

Embargoed until 0001 (UK) 13 April 2026

KPMG and REC, UK Report on Jobs: Midlands

Sharp decline in permanent staff appointments during March

Key findings

Permanent placements fall at strongest rate in five months...

...but temp billings rise sharply

Demand for workers deteriorates markedly

Data were collected 12-25 March 2026.

Summary

The latest KPMG and REC, UK Report on Jobs: Midlands survey, compiled by S&P Global, indicated a sharp decline in permanent placements across the Midlands in March that was the strongest for five months. However, temp billings rose further, with the pace of expansion accelerating to the fastest in 2026 to date.

Recruitment consultancies based in the Midlands noted a sharp drop in job openings, with both permanent and temp vacancies declining at more pronounced rates. Meanwhile, redundancies contributed to a steeper increase in permanent candidate availability, as well as a fresh rise in temp staff supply. In terms of pay, starting salaries rose only slightly, while temp wages increased at a stronger pace. Nevertheless, in both cases, rates of pay growth remained historically muted.

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.

Sharp decrease in permanent staff appointments

Recruitment consultancies in the Midlands recorded a second straight monthly fall in permanent placements in March. The rate of contraction quickened notably on the month to signal the most pronounced reduction since last October. According to anecdotal evidence, the latest decrease in permanent staff appointments

was due to economic uncertainty and a general slowdown in permanent hiring activity.

Of the four monitored English regions, the South of England was the only other area to observe a fall in permanent placements. The North of England meanwhile recorded a sustained upturn, while a renewed rise was seen in the capital.

March data signalled a rapid rise in temp billings across the Midlands, which stretched the current run of increase to eight months. Moreover, the rate of expansion was the second-fastest since May 2022, behind only last December. The latest uptick was partly linked by recruiters to a greater preference for flexible workers.

Moreover, the Midlands was the only monitored English region to register growth in temp billings.

A twenty-second consecutive monthly deterioration in demand for permanent workers was noted across the Midlands in March. The downturn was rapid and the steepest in just over a year.

Temp staff vacancies in the Midlands fell for a third straight month during March. Furthermore, the rate of reduction was the sharpest seen since May 2020.

Of the four monitored English regions, the Midlands recorded the strongest reductions in both permanent and temp vacancies.

Permanent candidate numbers rise rapidly

The number of people available for permanent roles in the Midlands grew rapidly in March. Notably, the pace of increase was the fastest seen in the year to date. Higher candidate supply was commonly linked by recruiters to company layoffs.

Moreover, all four monitored English regions recorded stronger upturns in permanent candidate

numbers, which drove a rapid expansion at the UK level which was the fastest in three months.

After a marginal decline in February, March data highlighted a renewed and strong rise in the number of workers available for temp roles across the Midlands. Improvements in availability have now been recorded in 34 of the past 35 months. Recruiters generally linked the latest increase to redundancies.

However, the Midlands recorded the weakest upturn in temp worker supply of all four monitored English areas. London recorded the strongest expansion and by a notable margin.

Starting salary inflation slips to weakest in over five years

An increase in salaries awarded to new permanent joiners was recorded by recruitment consultancies based in the Midlands during March. Some panellists that reported higher starting pay indicated this was due to increased hiring for senior roles. However, the overall rate of inflation was the weakest seen over the current 61-month sequence of pay growth and only marginal.

In fact, all four monitored English areas recorded slower increases in starting salaries in March.

March data indicated that average hourly pay for short-term workers in the Midlands rose for the fourth month running. The rate of wage inflation was strong and faster than seen February. Panellists often mentioned that wages had increased due to the growing cost of living.

The Midlands and the South of England were the only two of the four tracked English areas to record a rise in hourly pay rates, as temp wages declined in the North of England and London.

Comments

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

“March’s figures point to a Midlands labour market still under pressure, with permanent hiring slowing more sharply as businesses weigh economic uncertainty and rising costs against longer-term recruitment plans. However, the strong rise in temp billings suggests demand has not disappeared, with many employers opting for flexibility while the outlook remains unclear.”

“This caution is reflected in the wider market picture. The Midlands saw the steepest decline of any English region in both permanent and temporary vacancies, while candidate availability continued to rise as redundancies fed into the labour pool, creating a more competitive environment for jobseekers. While employers may be holding back on permanent headcount, ongoing demand for temporary staff highlights underlying workforce needs. The key question now is whether improving economic confidence can translate this short-term activity into more sustained hiring.”

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. There was a rapid rise in temp billings across the Midlands, which stretched the current run of increase to eight successive months.”

“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.”

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.

About KPMG UK

KPMG is trusted to make the difference for our clients, people and the communities we work in. With our people's deep sector expertise and cutting-edge technology, we help organisations overcome their biggest challenges and unlock new opportunities to transform and grow.

On 1 October 2024, KPMG UK and KPMG Switzerland merged to form KPMG UK/Swiss Group, scaling our strengths and amplifying the difference we make.

KPMG International Limited is a global organisation of independent professional services firms providing Audit, Tax and Advisory services in 138 countries and territories. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

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.