Embargoed until 0001 (UK) 07 September 2026

KPMG and REC, UK Report on Jobs: London

Permanent placements continue to rise in London

53.6

PERMANENT PLACEMENTS INDEX AUG '26

51.0

TEMPORARY BILLINGS INDEX AUG '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.

Solid, but softer increase in permanent placements

Growth in temp billings also eases

Demand for workers improves further but to smaller extent

Commenting on the latest survey results, Anna Purchas, Vice Chair & London Office Senior Partner at KPMG UK, said:

"London continues to lead the recovery in hiring, with permanent placements rising faster in the capital than anywhere else in England during August. It's an encouraging sign that businesses are feeling more confident about bringing people into their organisations.

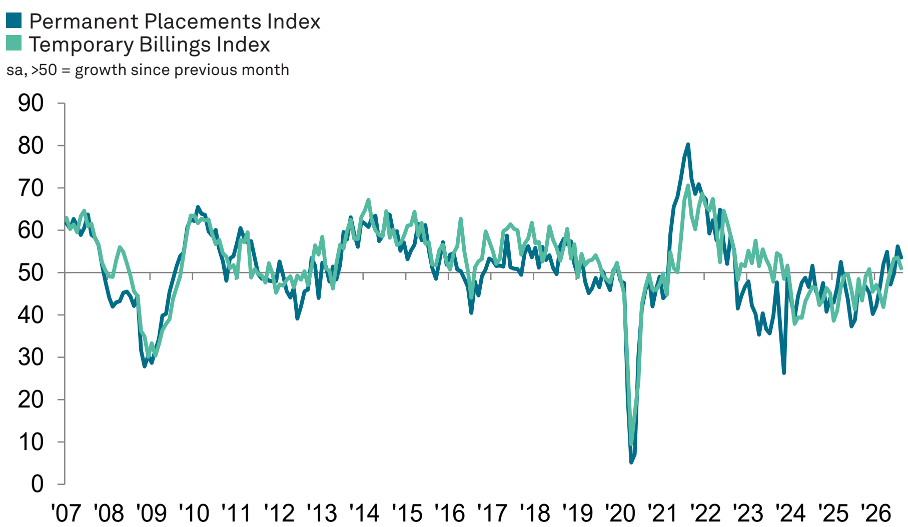
"Recovery is at an early stage. We saw hiring of both temporary and permanent staff grow in August and there are more people looking for work. That underlines the need to turn the encouraging signs we're seeing into a broader and more sustained recovery across the capital.

"There are good reasons to be optimistic about what comes next given London attracted £10.7 billion of venture capital in the first half of the year, much of it driven by AI, creating real potential for the capital's high-growth businesses to generate the next wave of jobs. The priority now is making sure that investment translates into sustainable growth and opportunities across London's economy."

Maxine Bligh, Interim Chief Executive at the Recruitment and Employment Confederation (REC), said:

"The job market is starting to power up again in London after employers spent much of this year switching permanent hiring on and off. Improved market conditions and stronger customer confidence are underpinning a fourth successive month of growth in revenue from temp billings, too. We are also seeing a fifth consecutive monthly rise in permanent vacancies in London, while temp vacancies have now increased for four months in a row.

"Government, business and trade unions must act to shore up this fragile momentum in the job market. This is not the time to take the job market for granted. Instead, government should follow through on its commitment to lessen burdens on business. This means greater pragmatism on the employment rights agenda, including lessening the gamble the government is taking with its guaranteed hours policy. It also means delivering an Autumn Budget that demonstrates the government is serious about backing business and provides employers with the confidence they need to hire, invest and grow."



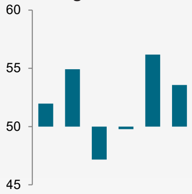
1 Staff appointments

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

Mar - Aug '26

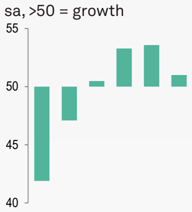
sa, >50 = growth



Temporary Billings Index

Mar - Aug '26

sa, >50 = growth



Solid but softer increase in new permanent joiners

August marked a second straight monthly rise in permanent placements across the capital. While the pace of growth was solid and the fastest of the four tracked English regions, it lost some momentum from the recent high recorded in July. According to anecdotal evidence, improved market conditions, a boost in demand in some sectors and improved customer confidence underpinned the latest uptick.

Growth in permanent placements was also recorded across the UK as a whole for the first time in 47 months, though the pace of increase was fractional overall.

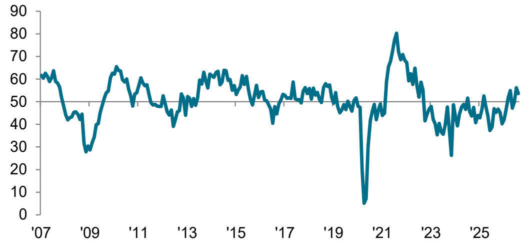
Growth in temp billings eases

Billings received from short-term workers rose in London for a fourth month running in August. Improved market conditions and stronger customer confidence were cited by panellists as factors underpinning the latest increase.

That said, the pace of growth eased to a three-month low, was modest and weaker than the UK-wide average.

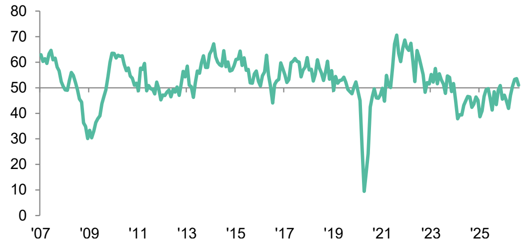
Permanent Placements Index

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
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
Aug-26	50.5	53.6	52.4	51.0

Job vacancies

A fifth successive monthly rise in permanent vacancies was recorded across London during August. While London was the only monitored English region to register a rise, the latest upturn was only modest and the weakest in the current sequence of expansion.

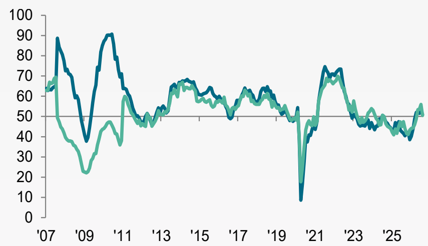
Similarly, demand for temp workers also improved across the capital, but only to a modest extent which was the weakest in the current four-month sequence of growth. The uptick in London contrasted with a decrease seen across the UK as a whole.

Vacancies Index

Permanent

Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Aug-26	46.8	51.0	49.1	50.6

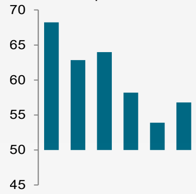
2 Staff availability

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

Permanent Staff Availability Index

Mar - Aug '26

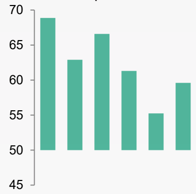
sa, >50 = improvement



Temporary Staff Availability Index

Mar - Aug '26

sa, >50 = improvement



Permanent staff supply rises sharply

Recruiters based in London registered another rapid rise in the supply of permanent candidates during August, thereby stretching the current run of increases to 45 months. The increase was attributed to more candidates being open to moving to new roles, as well as redundancies.

Despite accelerating over the course of the month, the pace of growth was the second-weakest in two-and-a-half years and slower than that seen across the UK as a whole.

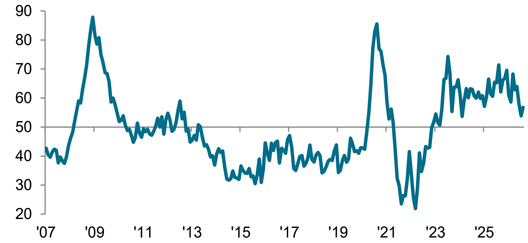
Growth in temp staff supply reaccelerates in August

Similar to the trend seen for permanent staff supply, the availability of candidates for temporary roles also rose markedly and at a stronger pace during August. Redundancies, the end of the FIFA World Cup and worries about the economic environment were some of the reasons cited by panellists for the latest increase.

Moreover, of the four tracked English regions, London recorded the strongest increase in temp staff supply and was the only area where the pace of growth accelerated.

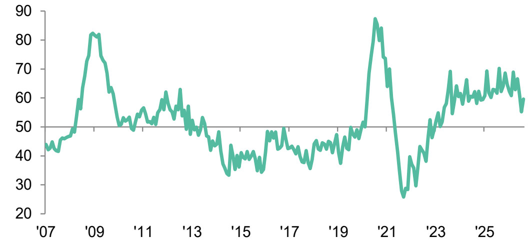
Permanent Staff Availability Index

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
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
Aug-26	60.9	56.8	56.1	59.6

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Estimators

Blue Collar
Drivers

Construction
Construction
Quantity Surveyors

Engineering
Engineers

Executive/Professional
Management
Professional Roles

Hotel & Catering
Hospitality

IT & Computing
Analysts
Digital
IT
Software
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
HGV Drivers

Construction
Fire Stopper
Labourers

IT & Computing
Cloud Computing

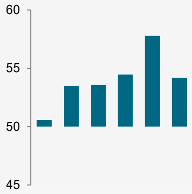
Nursing/Medical/Care
Social Workers

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

Mar - Aug '26
sa, >50 = inflation



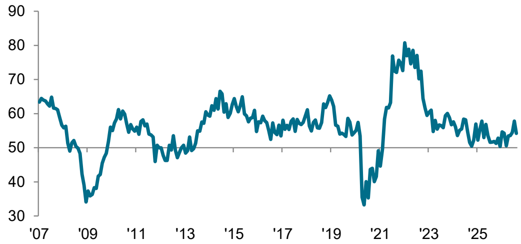
Starting salary inflation cools in August

Following a spike in July, when the rate of permanent starting salary inflation hit a 16-month high, August marked a notably softer rise in pay across the capital. That said, the increase was still strong and broadly in line with that recorded across the UK as a whole.

Starting salaries across London have now risen on a monthly basis for five-and-a-half years straight.

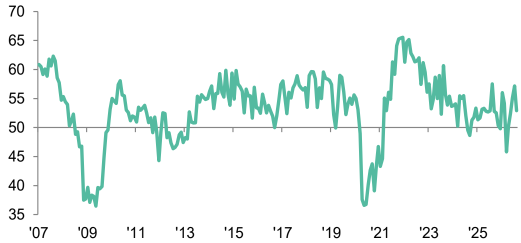
Permanent Salaries Index

sa, >50 = inflation since previous month



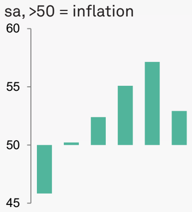
Temporary Wages Index

sa, >50 = inflation since previous month



Temporary Wages Index

Mar - Aug '26
sa, >50 = inflation



Temp wages rise for a fifth month running

The latest data signalled a solid rise in hourly wages for short-term workers across the capital, thereby extending the current run of increases to five months. That said, the respective seasonally adjusted index ticked down for the first time in five months to signal a moderate increase which was the weakest since May. The rise was also the softest of the four tracked English regions.

sa, >50 = inflation since previous month

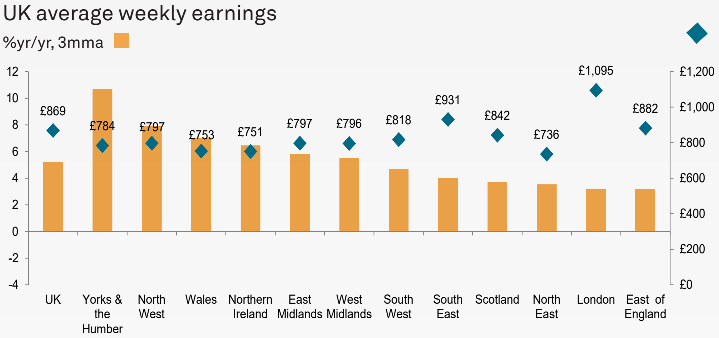
	Permanent		Temporary	
	UK	London	UK	London
Mar-26	51.1	50.6	50.7	45.8
Apr-26	52.3	53.5	51.7	50.2
May-26	52.2	53.6	51.4	52.4
Jun-26	53.1	54.5	52.9	55.1
Jul-26	53.3	57.8	54.8	57.1
Aug-26	54.1	54.2	53.5	52.9

Official data: UK average weekly earnings

Data from the Office for National Statistics indicated that average weekly earnings across the UK increased by 5.2% year-on-year to £869 over the second quarter of 2026.

Average pay increased across all 12 UK regions and nations, with Yorkshire & the Humber (up 10.7% to £784), the North West (up 7.9% to £797) and Wales (up 7.0% to £753) recording the steepest rates of growth. The East of England and London saw the joint-slowest upturn in pay, with both registering a 3.2% increase in earnings.

UK average weekly earnings



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 rose for the first time in nearly four years in August, albeit only marginally. The upturn was led by a strong increase in London, while a modest expansion was seen in the Midlands. In contrast, the North and South of England recorded mild declines.

Temp billings across the UK increased for the fifth successive month midway through the third quarter. The rate of growth quickened from July and was solid overall. The expansion was underpinned by increases in three of the four monitored English regions, led by the North of England. The Midlands was the only area to report a decline.

Candidate availability

Candidate availability for permanent positions continued to improve across the UK during August. The latest rise was marked and the strongest in three months. All four monitored English regions reported higher candidate numbers, led by the North of England for a fifth straight month. The Midlands meanwhile recorded the weakest upturn.

Temp staff availability across the UK also rose in August, thereby extending the current run of growth to three-and-a-half years. Although the pace of increase was little-changed from July and sharp, it was weaker than the average recorded over the current period of expansion. London led the increase and was the only area to register a stronger rate of growth. Meanwhile, all other monitored English regions recorded softer rates of expansion, with the Midlands registering the weakest increase.

Pay Pressures

Starting salaries for permanent workers across the UK rose midway through the third quarter. Despite remaining historically subdued, the rate of inflation was strong and the fastest in seven months. All four tracked English regions recorded an increase in salaries, with the strongest rise seen in the South of England.

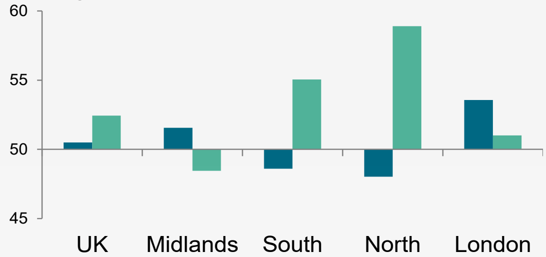
At the same time, hourly pay rates for short-term workers in the UK increased at a slower but still solid pace in August. Trends diverged at the regional level, with the Midlands and the North of England seeing rates of temp wage growth accelerate, while softer increases in pay were seen in the South of England and London.

August 2026

Permanent
Temporary

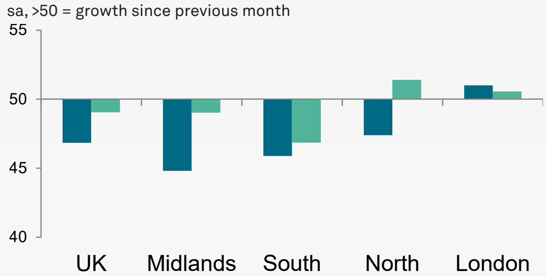
Staff Appointments

sa, >50 = growth since previous month



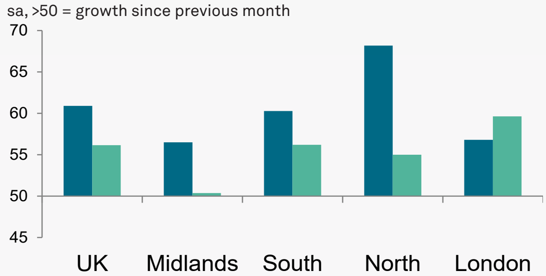
Vacancies

sa, >50 = growth since previous month



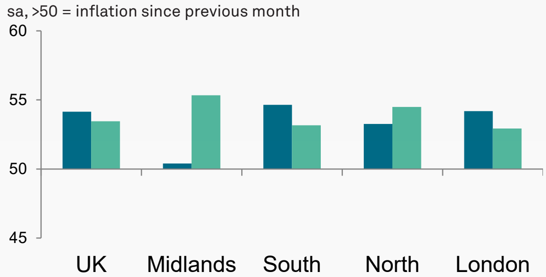
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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Produced in association with REC.

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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 12-24 August 2026.

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