

KPMG and REC, UK Report on Jobs: London

Permanent staff appointments record fresh decline in April

47.8

PERMANENT
PLACEMENTS INDEX
APR '25

49.3

TEMPORARY BILLINGS
INDEX
APR '25

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.

Fresh downturn in permanent placements reverses growth seen in March

Temp billings fall at weakest pace in 16 months

Vacancies reduced at faster rate

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

"After a short-lived period of renewed optimism, London's job market has softened once again, with permanent placements declining and vacancies falling at a sharper pace. While employers are clearly exercising caution in the face of ongoing economic uncertainty, the capital continues to show relative resilience compared to other UK regions, underpinned by its diverse economy and demand in key sectors such as financial services, technology and creative industries.

"The increase in candidate availability - largely the result of redundancies - is intensifying competition for roles but also expanding the recruitment pool for businesses looking to bring in fresh talent. As the market recalibrates, employers will need to strike a careful balance between cost management and securing the right skills to drive long-term growth."

Neil Carberry, REC Chief Executive, said:

"Given the bow wave of costs firms faced in April, maintaining the gradual improvement in numbers we have seen over the past few months is on the good end of our expectations for the UK. While we are yet to see real momentum build, hopes of an improving picture across the UK in the second half of the year should be buoyed a bit by today's nationwide data.

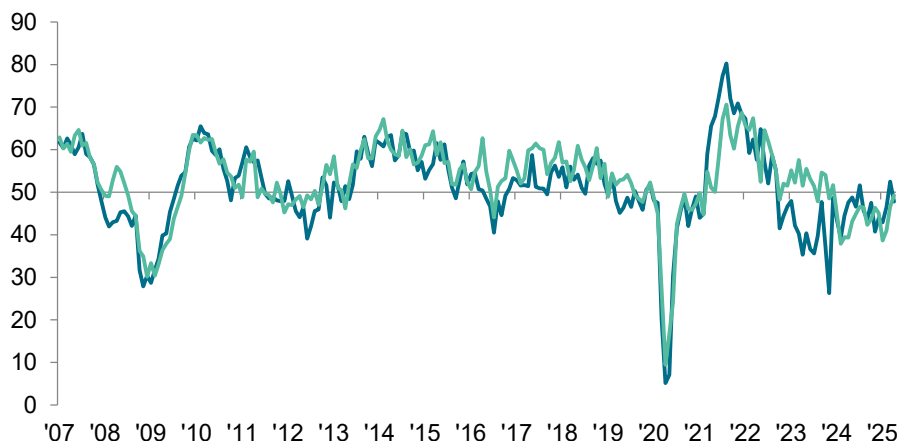
"Recruiters in the Capital are actively struggling to fill some roles in key sectors such as accounting and finance, construction, hotel and catering, IT and engineering because of a lack of skilled workers, although these labour shortages are markedly less than elsewhere in the country.

"Last week's interest rate move is well-timed, offering some relief for businesses, with pay pressures now more contained.

"The biggest single drag factor on activity right now is uncertainty. Some of that can't be helped, but payroll tax costs and regulation design is in the government's gift. Businesses have welcomed positive discussions with Ministers on the Employment Rights Bill, but now it is time for real changes to address employers' fears and boost hiring. A sensible timetable and practical changes that reduce the red tape for firms in complying with the Bill will go a long way to calming nerves about taking a chance on someone."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

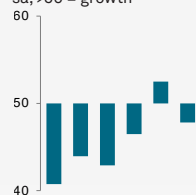


1 Staff appointments

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

Nov '24 - Apr '25
sa, >50 = growth



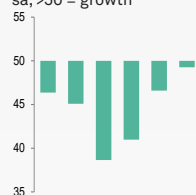
Renewed decline in permanent placements

Following a rise for the first time in eight months during March, recruitment consultancies based in the capital recorded a fall in the number of people placed in permanent roles during April. Market instability and fewer vacancies led to reduced hiring activity, anecdotal evidence noted.

The rate of contraction across London was modest and the weakest among the four monitored English regions, however.

Temporary Billings Index

Nov '24 - Apr '25
sa, >50 = growth



Temp billings fall only marginally

April data revealed only a marginal decline in billings received from temporary workers in London. The rate of decrease eased for a third consecutive month to the slowest in the current 16-month sequence of contraction. Where recruiters recorded a fall, it was attributed to high hiring costs for temporary workers and reduced business requirements.

All four tracked English regions reported a drop in temporary billings, with London experiencing the shallowest downturn.

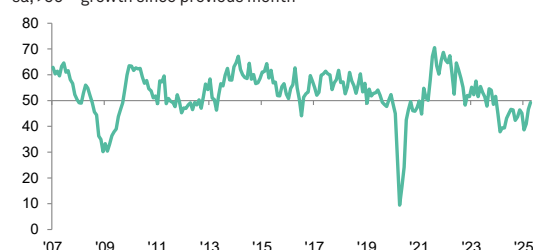
Permanent Placements Index

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
Nov-24	40.7	40.8	47.7	46.4
Dec-24	39.5	44.0	46.3	45.1
Jan-25	39.8	42.9	41.5	38.6
Feb-25	43.6	46.5	45.0	41.0
Mar-25	43.4	52.5	46.0	46.6
Apr-25	44.7	47.8	46.3	49.3

Job vacancies

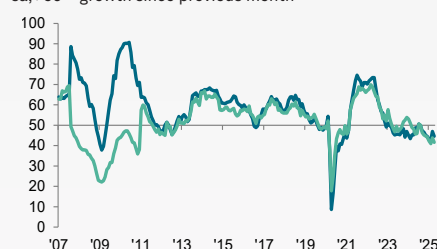
Vacancies across the capital fell sharply in April, with the downturns in both permanent and temporary vacancies deepening compared to the previous month. While London recorded the smallest decline in permanent vacancies among the four monitored English regions, temporary vacancies fell at the second-fastest pace, surpassed only by the South of England.

Vacancies Index

■ Permanent

■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

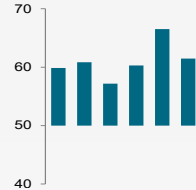
	Permanent		Temporary	
	UK	London	UK	London
Nov-24	43.8	45.1	46.2	44.7
Dec-24	42.7	44.5	45.4	44.1
Jan-25	41.5	43.0	43.3	42.3
Feb-25	41.7	42.9	43.5	40.9
Mar-25	44.1	46.9	45.2	43.8
Apr-25	43.1	44.6	43.2	41.6

2 Staff availability

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

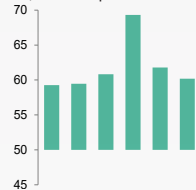
Permanent Staff Availability Index

Nov '24 - Apr '25
sa, >50 = improvement



Temporary Staff Availability Index

Nov '24 - Apr '25
sa, >50 = improvement



Marked, but softer increase in permanent staff supply

As has been the case since December 2022, the availability of candidates for permanent roles rose across the capital in April. The rate of increase eased notably from March's recent high, but was marked overall. Redundancies and reduced recruitment activity were said to have driven the latest uptick.

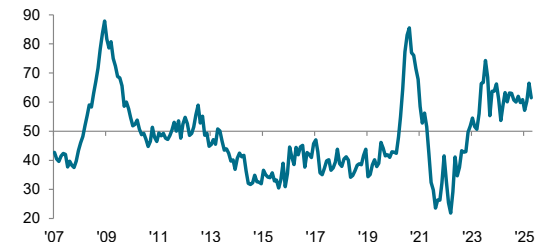
When compared to the four monitored English regions, only the South of England recorded a slower expansion in permanent staff availability than seen in London.

Temp staff supply growth cools further

Recruiters in London reported a rapid increase in the availability of temporary staff in the capital, driven by reports of redundancies and a growing preference among temporary workers for permanent positions. After hitting a four-year high in February, the seasonally adjusted Temporary Staff Availability Index edged down to the lowest level recorded in 2025 so far. However, the rate of increase remained comfortably above the long-run series average.

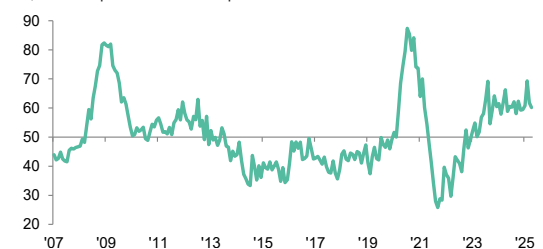
Permanent Staff Availability Index

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
Nov-24	59.8	59.9	59.4	59.3
Dec-24	60.7	60.8	59.5	59.5
Jan-25	57.7	57.2	58.1	60.8
Feb-25	59.2	60.3	59.6	69.3
Mar-25	63.2	66.5	60.2	61.8
Apr-25	62.8	61.5	59.6	60.2

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	IT/Computing
Credit Controllers	Analysts
Estimators	Digital
Blue Collar	Nursing/Medical/Care
Drivers	Carers
Construction	Healthcare Assistants
Quantity Surveyors	Medical
Engineering	Social Workers
Engineers	Other
Executive/Professional	Customs
Commercial Manager	
Project Manager	
Hotel & Catering	
Chefs	
Hospitality	

Skills in short supply: Temporary staff

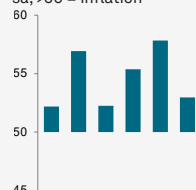
Blue Collar
Carpenters
Construction
Quantity Surveyors
Labourers
Hotel & Catering
Chefs
IT & Computing
Analysts
Software Sales
Nursing/Medical/Care
Healthcare Assistants
Other
Sales Directors

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

Nov '24 - Apr '25
sa, >50 = inflation



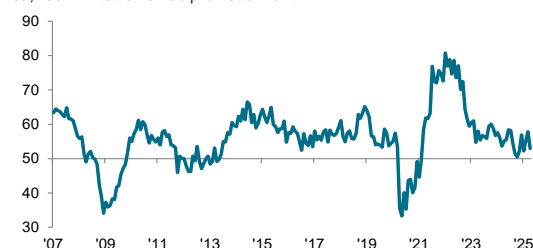
Permanent starting salary growth eases to three-month low

In line with the trend that began in March 2021, salaries awarded to new permanent joiners in London rose further in April. However, the rate of pay growth eased to a three-month low.

Among the four monitored English regions, the Midlands recorded the fastest rise in starting salaries, followed by London.

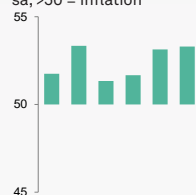
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Nov '24 - Apr '25
sa, >50 = inflation



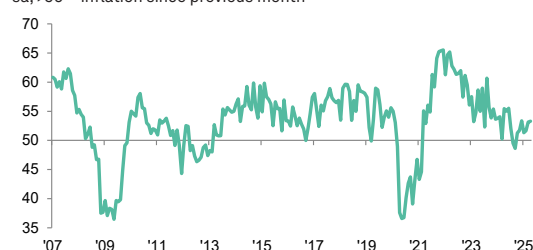
Temp wages rise at strongest pace in 2025 so far

Hourly rates for short-term workers across London rose for a seventh straight month in April. The pace of temporary wage inflation was the fastest recorded so far this year and solid overall. Anecdotal evidence attributed the latest increase to recent policy changes that took effect at the start of April.

In fact, all four monitored English regions saw temporary wages rise at stronger rates in the latest survey period.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
Nov-24	52.6	52.2	51.2	51.8
Dec-24	53.1	56.9	51.6	53.3
Jan-25	52.6	52.2	50.5	51.3
Feb-25	52.1	55.4	51.1	51.7
Mar-25	53.3	57.8	51.6	53.1
Apr-25	53.3	53.0	53.9	53.3

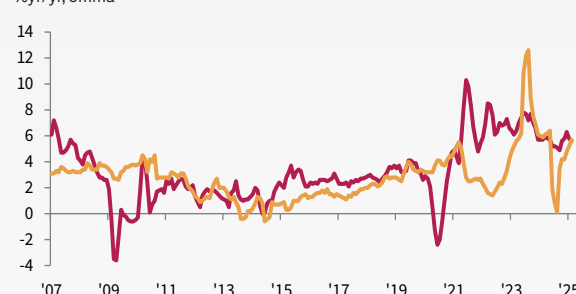
Official data: UK average weekly earnings

Official data published by the ONS indicated that average weekly earnings continued to expand at a historically strong pace in the three months to February. At 5.6%, the rate of pay growth was unchanged from the preceding three-month period, running at nearly double the average seen prior to the pandemic (2.9%).

Public sector pay increased at a slightly quicker pace than private sector earnings (5.7% versus 5.6%). Notably, the uptick in public sector pay was the strongest seen since the three months to May 2024.

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

Permanent placements continued to decrease across the UK at the start of the second quarter, thereby extending the current sequence of decline that began in October 2022. While the pace of contraction eased to the slowest in seven months, it remained sharp overall. All four monitored English regions noted a fall in permanent staff appointments, with the strongest downturn seen in the South of England.

Meanwhile, temp billings fell for the tenth consecutive month across the UK in April, and at a solid pace. Reductions were recorded across all four monitored English regions, led by the South of England. The fall in London was only marginal, however.

Candidate availability

Permanent staff availability increased at a robust pace across the UK at the start of the second quarter, with the rate of expansion the second-steepest since December 2020. The upturn was led by the North of England, though growth of permanent staff supply was also marked across the three other monitored English regions.

Concurrently, temporary staff availability rose markedly at the UK level during April. The rate of increase eased from March but remained rapid, with only the South of England seeing a stronger rise in temp candidate numbers. The softest increase was meanwhile seen in the Midlands.

Pay Pressures

Permanent starting salaries increased at a moderate pace at the UK level in April, with the rate of inflation unchanged from March. The Midlands saw the steepest rise in starting salaries, while the softest was recorded in the South of England. All four monitored English regions saw an increase in permanent starting salaries for the first time in six months.

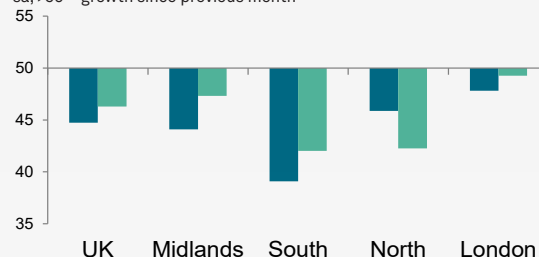
At the same time, hourly pay rates for temporary staff across the UK rose at a solid rate that was the strongest in nearly a year. Faster increases in temp wages were recorded across all four monitored English regions, led by the South of England.

April 2025

■ Permanent
■ Temporary

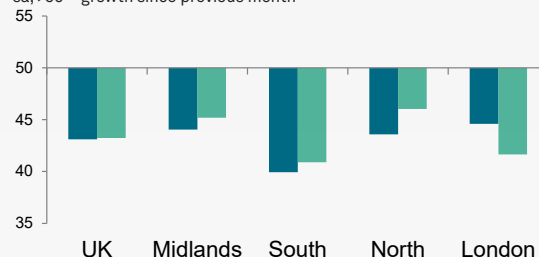
Staff Appointments

sa, >50 = growth since previous month



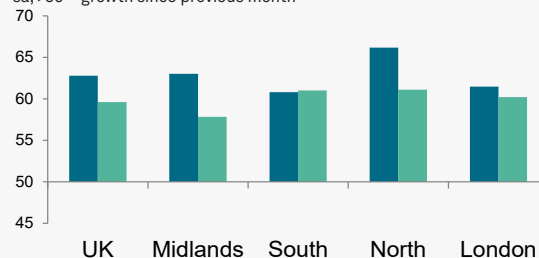
Vacancies

sa, >50 = growth since previous month



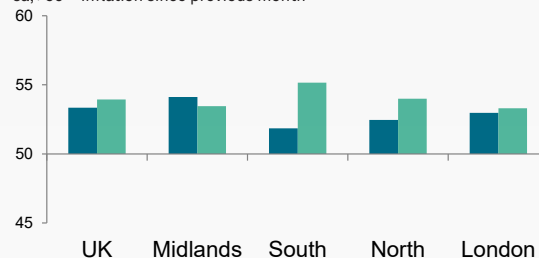
Staff Availability

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 9-24 April 2025.

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