

# KPMG and REC, UK Report on Jobs: London

## London registers a renewed fall in permanent placements in May

# 47.2

PERMANENT PLACEMENTS INDEX  
MAY '26

# 50.5

TEMPORARY BILLINGS INDEX  
MAY '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.

Permanent new joiners fall solidly...

... but temp billings rise for first time in six months

Demand for labour improves in May

Anna Purchas, London Office Senior Partner at KPMG UK, said:

*"May's figures suggest London employers are clear about their hiring and talent requirements, even if they remain cautious about making permanent appointments. While permanent placements dipped during the month, demand for staff strengthened significantly, with permanent vacancies rising at their fastest rate in more than three-and-a-half years and temporary vacancies returning to growth for the first time since 2024."*

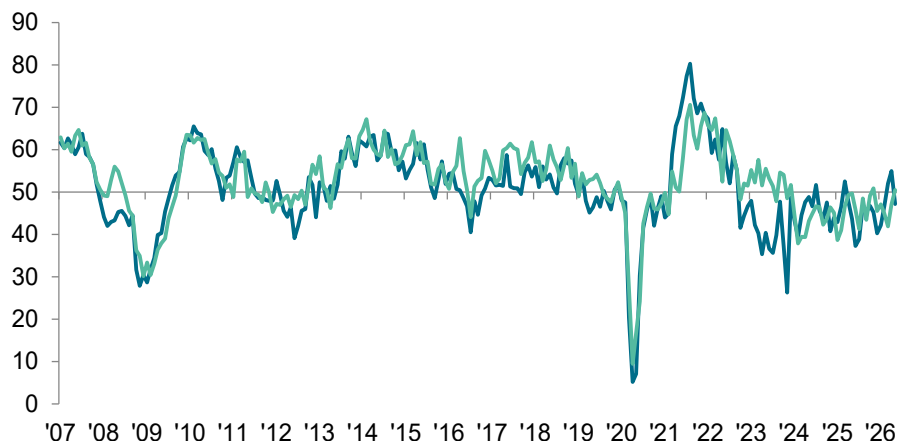
*"That combination points to a labour market that is gathering momentum. Businesses appear to be planning for growth and creating opportunities, while retaining the flexibility to respond to an uncertain economic backdrop. At the same time, London continues to see some of the strongest salary growth in the country, underlining the competition for skilled talent. The key question now is whether growing demand for workers translates into a sustained recovery in hiring activity over the coming months."*

Neil Carberry, REC Chief Executive, said:

*"The clearest story in the economy right now is momentum being held up by uncertainty. In the jobs market, that is where temporary work comes into its own. With businesses tapping the brakes on permanent hiring in the face of higher costs, the Gulf crisis and new employment red tape, temporary work is making up the gap. Temp billings increased for the first time in six months in London. This is a huge strength for workers and employers across the country, as it keeps the wheels turning in challenging times. Recognising this and backing our well-regulated temporary and contract workforce should be a priority for government, starting with big changes to the approach to zero hours rules."*

■ Permanent Placements Index  
■ Temporary Billings Index

sa, >50 = growth since previous month

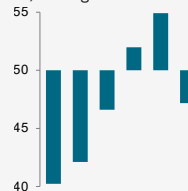


# 1 Staff appointments

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

Dec '25 - May '26  
sa, >50 = growth



## Fresh decline in new permanent joiners

Recruiters across the capital indicated a fresh decline in permanent staff appointments during May. Although only moderate and weaker than the UK-wide average, the fall was the first since February. Survey respondents attributed the latest reduction in permanent placements to reduced client activity and market uncertainty.

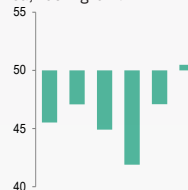
## Permanent Placements Index

sa, >50 = growth since previous month



## Temporary Billings Index

Dec '25 - May '26  
sa, >50 = growth

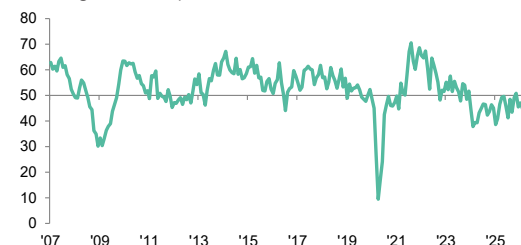


## Temp billings increase for first time in six months

Billings received from short-term workers rose marginally across London in May, thereby ending a five-month sequence of contraction. Survey panellists reported that clients often cited an increased preference for flexible workers.

## Temporary Billings Index

sa, >50 = growth since previous month



For the first time since December 2022, temp billings rose across all four monitored English regions. Growth was most pronounced in the South of England, and softest in the capital.

sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Dec-25	44.3	40.2	47.6	45.5
Jan-26	46.9	42.1	50.3	47.1
Feb-26	49.2	46.6	48.0	44.9
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

# Job vacancies

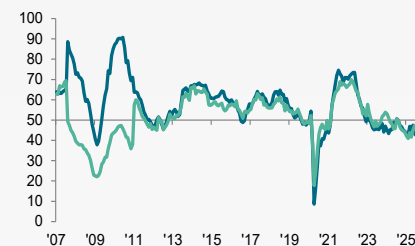
Permanent vacancies rose across the capital for a second month running in May. The pace of growth was solid and the fastest since October 2022. Moreover, of the four tracked English regions, London was the only area to register a rise.

Demand for temp workers improved for the first time in 22 months in London during May. Temp vacancies rose solidly and at a pace with was the fastest in nearly two-and-a-half years.

## Vacancies Index

■ Permanent  
■ Temporary

sa, >50 = growth since previous month

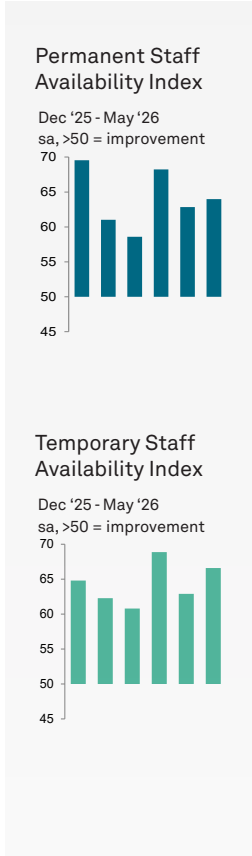


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Dec-25	43.3	38.6	46.4	43.2
Jan-26	43.7	40.2	45.7	44.1
Feb-26	45.8	43.9	45.5	44.3
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

## 2 Staff availability

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



### Marked rise in permanent staff supply

As has been the case since December 2022, a rise in permanent candidate availability was recorded in London during May. The rate of growth was quicker than seen in April and marked overall. Survey respondents commonly linked the increase to redundancies.

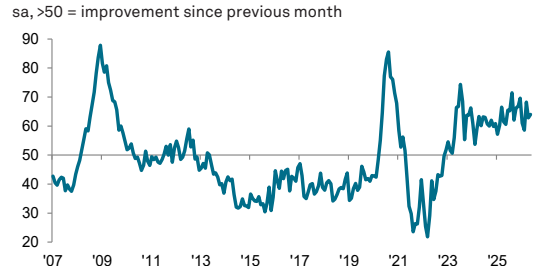
Of the four monitored English regions, only the North of England reported a stronger pace of growth in permanent staff supply than seen in London.

### Growth in temp candidate numbers accelerates

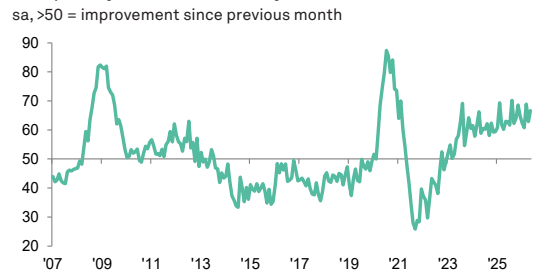
The supply of temp staff expanded across London at a marked and accelerated pace in May. In anecdotal evidence, panellists widely linked the increase to layoffs. Expansions have now been noted in each month since January 2023.

Moreover, the rise in the capital was the most pronounced of the four monitored English regions.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	London	UK	London
Dec-25	66.7	69.5	60.0	64.8
Jan-26	58.1	61.0	59.0	62.3
Feb-26	59.2	58.6	58.2	60.8
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

## 3 Demand for skills

### Skills in short supply: Permanent staff

Accounting/Financial	Physiotherapist
Estimators	Social Workers
Blue Collar	
Drivers	
Construction	
Quantity Surveyors	
Engineering	
Engineers	
Executive/Professional	
Digital Marketing	
Professional Roles	
Nursing/Medical/Care	
Care Assistants	
Medical	
Nurses	
Occupational Therapist	
Paramedics	

### Skills in short supply: Temporary staff

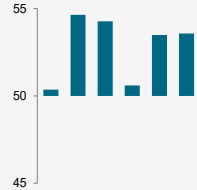
Blue Collar
Carpenters
Construction
Bricklayers
Nursing/Medical/Care
Social Workers

## 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

Dec '25 - May '26  
sa, >50 = inflation



### Sustained growth in starting salaries

Salaries awarded to new permanent joiners in the capital rose moderately in May. The rate of inflation was broadly unchanged since April and historically subdued, but the strongest of the four monitored English regions.

According to anecdotal evidence, salaries were raised in order to attract the right talent.

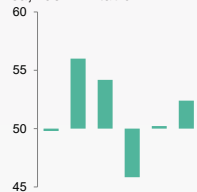
### Permanent Salaries Index

sa, >50 = inflation since previous month



### Temporary Wages Index

Dec '25 - May '26  
sa, >50 = inflation

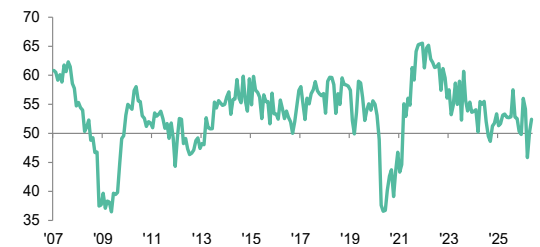


### Temp wage inflation picks up

A second consecutive monthly increase in hourly wages for short-term workers across the capital was recorded during May. Although stronger than that seen in April and the UK average, the pace of inflation was moderate 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
Dec-25	53.1	50.4	51.0	49.8
Jan-26	54.2	54.6	54.4	56.0
Feb-26	52.6	54.3	52.3	54.2
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

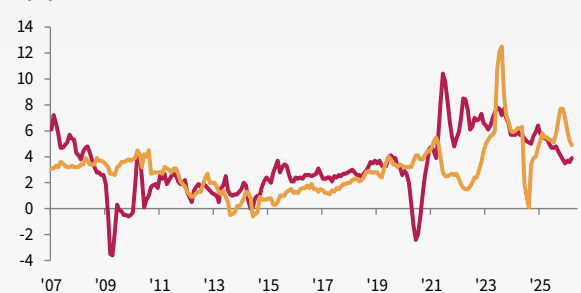
## Official data: UK average weekly earnings

The latest official data published by the ONS pointed to a 4.1% year-on-year increase in total employee earnings (including bonuses) in the three months to March 2026. This was up slightly from 3.9% in the previous three-month period, but nevertheless remained among the slowest rates of growth seen since the pandemic.

A slightly stronger rise in earnings across the private sector (3.9%, up from 3.6%), offset a slowdown in pay growth in the public sector (4.9%, down from 5.2%).

### 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 fell across the UK as a whole during May, extending the current sequence of reduction to 44 months. The pace of decrease was the fastest since last July and rapid overall. Driving the latest downturn were marked declines in the Midlands and the South of England, and to a lesser extent, London. Meanwhile, the North of England recorded a modest increase that was the softest in four months.

Billings received from the employment of temp workers rose solidly across the UK in May, with the rate of growth the most pronounced in 37 months. In fact, a universal rise was seen at the regional level for the first time since December 2022. The South of England recorded the steepest expansion, followed by the Midlands. Renewed but mild upturns were seen across the North of England and London.

### Candidate availability

Recruiters in the UK signalled a further increase in permanent candidate availability midway through the second quarter. The pace of growth was stronger than observed in April and rapid, but below that typically seen in 2025. Except for the Midlands, which recorded the weakest expansion, all monitored English regions registered marked and more pronounced increases.

Similarly, the availability of temporary staff expanded at a rapid and accelerated pace across the UK in May. The upturn was the fastest for six months. London recorded the strongest increase, while the slowest was once again seen in the Midlands.

### Pay Pressures

Starting salaries for permanent new joiners rose across the UK in May, stretching the current sequence of inflation which began in March 2021. The rate of increase was broadly unchanged from April and historically weak, however. London recorded the quickest rate of pay growth, followed closely by the North of England. Meanwhile, the Midlands and the South of England noted the joint-softest increases in permanent salaries.

Average hourly rates of pay for short-term staff rose modestly across the UK in May. The increase was also slower than the survey's long-run average. Three of the four monitored English regions recorded an uptick, with the Midlands seeing the strongest increase in wages overall. In contrast, temp pay fell fractionally across the North of England.

May 2026

■ Permanent  
■ Temporary

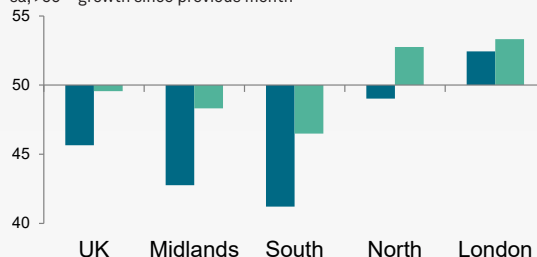
Staff Appointments

sa, >50 = growth since previous month



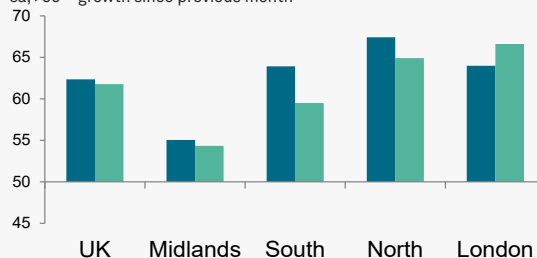
Vacancies

sa, >50 = growth since previous month



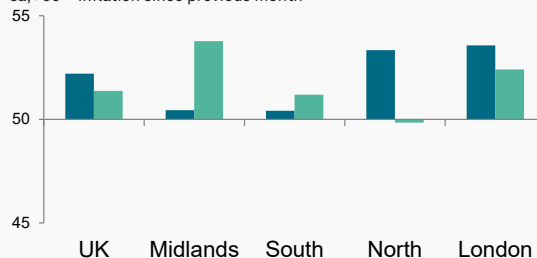
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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### 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](mailto:economics@spglobal.com).

### Survey Dates

Data were collected 12-22 May 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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