

KPMG and REC, UK Report on Jobs: London

Growth in permanent placements slows in September

50.4

PERMANENT
PLACEMENTS INDEX
SEP '26

44.4

TEMPORARY BILLINGS
INDEX
SEP '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.

Upturn in permanent new joiners only marginal

Fresh decline in temp billings

Pay inflation eases and remains historically muted

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

"September's figures point to a London jobs market that is resilient. London was one of only two English regions where demand for permanent staff increased in September. That tells us that talent remains in demand in the capital, even as businesses are being careful about taking on additional costs."

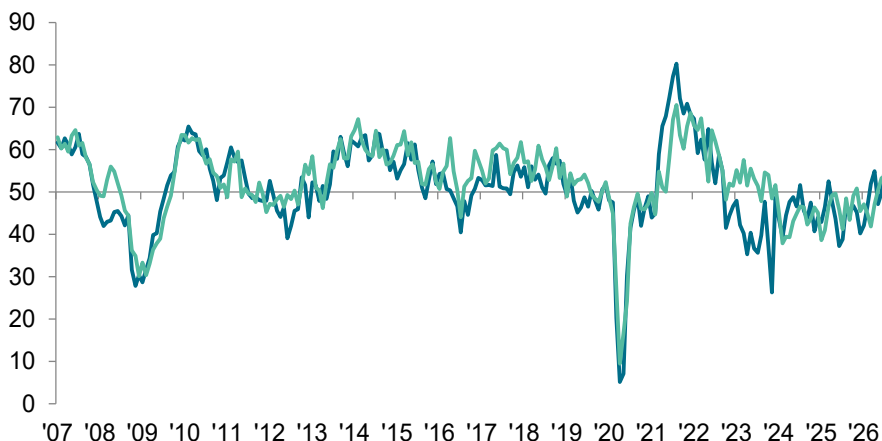
"With the Budget approaching, the government has an opportunity to give businesses the confidence they need to invest in hiring and create more jobs. London's success is built on its talent, and attracting, developing and retaining the people our businesses need is both one of their biggest priorities and one of the capital's greatest opportunities."

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

"The permanent jobs market is revving its engine, with permanent placements in London rising for a third consecutive month. As a key piston in the engine of the UK economy, London's recovery is an encouraging sign. Permanent vacancies also keep rising in London. The downturn in temp billings last month is a surprise, but it must be seen in the context of the previous four months of growth. If this trend continues, we could see genuine momentum building across the London labour market, with permanent and temporary hiring moving broadly in the same direction. That would be encouraging for jobseekers and for the region's economy. A Budget that gets business confidence moving again is key to maintaining momentum. The geopolitical backdrop remains challenging for government and business alike. But the Chancellor cannot seize this moment with talk of stability alone. Employers want to hear not just how we will deliver stability, but how we will go for growth."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

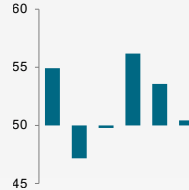


1 Staff appointments

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

Apr - Sep '26
sa, >50 = growth



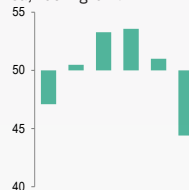
Marginal rise in permanent placements

Recruiters in London recorded a rise in permanent placements at the end of the third quarter. Where growth was recorded, respondents cited increased business activity which had boosted hiring at clients. That said, the pace of increase eased further to indicate only a slight rise, and one which was notably weaker than at the start of the quarter when the current sequence of growth commenced.

Permanent new joiners also rose at the UK level, with the pace of expansion outpacing that seen in London.

Temporary Billings Index

Apr - Sep '26
sa, >50 = growth



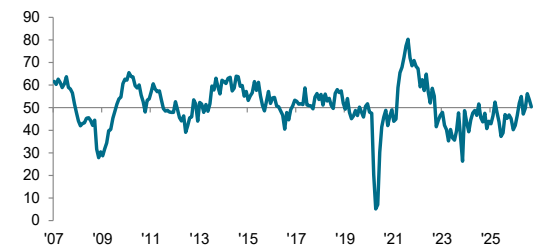
Fresh decline in temp billings

Following four consecutive months of growth, a marked fall in temp billings was reported in September. In fact, the respective seasonally adjusted index fell for a second month running to the lowest since March. According to anecdotal evidence, the completion of contract roles, as well as the non-replacement of leavers were factors underlining the decrease.

Moreover, of the four tracked English regions, London was the only area to register a decline in billings received from temporary workers.

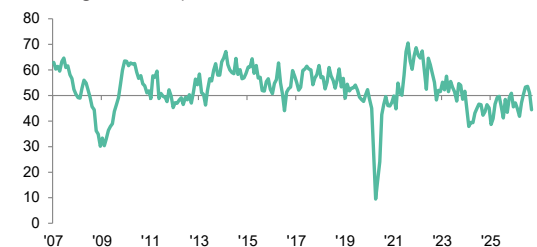
Permanent Placements Index

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
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
Sep-26	50.9	50.4	50.9	44.4

Job vacancies

Permanent vacancies rose across London during September, stretching the current run of growth to six months. The pace of increase was modest, and slightly stronger than seen in August.

After four consecutive months of growth, demand for temporary staff deteriorated in the capital in September. Moreover, the downturn was solid and most marked since March.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

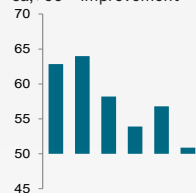
	Permanent		Temporary	
	UK	London	UK	London
Apr-26	46.1	52.0	47.9	48.7
May-26	45.6	52.4	49.6	53.3
Jun-26	44.8	51.6	49.5	53.6
Jul-26	46.8	52.7	52.2	55.9
Aug-26	46.8	51.0	49.1	50.6
Sep-26	48.4	51.5	48.9	47.1

2 Staff availability

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

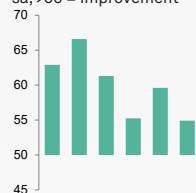
Permanent Staff Availability Index

Apr - Sep '26
sa, >50 = improvement



Temporary Staff Availability Index

Apr - Sep '26
sa, >50 = improvement



Upturn in permanent staff supply eases notably

The latest data indicated a rise in permanent staff supply across London, thereby extending the current run of growth to 46 months. Recruiters often cited redundancies as a key factor underpinning the uptick. That said, the pace of growth eased notably over the course of the month to the second-weakest in the aforementioned sequence, slightly ahead of that seen in March 2023. Moreover, the upturn in permanent staff availability across London was the weakest of the four monitored English regions.

Upturn in temp staff supply softest in three years

A forty-fifth successive monthly rise in temp staff supply was recorded across London in September. According to anecdotal evidence, redundancies were reportedly behind the latest increase. Although marked, the rate of growth eased notably since August to the weakest in three years.

In fact, of the four tracked English regions, London saw the number of available temp candidates rise to the weakest degree.

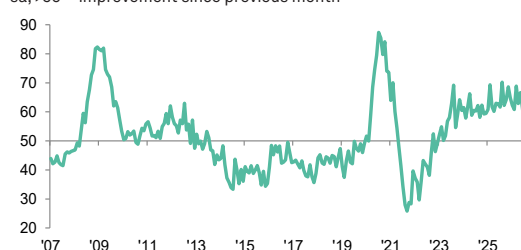
Permanent Staff Availability Index

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
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
Sep-26	57.2	50.9	57.4	54.9

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	Nursing/Medical/Care
Estimators	Care Assistants
Finance	Medical
Payroll Specialists	Nurses
Transactional Finance	Occupational Therapist
Blue Collar	Paramedics
Drivers	Physiotherapist
	Social Workers
Construction	
Quantity Surveyors	
Surveyors	
Engineering	
Engineers	
Hotel & Catering	
Chefs	
IT & Computing	
Software Sales	

Skills in short supply: Temporary staff

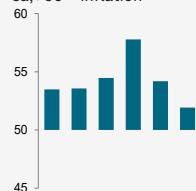
Accounting/Financial	Nursing/Medical/Care
Finance	Social Workers
Blue Collar	Other
Blue Collar	Commercial
Labourers	Education
Construction	
Labourers	
Quantity Surveyors	
Surveyors	
Executive/Professional	
Human Resources	
Hotel & Catering	
Catering	
Chefs	
Kitchen Production System	
IT & Computing	
AI/ML 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

Apr - Sep '26
sa, >50 = inflation



Starting salary inflation weakest in six months

Starting salaries awarded to permanent joiners in London rose modestly during September. Competition to secure suitable candidates and cost of living pressures pushed up salary growth, according to survey members. That said, the pace of increase eased further to the slowest since March, and was weaker than both the historical and UK averages.

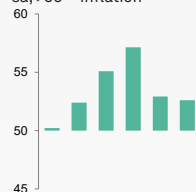
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Apr - Sep '26
sa, >50 = inflation

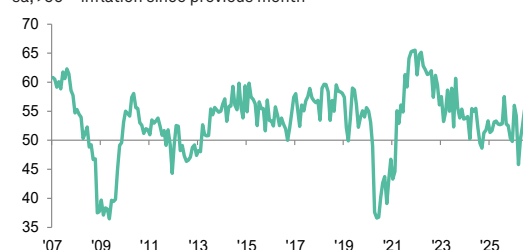


Moderate rise in temp hourly wage rates

The seasonally adjusted Temporary Wages Index posted above the neutral 50.0 threshold to signal an increase in pay for short-term staff across the capital for a sixth month running in September. The pace of temp wage inflation was in line with that seen across the UK as a whole, but the slowest in four months and weaker than the long-run average.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
Sep-26	53.4	51.9	52.6	52.6

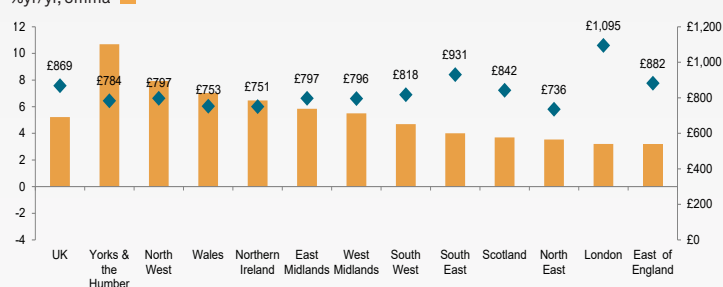
Official data: UK average weekly earnings

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: 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

Following August's first rise in nearly four years, permanent placements continued to increase across the UK in September. Although marginal, the rate of growth was the fastest since September 2022. Permanent placements rose in three of the four monitored English regions, with the North of England joining London and the Midlands in reporting growth. The steepest rate of expansion was seen in the North of England. Meanwhile, the South of England posted a further mild decline.

Temporary billings also increased across the UK in September. The rate of growth was also marginal, however, and the weakest since the current run of expansion began in April. Except for London, where billings fell for the first time in five months, all monitored English regions recorded increases. The North saw the strongest rise overall, though the pace of growth eased since August.

Candidate availability

Permanent candidate availability rose rapidly across the UK in September, although the rate of increase eased to a three-year low. Three of the four monitored English areas reported slower rates of growth, with the Midlands the sole exception. The North of England recorded the sharpest rise in permanent candidate numbers, while London saw the weakest.

Temporary staff availability also increased rapidly across the UK, with the latest upturn the fastest in three months. The pace of expansion quickened in three of the four tracked English regions, led by the North of England. London was the only region to record slower growth and also posted the weakest increase.

Pay Pressures

Permanent starting salaries rose across the UK in September. The rate of increase was solid but softer than that seen in August and remained subdued by historical standards. Starting salary inflation strengthened in both the North of England and the Midlands, which ranked first and second respectively among the four monitored English regions. The pace of inflation eased in the other two regions, with the South of England registering the slowest increase overall.

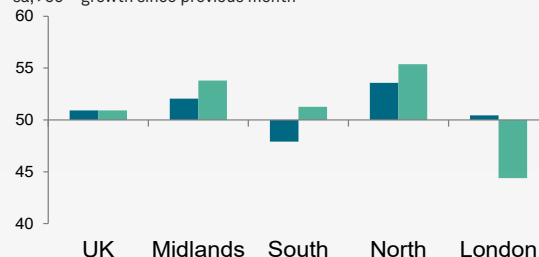
Average hourly pay for short-term staff remained on an upward trend across the UK in September. However, the pace of temp wage inflation eased to a four-month low as growth rates moderated across all monitored English regions. The most pronounced increase was recorded in the North, while the softest uptick was in the Midlands.

September 2026

■ Permanent
■ Temporary

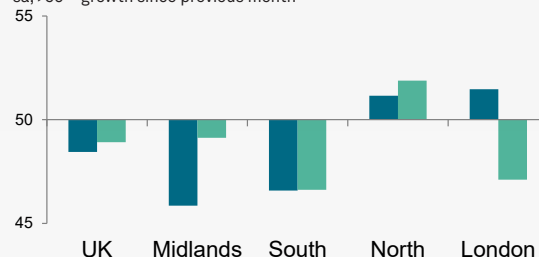
Staff Appointments

sa, >50 = growth since previous month



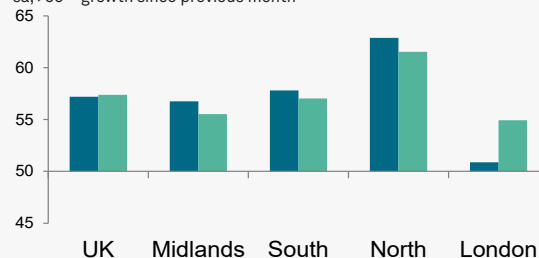
Vacancies

sa, >50 = growth since previous month



Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



Contact

KPMG

Claire Barratt
Deputy Head of Media Relations
T: +44 (0)7923 439264
claire.barratt@kpmg.co.uk

REC

Hamant Verma
Communications Manager
T: +44 (0)20 7009 2129
hamant.verma@rec.uk.com

S&P Global

Maryam Baluch
Economist
S&P Global Market Intelligence
T: +44 134 432 7213
maryam.baluch@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

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 10-24 September 2026.

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