vacancies in June. However, the pace of growth was modest and the weakest in the current three-month sequence of growth.

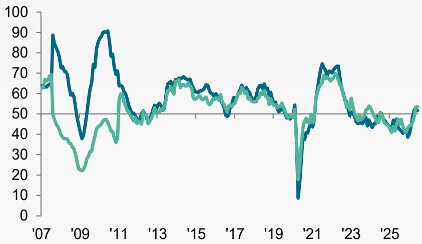
Demand for short-term workers rose across London for a second month running in June. The upturn was solid and the most pronounced in two-and-a-half years.

Vacancies Index

Permanent

Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-26	45.6	52.4	49.6	53.3
Jun-26	44.8	51.6	49.5	53.6

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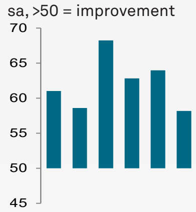
2 Staff availability

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

Permanent Staff Availability Index

Jan - Jun '26

sa, >50 = improvement



Increase in permanent staff availability slowest in 17 months

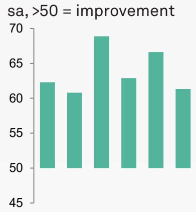
Permanent staff availability rose across London during June, thereby stretching the current run of increase which began in December 2022. According to anecdotal evidence, redundancies underpinned the latest increase.

The rate of growth was sharp, but the weakest in 17 months and slower than the UK average.

Temporary Staff Availability Index

Jan - Jun '26

sa, >50 = improvement

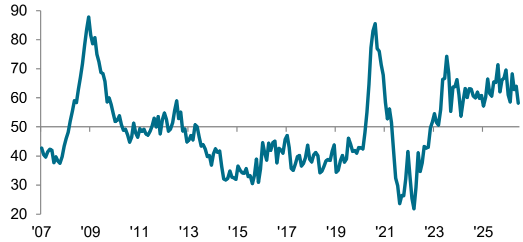


Marked but notably slower rise in temp staff supply

Reports of layoffs was again a key driver of a marked increase in temporary candidates across the capital in June. The rate of growth was the fastest of the four tracked English regions, but having eased notably from May it was also the slowest in four months.

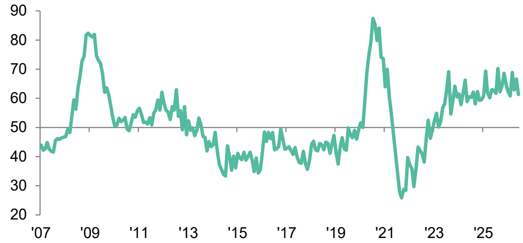
Permanent Staff Availability Index

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
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
May-26	62.4	64.0	61.8	66.6
Jun-26	60.2	58.2	59.3	61.3

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Estimators

Blue Collar
Drivers

Construction
Construction Professionals
Quantity Surveyors
Surveyors

Engineering
Engineers
Gas Engineers

Executive/Professional
Management
Professional Roles

IT & Computing
Analysts
Digital
Technical Roles

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

Skills in short supply: Temporary staff

Blue Collar
Carpenters

Construction
Floor Layer
Quantity Surveyors
Surveyors

Engineering
Gas Engineers

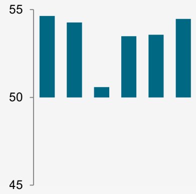
Nursing/Medical/Care
Social Workers

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.

Permanent Salaries Index

Jan - Jun '26
sa, >50 = inflation



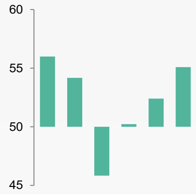
Starting salary inflation ticks up

Recruiters in London recorded a solid rise in salaries awarded to new permanent joiners in June. Though historically subdued, the rate of increase quickened to a five-month high. According to recruiters, efforts to secure suitable workers had fed through to higher starting salaries.

For a third month running, London registered the strongest increase in starting salaries of the four monitored English regions.

Temporary Wages Index

Jan - Jun '26
sa, >50 = inflation



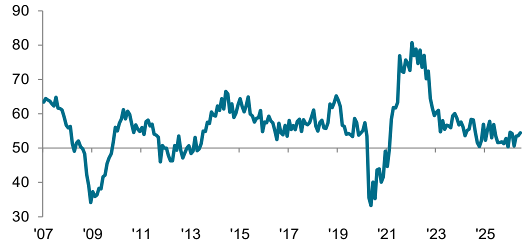
Temp wages rise for third month running

The third consecutive monthly rise in average rates of pay for short-term staff in London was sharp in June. Moreover, the pace of inflation was the strongest since January and surpassed the long-run average. Panellists noted that a lack of skilled workers and onboarding new contractors underpinned the latest increase.

Moreover, of the four tracked English regions, London recorded the strongest increase in temp rates.

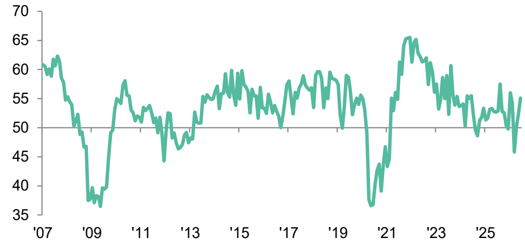
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-26	52.2	53.6	51.4	52.4
Jun-26	53.1	54.5	52.9	55.1

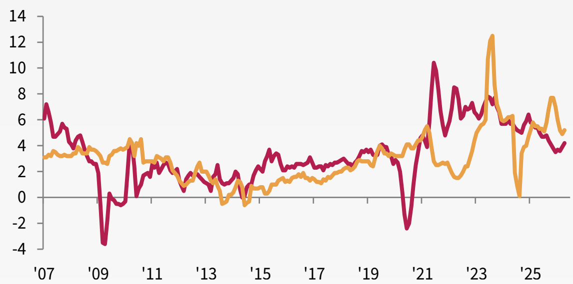
Official data: UK average weekly earnings

The latest official data published by the ONS estimated that total employee earnings (including bonuses) rose 4.4% year-on-year in the three months to April. This was unchanged from the prior three-month period, and represented an improvement from the post-pandemic low of 3.9% registered in the three months to February. Nevertheless, growth remained among the weakest seen since the end of 2021.

Underlying data indicated that a slight improvement in public sector earnings growth (5.2%, up from 4.9%), was offset by a slightly softer rise in pay in the private sector (4.2%, down from 4.3%).

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: 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

The number of permanent staff appointments declined again across the UK at the end of the first half of 2026, extending the current sequence of reduction to 45 months. The rate of contraction was marginal, however, and among the weakest seen over the aforementioned period of decline. The quickest drop in placements was seen in the Midlands, while London registered the softest rate of decrease.

Meanwhile, temp billings rose for a third month running across the UK in June. The pace of increase was solid and the fastest since April 2023. For a second month running, each of the four monitored English areas recorded growth, with the South of England once again leading the upturn.

Candidate availability

Candidate availability for permanent jobs increased again across the UK in June. The rate of expansion was the slowest seen since February, but still substantial overall. Permanent staff availability rose across all four tracked English regions. The North of England registered the fastest rate of growth, while the slowest was recorded in the Midlands.

A further rise in short-term candidate availability was recorded across the UK during June. Despite easing to the weakest in four months, the pace of growth was rapid overall. Regional data indicated that the sharpest expansion in temp labour supply was seen in London, whilst the slowest was recorded in the Midlands.

Pay Pressures

Recruiters across the UK reported a rise in salaries for new permanent hires in June. The rate of inflation edged up to the fastest since January, but remained weaker than the historical average. Three of the four tracked English regions recorded stronger rates of salary growth. The only exception was the South of England, where starting salaries fell for the first time in eight months.

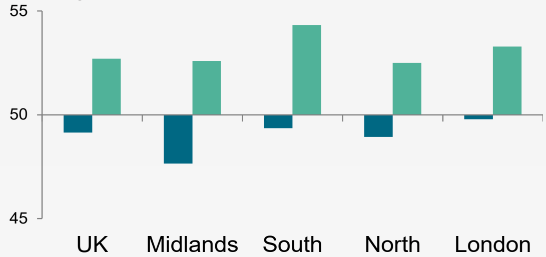
Rates of pay for temporary staff increased across the UK during June, as has been the case in each of the past seven months. Though moderate, the rate of inflation was the fastest seen since January. For the first time in four months, all four monitored English regions recorded higher wage rates. London recorded the strongest rate of pay growth, while the slowest was seen in the South of England.

June 2026

Permanent
Temporary

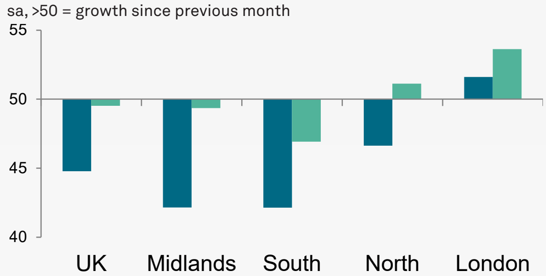
Staff Appointments

sa, >50 = growth since previous month



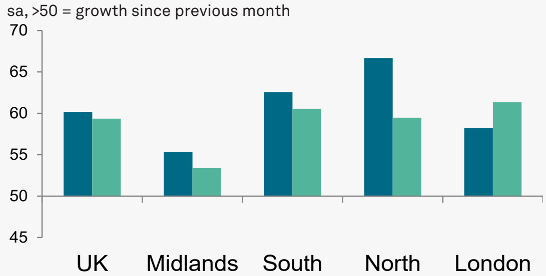
Vacancies

sa, >50 = growth since previous month



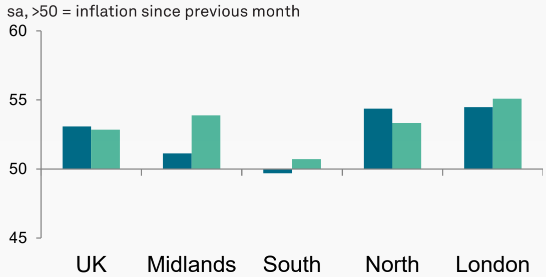
Staff Availability

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 11-24 June 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.

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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