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

Starting salaries and temp pay rates rise in November

Key findings

Marginal increases in starting salaries and temp wages

Softer reductions in vacancies

Fall in permanent placements second-slowest in over two years

Data collected 12-24 November 2025

Summary

Recruitment activity across the South of England continued to decline in November, according to the latest KPMG and REC, UK Report on Jobs: South of England survey, with firms often linking this to weak business confidence and uncertainty around the Budget*. Demand for staff also moderated further, though vacancies for both permanent and temporary roles fell at slower rates than those seen in October.

Candidate availability meanwhile continued to rise rapidly amid reports of redundancies and fewer job opportunities. However, competition for workers with particular skillsets placed upward pressure on pay. Although rising only slightly, permanent salaries increased for the first time in four months, while temp wages ticked up for the first time since June.

*Please note, the latest survey was conducted prior to the November Budget announcement on 26th November. Survey data were collected 12th-24th November.

The KPMG and REC, UK Report on Jobs: South of England is compiled by S&P Global from responses to questionnaires sent to around 150 recruitment and employment consultancies in the South of England.

Permanent staff appointments decline further in November

Although recruitment consultants in the South of England continued to signal a contraction in permanent placements, the pace of reduction was the second-slowest seen in over two years. Where a fall was reported, panellists cited subdued client confidence, weak demand for staff and uncertainty in the lead up to the Budget announcement.

At the UK level, permanent staff appointments decreased at the weakest pace since July 2024 and one

that was broadly in line with that registered in the South of England.

Not only did temp billings decline for the twenty-second month in a row halfway through the fourth quarter, but also at a faster pace than in October. According to recruitment consultants, the latest drop stemmed from cost considerations, economic uncertainty and budget constraints among clients.

The South of England registered a quicker drop than that seen in the North, while growth was noted in the capital and the Midlands.

November data highlighted a broad-based fall in job openings across Southern England, with permanent and temporary vacancies contracting further. Rates of reduction were sharp but eased in each case, however.

The local drop in demand for permanent workers was the slowest since May and broadly in line with the UK average. Temporary staff vacancies decreased at the softest pace since June, albeit one that was quicker than that seen at the national level.

Permanent staff availability expands sharply

The latest results showed another substantial upturn in the supply of candidates seeking permanent jobs in the South of England. The rate of expansion was the second-strongest in five years, behind only August. Fierce competition for positions, company layoffs and the non-renewal of temporary contractors were some of the reasons panellists gave for the latest upturn in staff supply.

The local rise was the strongest of all four monitored English regions.

There was a pickup in growth of staff availability for temporary job roles in Southern England during November. The overall rate of expansion was among the strongest in five years, with recruitment consultants citing redundancies and a widening mismatch between vacancies and applicants.

Out of the four monitored English regions, only London saw a steeper increase than the South of England.

Permanent staff salaries rise for first time in four months

November data signalled a renewed increase in permanent starting salaries across the South of

England, thereby ending a three-month sequence of reduction. Although moderate and below its long-run average, the rate of inflation accelerated to the fastest since April. Panellists indicated that salary increases were centred around specific skills where candidate availability was low.

Upward salary pressures were evidenced in three of the four monitored English regions, and hence in the UK, with the North the sole exception.

For the first time in five months, average hourly rates of pay for short-term staff in the South of England increased during November. That said, the respective seasonally adjusted index was consistent with a marginal rate of inflation that was well below the long-run series average.

London was the only other English region to post an increase in temp pay, with declines noted elsewhere. At the UK level, temporary wages stabilised.

Comments

David Williams, Bristol Office Senior Partner at KPMG UK, said:

"November's figures demonstrate qualified cause for optimism with permanent placements falling at the second-slowest rate in over two years. These results need to be viewed in context, however. The survey was conducted before the Chancellor's Autumn Budget, during a period of significant uncertainty. This would go some way to explaining the notable weakening in temporary hiring as firms put short-term spending on hold.

"What stands out is the strength of candidate availability - the South recorded the sharpest rise in permanent staff supply across England, driven by redundancies and limited job opportunities. Yet starting salaries are beginning to edge up again, particularly for roles requiring specific skills. For South West businesses with clarity on their plans and the confidence to act, this remains a window to access quality talent before competition intensifies."

Neil Carberry, REC Chief Executive, said:

"Pre-Budget nerves knocked temporary recruitment back just a little in November in the UK after a growing October, but the overall picture was still relatively benign by comparison to the last year. The reduction in permanent appointments in the South was the second-slowest for over two years, and the decline in temp billings has slowed overall in recent months. 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 in the South and the UK, 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'."

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Methodology

The KPMG and REC, UK Report on Jobs: South of England is compiled by S&P Global from responses to questionnaires sent to around 150 recruitment and employment consultancies in the South of England (defined as NUTS1 regions South East England, East of England and South West England).

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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