

Embargoed until 0001 (UK) 12 May 2025

KPMG and REC, UK Report on Jobs

Downturn in hiring activity eases in April

Key findings

Permanent placements decline at softest rate in seven months

Candidate numbers rise amid further drop in vacancies

Temp wage growth improves to 11-month high

Data collected 09-24 April

Summary

Recruitment activity across the UK continued to weaken at the start of the second quarter, according to the latest KPMG and REC UK Report on Jobs survey, compiled by S&P Global. That said, both permanent placements and temp billings fell at softer rates compared to March. Recruiters also signalled a further marked drop in demand for workers which, alongside redundancies, drove another rapid increase in candidate availability.

Turning to pay, starting salaries rose at a solid pace. Concurrently, reports of stronger than average increases in the national minimum and living wage rates underpinned the quickest rise in temp pay for nearly a year. Nevertheless, rates of pay growth remained weaker than their respective long-run averages.

The report is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

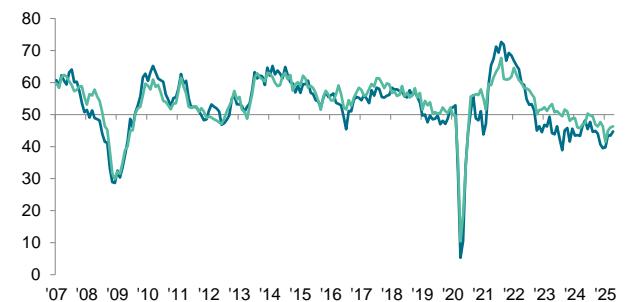
April sees softer fall in recruitment activity

Latest survey data collected from UK recruitment consultancies indicated a further reduction in permanent staff appointments during April amid reports of weak employer confidence and tighter hiring budgets. That said, the latest reduction was the softest seen since last September. A similar trend was observed for temp billings, which fell at the slowest pace in four months, albeit one that was solid overall.

Permanent Placements Index

Temporary Billings

50.0 = no-change



Sources: KPMG, REC, S&P Global PMI.

Candidate supply continues to rise rapidly

Recruitment consultancies signalled a further substantial increase in the number of candidates seeking work in April. Moreover, the rate of growth eased only slightly from March and was therefore the second-sharpest since December 2020. The supply of permanent candidates expanded at a sharper rate than that seen for temporary staff. According to panellists, the uplifts in staff supply were largely due to job losses amid company restructuring efforts and redundancies, as well as a reduction in recruitment activity.

Temp wage growth improves

Starting salary inflation was solid in April, with the rate of pay growth unchanged from March's seven-month high. However, the increase remained much slower than seen on average through the survey history (which began in October 1997). At the same time, temp wage growth improved to the fastest in 11 months with panellists highlighting the inflationary impact of recent increases in the national minimum and living wage rates.

Demand for staff continues to decline sharply

Overall demand for staff weakened in April, as has been the case in each of the past 18 months. The rate of contraction quickened slightly since March, but remained softer than seen earlier in the year. Underlying data pointed to similarly

sharp falls in both permanent and temporary vacancies.

Regional and Sector Variations

The South of England registered the steepest reduction in permanent staff appointments in April while London recorded the softest decline.

Temp billings fell across all four monitored English regions for the third successive month, with the South of England seeing the most pronounced rate of decline.

Engineering was the only monitored job category to see an improvement in demand for permanent staff during April, albeit one that was modest overall. Nursing/Medical/Care, Hotel & Catering and Retail sectors meanwhile saw the steepest reductions in permanent vacancies.

April survey data indicated that demand for temporary staff fell across all ten monitored job sectors, led by Retail. Engineering saw the softest drop in short-term vacancies, despite the rate of contraction quickening slightly on the month.

Comments

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

“A softening in the pace of the hiring slowdown failed to bring any significant green shoots for the jobs market in April, as recruitment continued to be muted and the number of people looking for jobs increased. This is unsurprising, with businesses facing several pressures due to current global economic uncertainty and rising costs, it is unlikely to lead to a sudden turnaround in the market in the near term.

“Starting salaries increased again in April, as a new national minimum wage took effect, but the fact that the pace of growth continues to remain below the long-run average will support the Bank’s decision to decrease interest rates this month. While the inflation outlook has shown some improvement, businesses will be looking for more signs of market stability before committing to any major spending.”

Commenting, 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. While we are yet to see real momentum build, hopes of an improving picture in the second half of the year should be buoyed by today’s data.

“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.”

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

Annabel Fiddes
Economics Associate Director
S&P Global Market Intelligence
T: +44 (0)1491 461 010
annabel.fiddes@spglobal.com

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

Methodology

The KPMG and REC, UK Report on Jobs is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 UK recruitment and employment consultancies.

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.

Full reports and historical data from the KPMG and REC, UK Report on Jobs are available by subscription. Please contact economics@spglobal.com.

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.

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. www.spglobal.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.