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KPMG and REC, UK Report on Jobs: Midlands

Permanent placements decline at much weaker rate in June

47.7

PERMANENT PLACEMENTS INDEX JUN '26

52.6

TEMPORARY BILLINGS INDEX JUN '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.

Modest fall in permanent staff appointments

Growth in temp billings slows but stays solid

Pay pressures remain historically subdued

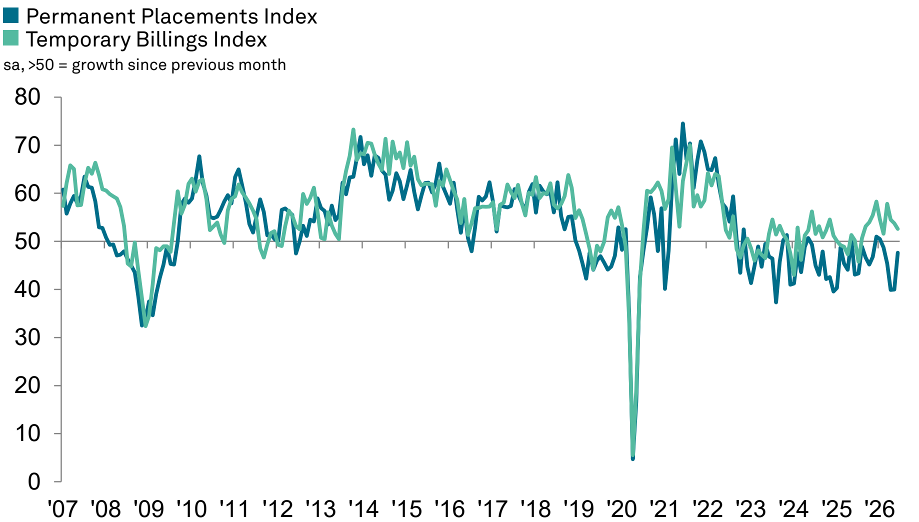
Kate Holt, People Consulting Partner at KPMG in the Midlands, said:

"June's data suggests that the Midlands jobs market is still under pressure, but the pace of the decline of permanent placements may be starting to let up. Continued growth in temp billings shows that employers are still recruiting where they need to, but are doing so carefully as higher labour costs and uncertainty continue to weigh on decision-making.

"That doesn't mean confidence has returned. Demand for permanent staff is still weak, candidate availability continues to rise and pay growth remains subdued by historical standards. For workers, that means competition for roles is likely to stay high, even if employers are still willing to pay more for less common skills. The broader picture is of a labour market that is holding up, but not yet promising a sustained recovery."

Neil Carberry, REC Chief Executive, said:

"After a long recruitment winter, these figures show truly hopeful signs. Temporary and contract work once again leads the way, with billings received from the employment of short-term staff in the Midlands up for an eleventh consecutive month during June. Firms are reacting to demand without yet feeling confident enough to commit to larger scale permanent hiring. But that may change for the better with the pace of reduction in permanent placements across the Midlands the slowest in four months. With a new Prime Minister coming, there is a clear message here from business. The potential for the growth the country needs is here – but not if the Government pours more uncertainty and cost onto the private sector. It is time to back business and work in partnership, not hand down costs and regulation from on high. That is what contributed to unworkable proposals on guaranteed hours and a National Insurance bill that has driven youth unemployment up. It is time to change that."



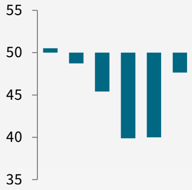
S&P Global

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.

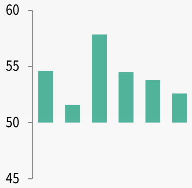
Permanent Placements Index

Jan - Jun '26
sa, >50 = growth



Temporary Billings Index

Jan - Jun '26
sa, >50 = growth



Downturn in permanent placements eases notably

Permanent staff appointments fell moderately across the Midlands in June, extending the current sequence of decrease to five months. According to anecdotal evidence, increased hiring costs and market uncertainty were the main factors linked to the latest fall. The region signalled the strongest decline in permanent placements of the four monitored English areas for the second successive month.

That said, the pace of reduction across the Midlands was the slowest in four months, having eased notably from those seen in April and May.

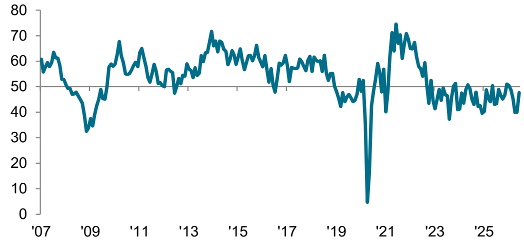
Softest rise in temp billings since February

Billings received from the employment of short-term staff in the Midlands rose for an eleventh consecutive month during June. Surveyed recruiters mentioned that increased working hours and greater demand for short-term workers lifted billings.

While the rate of growth was the weakest in four months, it was similar to that seen across the UK as a whole and solid.

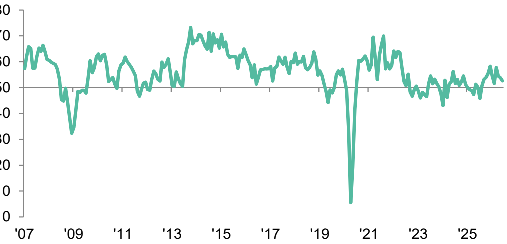
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

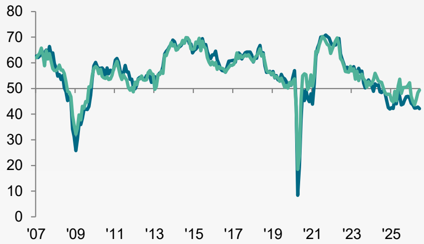
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Jan-26	46.9	50.5	50.3	54.6
Feb-26	49.2	48.7	48.0	51.6
Mar-26	49.2	45.4	48.4	57.8
Apr-26	47.5	39.9	50.4	54.5
May-26	44.1	40.0	52.2	53.8
Jun-26	49.1	47.7	52.7	52.6

Job vacancies

Demand for permanent workers across the Midlands deteriorated markedly in June. Moreover, the rate of reduction was the steepest since February 2025 and only fractionally slower than that seen in the South of England, which saw the steepest decline of all four English areas monitored.

Temporary vacancies across the Midlands fell only slightly in June. The rate of reduction eased further from March's post-pandemic record and was the weakest in the current six-month period of decrease. The fall was broadly in line with the UK-wide trend.

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



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
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

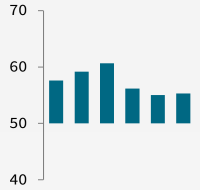
2 Staff availability

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

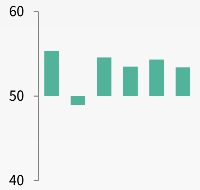
sa, >50 = improvement



Temporary Staff Availability Index

Jan - Jun '26

sa, >50 = improvement



Sustained growth in permanent labour supply

Recruiters based in the Midlands indicated an increase in the availability of staff for permanent roles for the thirty-ninth month running in June. According to anecdotal evidence, company layoffs were widely linked to the latest rise. While the pace of expansion was sharp, it was among the weakest in the current growth sequence.

In fact, the Midlands recorded the softest expansion in permanent staff supply of all four monitored English areas.

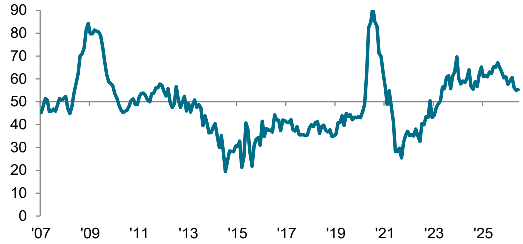
Temp staff supply expands at softer pace

The availability of temp staff across the Midlands rose for a fourth successive month in June. Panellists stated that the increase reflected more people seeking out new work as projects concluded, redundancies and the higher cost of living.

However, the pace at which temp staff availability rose across the Midlands softened from May and was much slower than those seen across the other three monitored English regions.

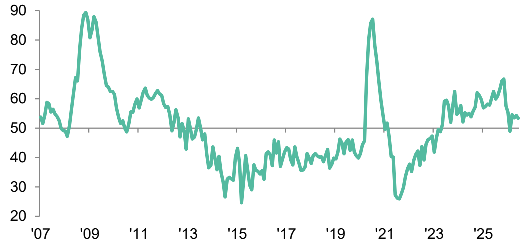
Permanent Staff Availability Index

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
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
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

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
- Accountants
- Finance Business Partner
- Management Accountants
- Part Qualified Accountants
- Qualified Accountancy
- Risk
- Tax Accountant

Blue Collar
- Blue Collar
- Drivers
- HGV Mechanic
- Welders

Construction
- Architectural Tech

Engineering
- Engineers

Executive/Professional
- Legal
- Recruitment Consultants

IT & Computing
- Software Developers

Secretarial/Clerical
- AI/ML Developers
- Automation Testers
- Data Scientists
- Software Developers
- Technical Roles

Skills in short supply: Temporary staff

Accounting/Financial
- Accountants

Blue Collar
- CNC Operatives
- Drivers
- Forklift Drivers
- HGV Drivers
- HGV Mechanic

Engineering
- Engineers
- HVAC Engineers
- Semiconductor Engineers

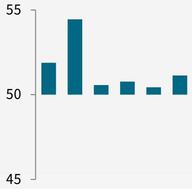
IT & Computing
- AI/ML Developers
- Software Developers

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

Jan - Jun '26
sa, >50 = inflation



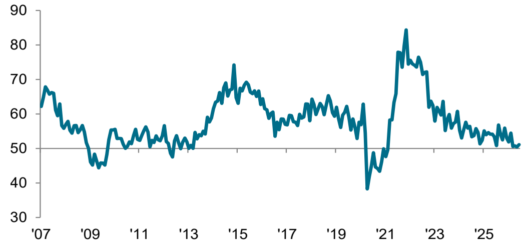
Starting salary growth edges up, but stays subdued

Average starting salaries awarded to successful candidates placed in permanent positions increased across the Midlands in June. Where recruiters reported higher pay, this was partly attributed to efforts to secure suitably-skilled staff.

The rate of pay growth accelerated from May to the fastest in four months, but was only modest and below both the UK-wide and long-run averages.

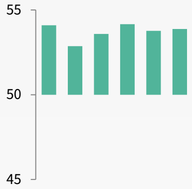
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Jan - Jun '26
sa, >50 = inflation



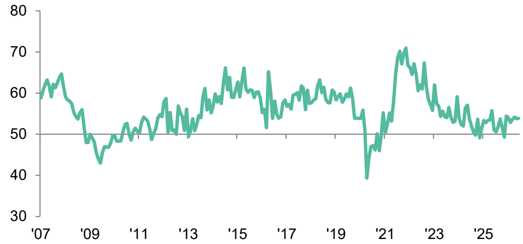
Temp pay inflation remains solid

The seasonally adjusted Temporary Wages Index posted above the neutral 50.0 mark for the seventh month running in June, signalling a sustained rise in temp pay rates across the Midlands. The latest uplift in wages was solid and little-changed from that seen in May. However, the increase remained slower than the historical average.

A stronger rate of temp pay inflation was meanwhile recorded across the UK as a whole in June, though growth remained softer than that seen locally.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
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

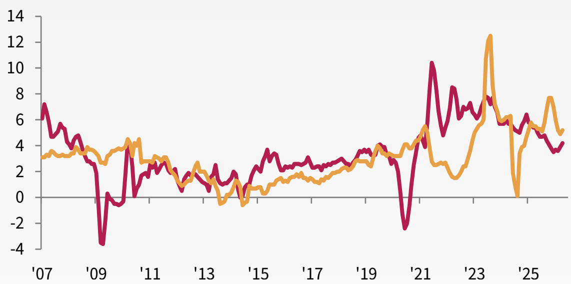
Official data: UK average weekly earnings

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.

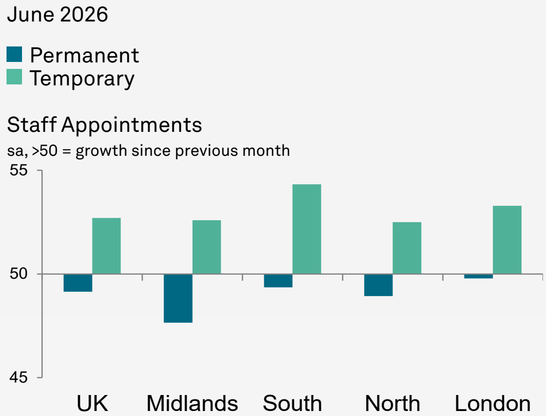
5 Regional comparison

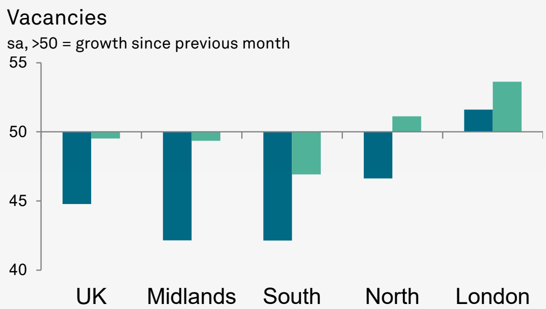
The KPMG and REC, UK Report on Jobs: Midlands is one of four regional reports tracking labour market trends across England. Reports are also available for London, the South of England and the North of England.

Staff appointments

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.

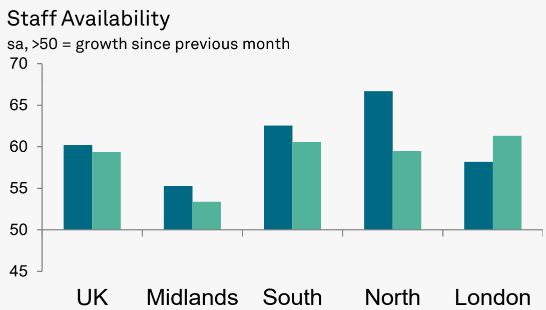




Candidate availability

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.

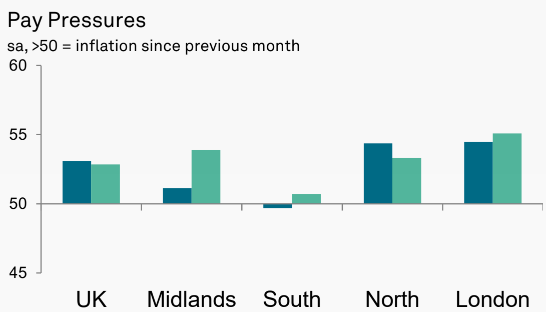
A further rise in short-term candidate availability was recorded across the UK during June. Despite easing to the weakest in four months, the pace of growth was rapid overall. Regional data indicated that the sharpest expansion in temp labour supply was seen in London, whilst the slowest was recorded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



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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 11-24 June 2026.

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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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