

Embargoed until 0001 (UK) 12 January 2026

KPMG and REC, UK Report on Jobs: Midlands

Renewed rise in permanent placements in December

Key findings

Permanent placements rise for the first time since last May

Temp billings grow at strongest pace since April 2022

Temp hourly pay increases sharply

Data were collected 4-17 December 2025.

Summary

The latest KPMG and REC, UK Report on Jobs: Midlands survey, compiled by S&P Global, noted that the Midlands was the only region to see increases in permanent placements and temporary billings, while all other regions recorded contractions, making it the standout area for hiring activity in the closing month of 2025. The renewed increase in permanent placements was modest but the most pronounced in over two years. Meanwhile, the fifth consecutive monthly increase in temp billings was rapid and the most marked since April 2022. Consequently, the supply of short-term workers expanded at the slowest rate in ten months, highlighting that more candidates were successfully placed into contract roles. Hourly wages increased sharply in December, rebounding from a slight decline in the previous month.

The KPMG and REC, UK Report on Jobs: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands.

Fresh rise in permanent new joiners

Recruiters based in the Midlands recorded a fresh rise in permanent placements during December, thereby marking the first month of growth in seven months. The pace of increase was modest but the fastest in over two years. Where staff appointments rose, panel recruiters linked this to higher demand.

Moreover, of the four monitored English regions, the Midlands was the only area to record a rise in the number of staff placed into permanent roles. All the remaining areas recorded deeper downturns compared to the previous month, with the North of England registering the most pronounced reduction.

The latest data signalled a fifth consecutive monthly rise in temporary billings across the Midlands in December. The pace of expansion was rapid and the fastest in 44 months, with the respective seasonally adjusted index rising further from its recent low last July. Increased demand for temp workers was attributed to the latest uptick.

In contrast, all the remaining tracked English regions recorded sharp decreases in temp billings in December.

The downturn in permanent vacancies deepened across the Midlands in December. The pace of decline was sharp and the fastest in three months. That said, the Midlands recorded the least marked reduction in permanent vacancies of the four monitored English regions.

Meanwhile, temp vacancies rose for a fifth straight month across the Midlands in December. The upturn was solid and the most marked since mid-2025. Moreover, the Midlands bucked the broader trend by being the only tracked region to post growth.

Upturn in permanent staff supply remains marked

As has been the case since April 2023, the availability of permanent staff in the Midlands rose in December. Panel members primarily linked the uptick to redundancies.

The rate of growth was marked and faster than that seen in November, despite being among the weakest in 2025. However, of the four English regions monitored by the survey, the Midlands recorded the softest increase in permanent staff

supply. In contrast, the strongest expansion was recorded across the South of England.

December survey data highlighted a rapid increase in the availability of temporary staff across the Midlands. Surveyed recruiters often noted that redundancies drove up the supply of temp workers. That said, the pace of growth was the softest since last February.

In fact, the upturn across the Midlands was the weakest of the four monitored English regions. Meanwhile, the pace of growth was fastest across the capital.

Starting salary inflation eases in December

The Midlands recorded another monthly rise in permanent starting salaries in December, thereby extending the current sequence of growth which began in March 2021. According to surveyed recruiters, high demand for talented candidates drove up salary offerings. The respective seasonally adjusted index was broadly in line with the UK average but fell on the month to signal only a modest and historically muted rise in salaries.

For the first time in five months, all the monitored English regions recorded an increase in salaries awarded to new permanent joiners.

December data highlighted a renewed rise in hourly pay rates for short-term staff in the Midlands, following a slight drop seen for the first time in a year in November. The pace of temp wage inflation was the fastest since last May and sharp overall.

Moreover, the Midlands registered the strongest rise in short-term pay of the four monitored English regions. Meanwhile, London was the only area to record a fall in December.

Commenting on the latest survey results, Kate Holt, People Consulting Partner at KPMG in the Midlands said:

“The Midlands closed 2025 on a positive note, delivering the only growth in permanent placements of all monitored English regions, as well as the strongest rise in temporary billings in nearly four years. The region stood alone in recording hiring growth while all other areas contracted, making it the standout performer in December.

“What’s particularly encouraging is that this reflects genuine business confidence rather than just cautious hiring. Temporary hourly pay rose sharply - the fastest increase across any region - while permanent placements returned to growth after six months of decline. Midlands employers are clearly pursuing growth, investing in both permanent teams and flexible capacity. This combination of confidence and strategic workforce planning suggests the region is well-positioned to lead heading into 2026.”

Neil Carberry, REC Chief Executive, said:

“It’s always difficult to draw conclusions from jobs data in December, but the fact that the market in the UK slipped back a little on November is a reminder of the pressure employers are under.

“Nevertheless, the second half of 2025 showed some signs of a long run of negative data softening in the UK, and with placements falling at a slower pace than the 2025 average in December there is some hope that we are seeing a December dip, rather than a change in the trend. There is certainly a wider range of experience now: in the Midlands we are seeing permanent placements rise for the first time since last May and temp billings grew at the strongest pace since April 2022. Activity kicked off this month is what will really tell us if the tide is turning.

“Making this a better year for hiring will require a focus on building business confidence to invest. With the Budget behind us, the government needs to set out a clear path that firms can believe in, from the industrial strategy to pragmatic approaches on the Employment Rights Act, which is worrying many firms.”

Comments

Contact

KPMG

Claire Barratt
Deputy Head of Media Relations
+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

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: Midlands is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the Midlands (defined as NUTS1 regions West Midlands and East Midlands).

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.

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