

KPMG and REC, UK Report on Jobs: London

Hiring activity deteriorates further in June

37.3

PERMANENT
PLACEMENTS INDEX
JUN '25

45.8

TEMPORARY BILLINGS
INDEX
JUN '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.

Downturn in permanent staff placements steepest in 19 months

Temp billings fall sharply

Starting salary inflation eases

Commenting on the latest survey results, Jon Holt, Group Chief Executive and UK Senior Partner KPMG, said:

"Ongoing geopolitical turbulence and the threat of rising costs, alongside the promise of technology efficiencies, mean companies continue to wait and see with their hiring. But where there have been recent Government commitments, such as in housebuilding and infrastructure, we are seeing a small increase in permanent vacancies in related sectors – construction and engineering – which is encouraging."

"As we head into the second half of the year, global headwinds will continue to impact the overall economic outlook, but clear priorities set out in the Industrial and Trade Strategies and growth in the services sector should provide some of that confidence business leaders need to start planning future investments and to consider their hiring activities."

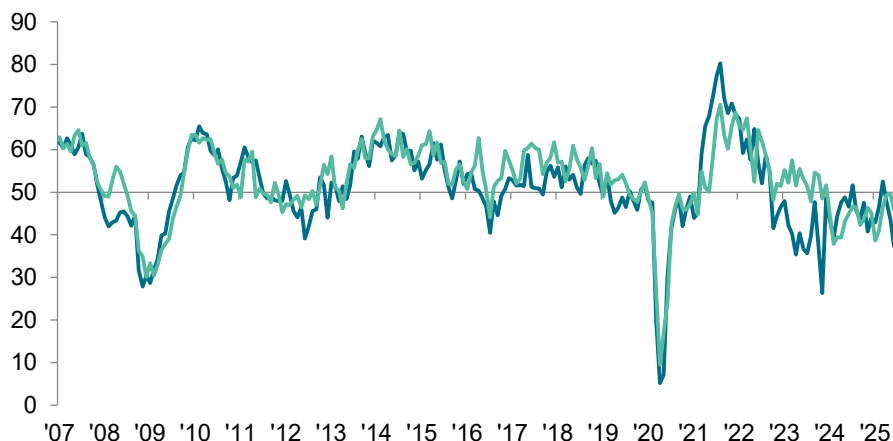
Neil Carberry, REC Chief Executive, said:

"The labour market is sending mixed messages month to month, suggesting employers are taking a practical and conservative approach, hiring more when they need to, rather than when they want to. Much of that hesitation stems from the scar tissue left by the Spring tax hikes. In London, rising hiring costs and economic uncertainty is leading to prolonged hiring processes, diminished client confidence, fewer requirements for temporary staffing and lower overall market demand."

"Clarity and transparency from government is vital to build trust with business and drive recovery. The new roadmap for the Employment Rights Bill allows for full and frank consultation on how the new rules will be shaped and gives breathing space to embattled businesses. Updating workplace protections is important, but striking the right balance with the business growth ambitions is the crucial part."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

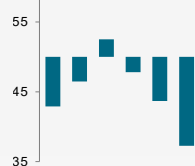


1 Staff appointments

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

Jan - Jun '25
sa, >50 = growth

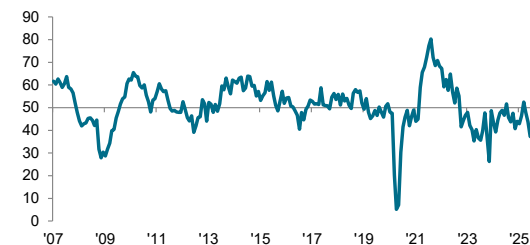


Strongest fall in new permanent joiners in 19 months

Recruitment consultancies based in London recorded a third consecutive monthly fall in permanent placements in June. The rate of contraction was rapid and the most pronounced in 19 months. Surveyed respondents linked the fall to a combination of economic uncertainty, a lack of vacancies, prolonged hiring processes and diminished client confidence.

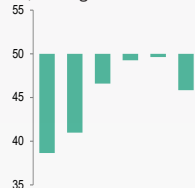
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

Jan - Jun '25
sa, >50 = growth

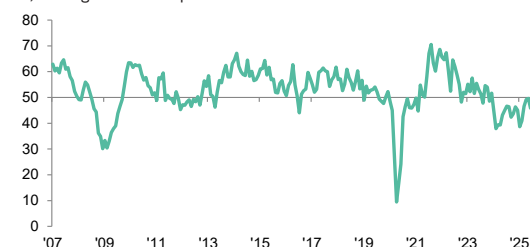


Strongest fall in temp billings in four months

Temp billings fell sharply across London in June, thereby extending the current run of decrease to one-and-a-half years. After easing to a 17-month low in May, the rate of contraction quickened to the strongest since February. Contributing factors to the latest decrease included rising hiring costs, fewer requirements for temporary staffing, and lower overall market demand.

Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-25	44.2	43.7	47.1	49.6
Jun-25	39.1	37.3	45.5	45.8

Job vacancies

Permanent vacancies in the capital declined for an eleventh straight month in June. The latest downturn was rapid and the most marked in four months.

Additionally, demand for temporary staff also deteriorated across the capital in June. The rate of decrease was solid, yet the weakest in the current ten-month sequence of decline.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

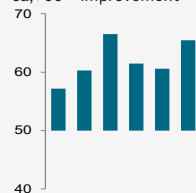
	Permanent		Temporary	
	UK	London	UK	London
Jan-25	41.5	43.0	43.3	42.3
Feb-25	41.7	42.9	43.5	40.9
Mar-25	44.1	46.9	45.2	43.8
Apr-25	43.1	44.6	43.2	41.6
May-25	46.6	47.4	46.8	45.1
Jun-25	44.8	43.2	48.6	47.4

2 Staff availability

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

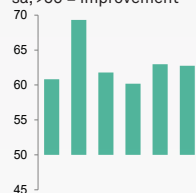
Permanent Staff Availability Index

Jan - Jun '25
sa, >50 = improvement



Temporary Staff Availability Index

Jan - Jun '25
sa, >50 = improvement



Marked upturn in permanent candidate numbers

June data signalled a marked rise in the availability of permanent staff across London, with the latest uptick the strongest in the second quarter. Expansions have now been noted in each month since December 2022. Recruiters in the capital often linked higher permanent labour supply to an increase in redundancies, as well as a growing availability of candidates for hybrid or remote roles.

Sustained rise in temp staff supply

The availability of workers for short-term roles in London expanded in June, thereby stretching the current sequence of growth to 30 months. The rate of increase was rapid overall and broadly consistent with that seen in May. Recruiters frequently attributed the uptick in supply to an influx of candidates in the market following redundancies, more candidates actively seeking work, and permanent candidates being open to temporary roles.

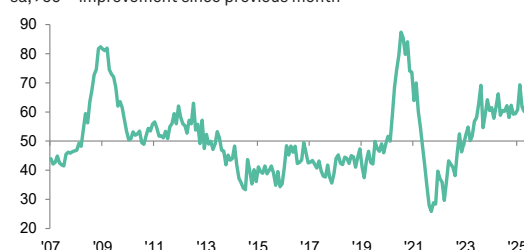
Permanent Staff Availability Index

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
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
May-25	63.5	60.6	61.3	63.0
Jun-25	66.3	65.5	63.2	62.8

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	Hotel & Catering
Accountants	Chefs
Blue Collar	Hospitality
Drivers	IT/Computing
Construction	IT Project Manager
Building Surveyors	Technical Roles
Construction	Nursing/Medical/Care
Quantity Surveyors	Carers
Site Foreman	Doctors
Engineering	Medical
Design Engineers	Nurses
Engineers	Occupational Therapist
Executive/Professional	Paramedics
Business Development	Physiotherapist
Commercial Manager	Social Workers
Mid-Senior Management	
Real Estate	

Skills in short supply: Temporary staff

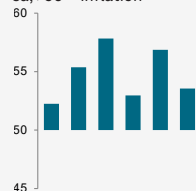
Blue Collar
Carpenters
Construction
Building Surveyors
Decorators
Labourers
Hotel & Catering
Chefs
Nursing/Medical/Care
Social Workers

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

Jan - Jun '25
sa, >50 = inflation

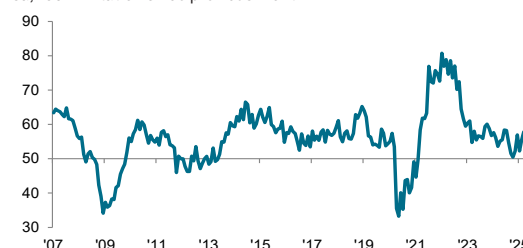


Permanent salaries rise at weaker pace in June

Pay awarded to newly-placed permanent workers in London rose further in June, thereby stretching the current run of salary inflation which began in March 2021. That said, the pace of increase eased noticeably to indicate only a modest rise in salaries, one which was weaker than the historical average.

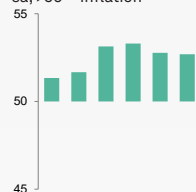
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

Jan - Jun '25
sa, >50 = inflation

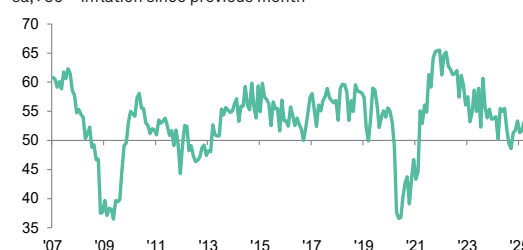


Weakest rise in temp wages in four months

Recruitment consultancies based in the capital indicated a sustained rise in average hourly rates of pay for temp staff in June. Surveyed panellists often commented that an increase to the National Minimum wage and skills shortages drove the uptick. That said, the rate of wage growth eased further to the slowest in four months and was historically muted.

Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	London	UK	London
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
May-25	54.1	56.9	54.4	52.8
Jun-25	52.7	53.6	52.3	52.7

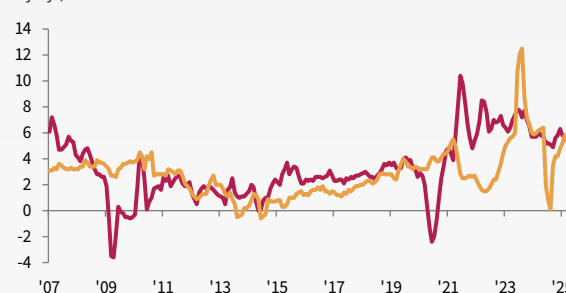
Official data: UK average weekly earnings

Latest data from the ONS showed that average weekly earnings (including bonuses) increased by 5.3% on an annual basis in the three months to April. Though strong in the context of historical data, this marked the softest rise in pay since the three months to September 2024.

Data broken down by sector revealed that the slowdown was driven by a weaker rise in private sector earnings (5.3%, down from 5.5%), as public sector pay growth quickened slightly (5.5%, up from 5.4%).

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 decreased again across the UK during June. The rate of decline was marked, and the most pronounced since August 2023. All four monitored English regions saw permanent placements fall at the end of the second quarter. The sharpest reduction was in the South of England, with the slowest decline in the North of England.

Recruitment agencies across the UK also saw a reduction in temporary billings during June, extending the current period of decline to one year. The rate of contraction was sharp and the strongest recorded for four months. Three of the four monitored English regions saw further reductions in temp billings, with the Midlands bucking the wider trend to see a rise for the second month in a row.

Candidate availability

Candidate availability for permanent positions continued to increase across the UK in June. The rate of growth quickened from that seen in May to reach the most pronounced since November 2020. Higher candidate numbers were seen across each of the four monitored English regions, led by the South of England. The slowest increase in permanent staff availability was recorded in the North of England.

June data pointed to a robust and accelerated increase in the number of candidates for temporary roles, with the rate of expansion the sharpest since November 2020. Stronger upturns in temporary labour supply were registered in the South of England and the Midlands, while the North of England and London saw softer, yet still marked increases.

Pay Pressures

Latest data signalled a slowdown in the pace of starting salary inflation at the UK level. Notably, the latest increase in permanent starters' pay was the weakest for four months. All four monitored English regions saw softer rises in starting salaries, with the strongest rate of inflation seen in London and the slowest in the South of England.

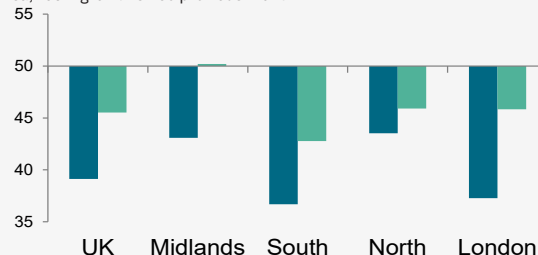
Temporary pay rates increased across the UK during June, though the rate of inflation was modest and weaker than the series average. Three of the four monitored English areas posted a softer rise in temp wages in the latest survey period, while the North of England saw pay fall for the first time since November 2023.

June 2025

■ Permanent
■ Temporary

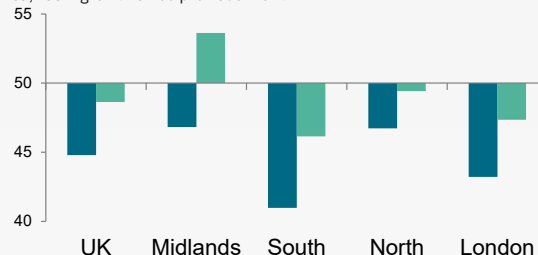
Staff Appointments

sa, >50 = growth since previous month



Vacancies

sa, >50 = growth since previous month



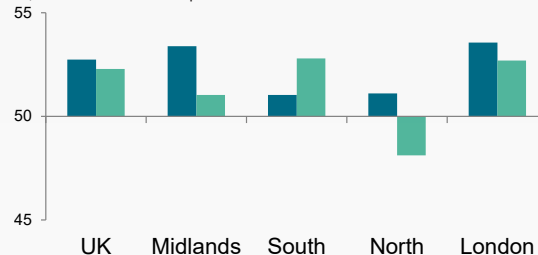
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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 12-24 June 2025.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.

About KPMG UK

KPMG LLP, a UK limited liability partnership, operates across the UK with approximately 17,000 partners and staff. The UK firm recorded a revenue of £2.99 billion in the year ended 30 September 2024.

KPMG is a global organisation of independent professional services firms providing Audit, Legal, Tax and Advisory services. It operates in 143 countries and territories with more than 275,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

About REC

The REC is the voice of the recruitment industry, speaking up for great recruiters. We drive standards and empower recruitment businesses to build better futures for their candidates and themselves. We are champions of an industry which is fundamental to the strength of the UK economy. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.