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KPMG and REC, UK Report on Jobs: North of England

Permanent placements rise for second month in a row across the North of England

Key findings

Temp billings decline at quicker pace

Softer rise in starting salaries despite stronger vacancy growth

Demand for temp staff rises at quickest pace in 19 months

Data were collected 12-25 March 2026.

Summary

The latest KPMG and REC, UK Report on Jobs: North of England survey continued to show divergent hiring trends in March, as sustained growth in permanent placements contrasted with a further fall in temp billings.

Vacancies meanwhile increased for both types of roles, with rates of growth also improving from February. However, on the pay front, salaries awarded to new permanent joiners increased at a slower rate, while there was a slight drop in temp pay. Concurrently, the supply of labour continued to expand at historically elevated rates.

Growth in permanent placements signalled for second month running

March survey data signalled a second consecutive monthly increase in permanent staff appointments across the North of England. Notably, this marked the first back-to-back upturn in placements in over three-and-a-half years. Recruiters linked the uptick to a combination of higher vacancies, the end of hiring freezes at some companies and signs of greater mobility in the jobs market. However, the rate of expansion was broadly unchanged from February and only modest. The only other monitored English region to record higher permanent placements in March was London, with falls seen elsewhere.

As has been the case since last November, recruiters based in the North of England signalled a drop in temp billings during March. Having gained momentum since February, the rate of reduction was solid overall. It was also faster than the national average. Of the four monitored English regions, only London signalled a stronger drop in billings received from short-term workers than that seen in the North.

For the second time in as many months, recruiters based in the North of England signalled a rise in job openings in March. For both permanent and temporary roles, the rates of vacancy growth accelerated from February. Demand for permanent staff rose at a solid pace that was the strongest since mid-2024. Demand for short-term workers meanwhile expanded at a rate that, though modest, was the fastest in just over a year-and-a-half. Notably, the North of England was the only one of the four monitored English regions to see improvements in staff demand.

Permanent staff availability rises at faster rate in March

Latest data revealed a further increase in permanent staff availability across the North of England in March. The rate of expansion was not only the sharpest seen in 2026 so far, but also substantial overall. Regionally, only London signalled stronger growth in permanent labour supply than the North of England, with the local rise also outpacing the national average. According to anecdotal evidence, more redundancies, higher unemployment and company closures all drove availability higher.

In the North of England, the supply of temporary labour expanded again in March, thereby stretching the current period of growth to just over three years. Panellists noted that increased redundancies, skills mismatches and company closures were behind the latest uptick. Whilst still

sharp, the rate of expansion slowed considerably on the month to the weakest since June last year. For the first time in four months, growth in temp staff availability in the North of England was slower than the UK-wide trend.

Modest increase in starting salaries in March

The seasonally adjusted Permanent Salaries Index remained above the 50.0 no-change mark for a fourth month running, to signal sustained growth in starting salaries across the North of England. The rate of inflation was the weakest seen over the aforementioned period and only modest, however. Nevertheless, it was the second-strongest increase seen across the four monitored English regions, after the South of England. Higher pay for new permanent joiners was generally linked by recruiters to competition for skilled labour.

For the first time in four months, recruiters in the North of England signalled a drop in rates of pay for temporary workers during March. Although only fractional, the reduction in average hourly wages contrasted with a slight increase at the national level. London was the only other monitored English area to record a drop in temp pay, with the rate of decline noticeably quicker than that seen in the North of England.

Comments

Commenting on the latest survey results, Michael Downes, Newcastle Office Senior Partner at KPMG UK, said:

“The North’s job market is continuing to move in the right direction. Our data shows that permanent placements have now risen for the second month in a row - the first time in over three-and-a-half years. Vacancies have also increased across both permanent and temporary roles, signalling that employer confidence is gradually returning.

“Alongside this, candidate availability remains elevated, giving businesses access to a broad talent pool at a time when hiring activity is picking up. While salary growth has softened slightly and temp billings remain under pressure, this reflects a more balanced and measured market rather than a slowdown in demand. Employers are continuing to move forward with their hiring plans, with greater focus, investing in the skills they need to build resilient, future-ready workforces.”

Neil Carberry, REC Chief Executive, said:

“The Gulf Conflict provided a headwind to hiring in March, but this did not stop the trend of stabilisation in the UK job market that has defined 2026 so far. The effects of a longer-run crisis are unclear, but the resilience of the job market last month was heartening. Recruiters in the North signalled a rise in job openings in March and there was a second successive month of growth in permanent placements in that region.

“Business prospects for 2026 remain finely balanced, and confidence will be key. Households and businesses are still sitting on cash that might be put to work in the economy if the climate is right, boosting growth and particularly helping struggling consumer-facing sectors like retail and hospitality. The key way government can help is to tackle the root cause of the cost-of-living squeeze – the rising cost of doing business. Greater pragmatism on key policies, including the unworkable approach that has been taken on guaranteed hours, is needed now.”

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Methodology

The KPMG and REC, UK Report on Jobs: North of England is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in the North of England (defined as NUTS1 regions North West, Yorkshire & Humber and North East).

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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