KPMG and REC, UK Report on Jobs: Midlands

Strongest rise in permanent placements since late 2022

51.6

PERMANENT PLACEMENTS INDEX
AUG '26

48.4

TEMPORARY BILLINGS INDEX
AUG '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 upturn in permanent staff appointments...

... but temp billings decline again

Supply of temporary staff expands at much slower rate

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

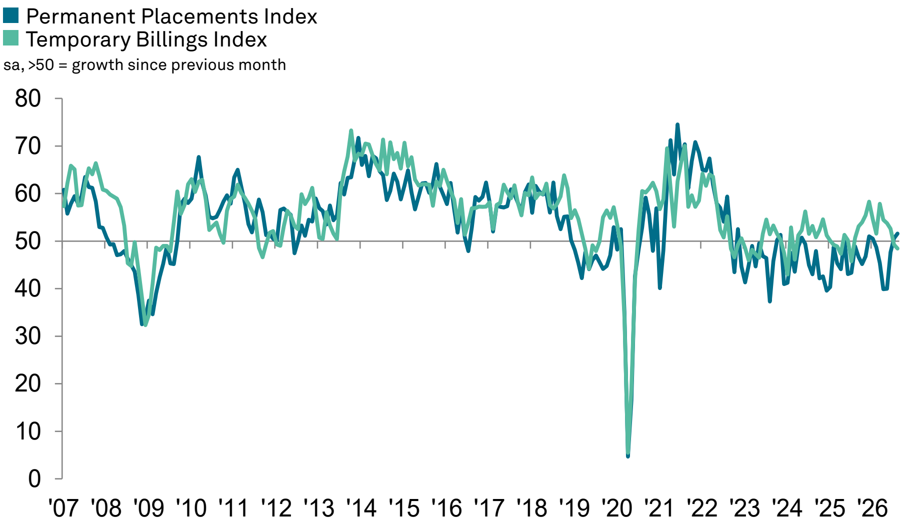
"August's figures give us one of the clearest signs yet that confidence in the Midlands jobs market is starting to improve. The main point of optimism is the strongest rise in permanent placements since late 2022 – an encouraging sign that businesses are becoming more confident about making longer-term hiring decisions after an extended period of caution.

"That said, this is still an early and uneven recovery. Jobseekers still face challenges: permanent vacancies continue to fall sharply, temp billings have weakened and candidate supply continues to rise. The key question now is whether this improvement in permanent hiring can translate into a broader and more sustained recovery in demand."

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

"The job market is starting to power up again in the Midlands after employers had permanent hiring on the standby button for the past few years in the region. It is a pity that the Midlands is the only English regions to record a fall in temp billings given these offer flexibility and easy entry into the job market, but this is after a year of solid monthly growth in such hiring.

"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."

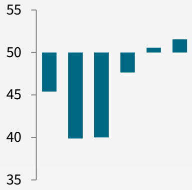


1 Staff appointments

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

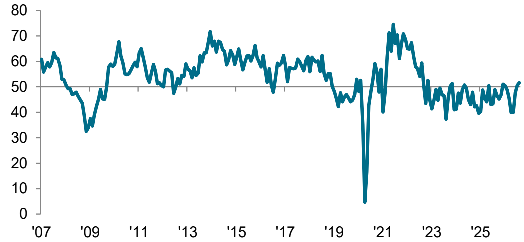


Stronger rise in permanent placements

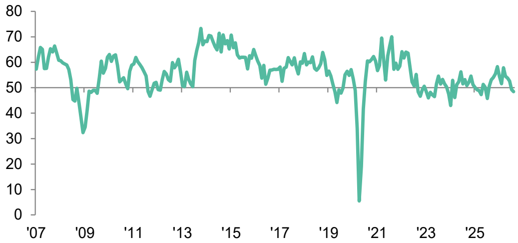
Recruiters in the Midlands reported a second consecutive monthly increase in permanent placements in August. Though modest, the pace of growth was the strongest seen since November 2022. Panellists partly linked the rise to an improvement in underlying market confidence.

Permanent staff appointments also increased across the UK as a whole in August. Although only marginal, it marked the first uptick in 47 months.

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

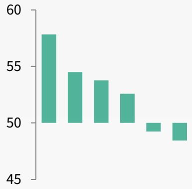


Temporary Billings Index
sa, >50 = growth since previous month



Temporary Billings Index

Mar - Aug '26
sa, >50 = growth



Temp billings fall modestly

Temp billings across the Midlands fell for the second month in a row in August. Though modest, the fall was the most pronounced in 13 months. Panellists generally attributed the latest decline to lower demand for contract staff.

The Midlands remained the only one of the four monitored English regions to record a fall in temp billings.

sa, >50 = growth since previous month

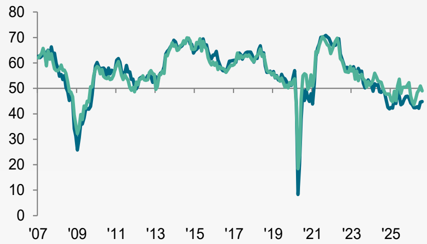
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Mar-26	49.2	45.4	48.4	57.8
Apr-26	47.5	39.9	50.4	54.5
May-26	44.1	40.0	52.2	53.8
Jun-26	49.1	47.7	52.7	52.6
Jul-26	50.0	50.6	51.9	49.2
Aug-26	50.5	51.6	52.4	48.4

Job vacancies

August data signalled a twenty-seventh consecutive monthly decline in permanent vacancies across the Midlands. Although the fall remained sharp, it was the softest recorded so far this year. The downturn in the Midlands was also the steepest of the four monitored English regions.

After a marginal rise in temp vacancies across the Midlands in July, August saw a renewed decline. The rate of contraction was only slight, however, and broadly in line with that recorded across the UK as a whole.

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



sa, >50 = growth since previous month

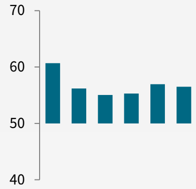
	Permanent		Temporary	
	UK	Midlands	UK	Midlands
Mar-26	46.0	42.4	45.6	43.6
Apr-26	46.1	42.4	47.9	45.6
May-26	45.6	42.8	49.6	48.3
Jun-26	44.8	42.2	49.5	49.4
Jul-26	46.8	44.6	52.2	50.9
Aug-26	46.8	44.8	49.1	49.0

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



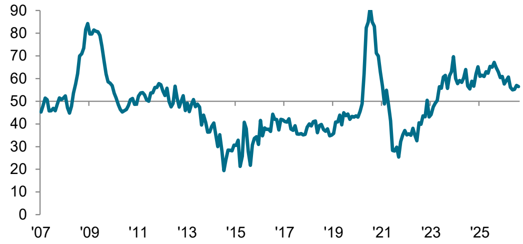
Sustained and sharp rise in permanent staff supply

Permanent staff supply across the Midlands rose sharply in August. Anecdotal evidence indicated that redundancies were the main driver of the latest increase.

That said, the pace of growth eased slightly from July, and was the weakest among the four monitored English regions.

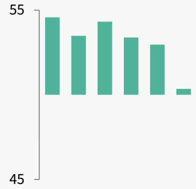
Permanent Staff Availability Index

sa, >50 = improvement since previous month



Temporary Staff Availability Index

Mar - Aug '26
sa, >50 = improvement



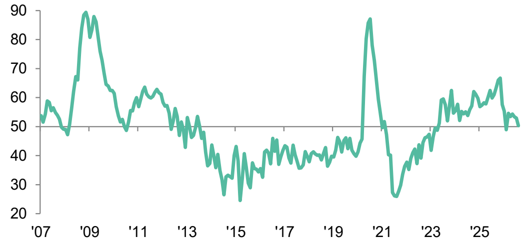
Growth in temp staff supply eases notably

Temp staff availability across the Midlands rose for a sixth consecutive month in August. However, the rate of growth eased for the third month running and was only marginal.

The Midlands continued to record the weakest upturn in temp staff supply of the four tracked English regions.

Temporary Staff Availability Index

sa, >50 = improvement since previous month



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Aug-26	60.9	56.5	56.1	50.4

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial
Qualified Accountancy
Tax & Audit

Blue Collar
Blue Collar
FLT Operators
HGV Drivers
Welders

Construction
Architectural Tech

Engineering
Engineers

Executive/Professional
Quality Assurance

IT & Computing
Automation Testers
IT
Software Developers

Other
Drama Teacher
STEM
Trade Tutor FE

Skills in short supply: Temporary staff

Accounting/Financial
Finance
Tax & Audit

Blue Collar
Blue Collar
Drivers
FLT Operators
HGV Drivers
Security Guards
Warehouse Operatives

Engineering
Engineers
Maintenance Engineers

IT & Computing
IT
Software Developers

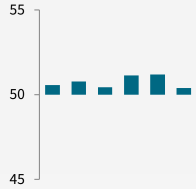
Other
Drama Teacher
STEM
Trade Tutor FE

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



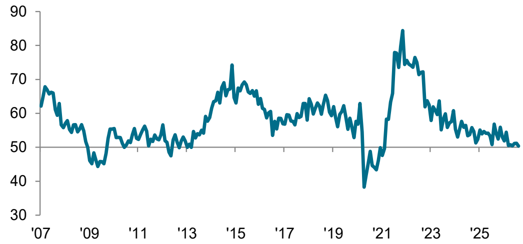
Starting salaries increase only marginally

Starting salaries for permanent joiners in the Midlands rose again in August, which was linked to higher living costs and negotiations with candidates. That said, the respective seasonally adjusted index posted only slightly above the neutral 50.0 mark, signalling the joint-weakest increase over the current five-and-a-half-year sequence of pay inflation.

In fact, among the four monitored English regions, the Midlands recorded the softest rise in permanent starting salaries in August.

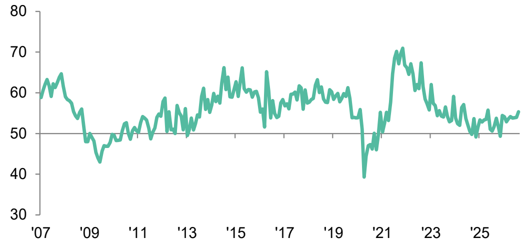
Permanent Salaries Index

sa, >50 = inflation since previous month



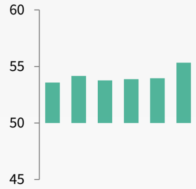
Temporary Wages Index

sa, >50 = inflation since previous month



Temporary Wages Index

Mar - Aug '26
sa, >50 = inflation



Temp pay inflation strongest in 15 months

Recruiters in the Midlands reported a rapid rise in wages for short-term workers in August, with the rate of increase reaching a 15-month high. The Midlands also recorded the fastest rise among the four monitored English regions. The higher cost of living was noted as a factor pushing up wages in the latest survey period.

sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	Midlands	UK	Midlands
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
Aug-26	54.1	50.4	53.5	55.3

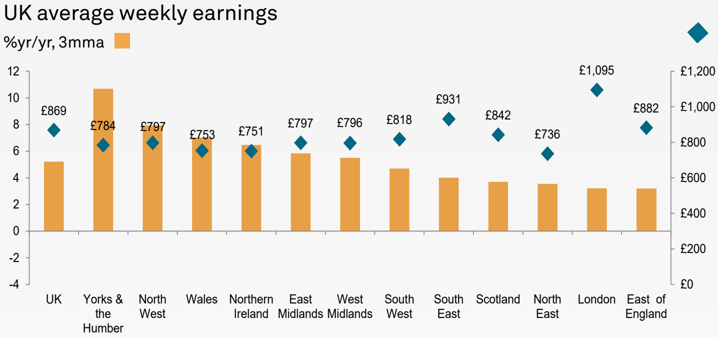
Official data: UK average weekly earnings

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

%yr/yr, 3mma



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

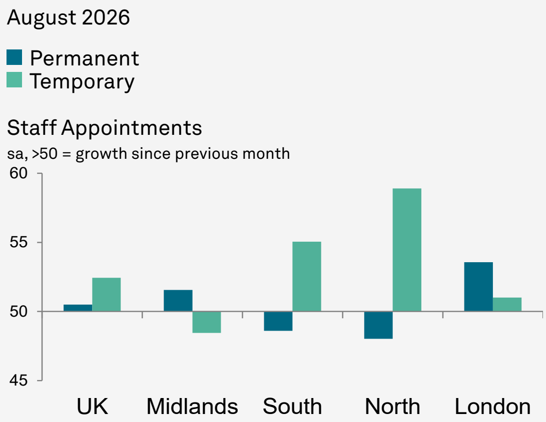
5 Regional comparison

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 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.

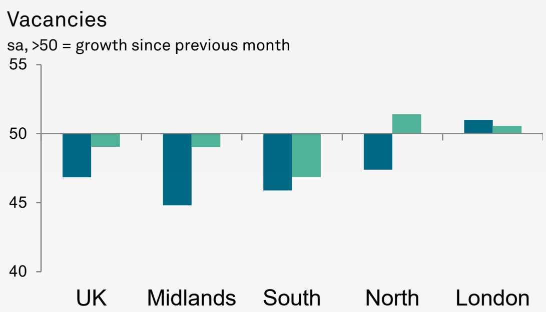
Temp billings across the UK increased for the fifth successive month midway through the third quarter. The rate of growth quickened from July and was solid overall. The expansion was underpinned by increases in three of the four monitored English regions, led by the North of England. The Midlands was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

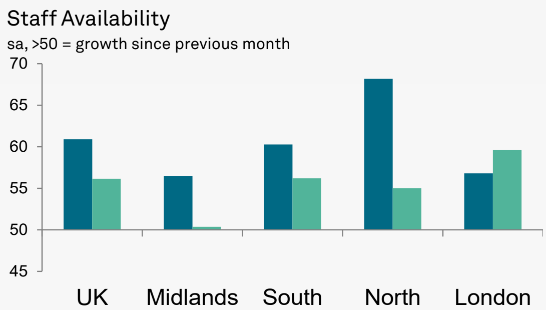


Candidate availability

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.

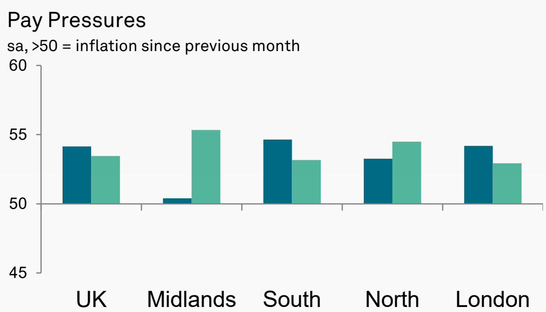




Pay Pressures

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.



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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 12-24 August 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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