

Embargoed until 0001 (UK) 8 December 2025

KPMG and REC, UK Report on Jobs

Demand for staff and placements continue to fall in November

Key findings

Weaker, but still marked, reduction in permanent worker demand

Uncertainty and higher staffing expenses weigh on recruitment activity

Pick-up in permanent salaries as firms seek to attract talented candidates

Data collected 12-24 November

Summary

November’s KPMG and REC, UK Report on Jobs survey, compiled by S&P Global, indicated a further downturn in recruitment activity, with permanent placements declining again and temp billings down modestly. A high degree of market uncertainty, linked to the November Budget*, plus high employment costs limited hiring.

That said, the downturn in permanent placements eased for a fifth successive month and was the weakest since July 2024. Permanent salaries also increased as firms sought to attract skilled workers. However, with staff availability rising steeply, and competition for positions fierce, pay rates again rose to a historically subdued degree.

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

**Note the latest survey took place prior to the Budget on 26th November 2025. Panel responses were collected between 12th-24th November.*

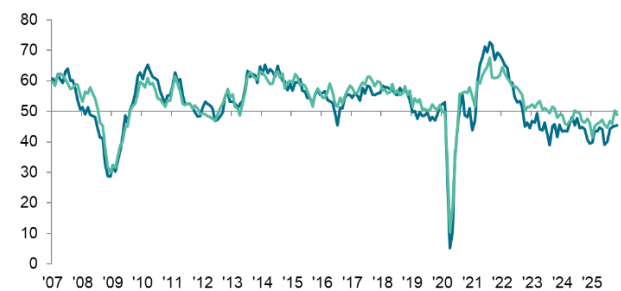
Permanent placements down markedly in November, albeit to lesser degree

Permanent placements continued to decline during November as subdued market confidence – linked in part to uncertainty in the lead up to the Budget that took place at the end of the month – and the impacts of higher employment costs continued to weigh on recruitment.

Permanent Placements Index

Temporary Billings Index

50.0 = no-change



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

Although still marked, the degree to which placements fell eased again, dropping to its weakest since July 2024. Temp billings were also down only modestly, albeit signifying a return to contraction following marginal growth in October.

Vacancies continue to decline during November

Demand for staff declined again in November, in line with a trend that now stretches back over two years. Once again, the net reduction was marked, despite easing to its weakest since June. Vacancies for permanent positions continued to decline at a steeper pace than for temp workers.

Staff availability increases considerably

Latest data showed that the supply of candidates for new roles increased at the second-fastest rate since November 2020, with only August 2025 seeing a stronger rise during the past five years. Recruitment companies reported that redundancies and fewer vacancies had led to the upturn in labour supply. Both permanent and temporary worker availability increased at faster and historically strong rates.

Permanent salary inflation highest in five months

Permanent salaries continued to increase in November as firms remained willing to offer increased pay to skilled candidates. The rate of inflation also accelerated, rising to its highest

level for five months, though remaining notably below its trend level as competition and increased labour supply limited the scope for increased pay. These factors tended to weigh even heavier on temp pay, which was unchanged overall in November.

Regional and Sector Variations

All four monitored regions of England registered lower permanent staff appointments in November, with the sharpest decline seen in the North of England.

Temp billings trends were mixed at the regional level, with a sharp and accelerated rise in the Midlands, and marginal growth in London. However, marked falls were seen in the South and North of England.

Vacancies for permanent staff fell across all ten monitored categories in November, albeit to varying degrees. The steepest reductions in demand were signalled for Construction and Retail workers, while the softest was seen for Blue Collar staff.

Nursing/Medica/Care was the sole exception to the general trend of falling demand for short-term staff in November and recorded a modest increase in vacancies. Hotel & Catering saw the sharpest drop in demand overall, while Blue Collar registered the mildest rate of contraction.

Comments

Commenting on the latest survey results, Lisa Fernihough, Head of Advisory at KPMG UK said:

“Despite a slight uptick in some indicators again this month, the latest figures confirm the jobs market remains stuck in contraction. A complex business environment and uncertainty around the Budget kept hiring on ice last month, as business leaders weighed potential impacts.

“There will be relief at the absence of major tax hikes, however that alone is unlikely to be enough to see a marked change in how firms are planning. For now, with many businesses still facing challenges it is likely many will maintain a cautious stance, balancing recent tech investments against the need to expand their workforce.”

Neil Carberry, REC Chief Executive, said:

“Pre-Budget nerves knocked temporary recruitment back just a little in November after a growing October, but the overall picture was still relatively benign by comparison to the last year. The market grew in London and the Midlands – two key bellwethers. Permanent hiring remained weaker, but numbers continue to improve a little month-on-month. With such a late Budget and the Christmas period just around the corner, the key now will be the decisions that employers make for their businesses this coming January.

“We can see signs of the market stabilising, including an improvement in pay rates for new jobs. But to really get businesses firing, they need confidence. While the Budget was not the horror show of last year, there was little in it to fire the heart of firms. More recently, moves to change the Employment Rights Bill will have landed well, but there is much more to do to get the economy firing. If government’s priority is growth, their report card at the end of 2025 reads “Must try harder.”

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

Hannah Brook

EMEA Communications Manager
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com
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.