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KPMG and REC, UK Report on Jobs: Midlands

Sharp drop in permanent staff appointments in April

Key findings

Permanent placements fall at steepest pace in 16 months

Temp billings increase at slower, but solid rate

Further expansions in staff supply

Data were collected 9-24 April 2026.

Summary

The latest KPMG and REC, UK Report on Jobs: Midlands survey, compiled by S&P Global, pointed to a sharper reduction in permanent staff appointments at the start of the second quarter. The decline was one of the most marked since the initial wave of the COVID-19 pandemic in 2020, as recruiters noted that the war in Iran and the subsequent rise in economic uncertainty had led employers to cancel or delay hiring plans. However, temp billings increased again in April, as some panellists noted a preference for more flexible workers.

At the same time, vacancies continued to fall in the Midlands, with both permanent and temporary positions declining at steeper rates than those seen across the UK as a whole. Additionally, the supply of both candidate types rose in April, albeit at weaker rates than those recorded nationwide. Turning to pay, rates of both starting salary and temp wage inflation quickened since March but remained historically subdued overall.

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.

Steeper decline in permanent placements

The number of people placed into permanent job roles in the Midlands fell for a third straight month in April. Furthermore, the pace of reduction was the fastest seen since December 2024 and sharp. Surveyed recruiters noted that greater global

uncertainty, often linked to the Iran war, had led clients to cancel or postpone their hiring plans. Higher staffing costs and recent changes to employment legislation were also cited as having suppressed recruitment.

Of the four tracked English areas, the Midlands along with the South of England were the only areas to record a decline in permanent staff appointments. In contrast, both London and the North of England saw stronger increases in placements.

April data pointed to a rise in temp billings across the Midlands, thereby stretching the current sequence of increase to nine months. While the pace of growth moderated since March, it was strong overall. Some recruiters noted that a preference for flexible workers had supported the latest upturn.

Notably, the Midlands recorded the strongest rise in billings across the four tracked English areas. The South of England was the only other region to report an increase in April. Meanwhile, temp billings continued to fall in London and the North of England, albeit at weaker rates than in March.

Latest data pointed to further falls in both permanent and temp staff vacancies across the Midlands. Demand for permanent workers deteriorated markedly, with the pace of reduction unchanged from March and the joint-quickest in 14 months. Temp vacancies meanwhile decreased for the fourth month running. The respective seasonally adjusted index rose from March's recent low, but nevertheless signalled a solid drop.

Vacancies across the Midlands fell at stronger rates than those seen across the three other monitored English areas.

Softest rise in permanent staff supply for 20 months

The availability of permanent staff in the Midlands rose in April, thereby stretching the current run of

increase to just over three years. Though sharp, the pace of expansion was the weakest since August 2024 and the slowest seen across the four monitored England regions. According to anecdotal evidence, redundancies were frequently linked to the rise in candidate numbers. Reduced hiring activity amid greater economic uncertainty was also said to have pushed up the supply of workers.

Whilst the North of England recorded a faster expansion in permanent candidate availability, both London and the South of England recorded slower rates of growth in April.

Temp staff supply rose for a second month running across the Midlands during April. Where an increase was recorded, recruiters often noted that company layoffs had pushed up candidate numbers, but also that more people were looking for flexible roles. The pace of increase was solid, albeit not as pronounced as that seen in March. In fact, the upturn across the Midlands was notably slower than those seen across the three other monitored English regions.

Starting salary inflation remains close to March's recent low

April survey data pointed to only a slight rise in starting salaries awarded to new permanent joiners across the Midlands. Notably, the respective seasonally adjusted index lifted only slightly above March's more than five-year low. While some recruiters noted that rising living costs had placed upward pressure on pay, others noted that tighter client budgets had weighed on salary growth.

The rate of salary inflation picked up across all four monitored English regions in April, with London recording the fastest increase. Meanwhile, the slowest pace was seen for the Midlands. However, in all cases, pay growth remained historically weak.

Latest survey data highlighted an increase in temp wages across the Midlands. Although weaker than the long-run average, the pace of inflation picked up to a four-month high and outpaced the UK-wide trend.

The South of England was the only monitored region where the pace of temp wage growth surpassed that seen in the Midlands. A fresh increase in temp pay was meanwhile recorded across London, albeit marginal. However, wages continued to fall in the North of England.

Comments

Commenting on the latest survey results, Andy Bostock, Birmingham Office Senior Partner at KPMG UK, said:

“April’s data suggests that employers in the Midlands are becoming increasingly cautious about making long-term hiring commitments. The sharpest fall in permanent placements for 16 months points to a market where higher staffing costs and changes to employment legislation are pushing businesses to delay decisions until conditions stabilise.

“Strikingly, though, demand has not disappeared altogether. The Midlands again recorded the strongest rise in temp billings of any English region, showing that many employers still need access to skills and capacity, but want to retain flexibility while the outlook remains unsettled. The labour market is still active, but caution is currently the dominating force shaping it, rather than confidence.”

Neil Carberry, REC Chief Executive, said:

“So far this year we’ve seen signs of improving momentum across the UK, but that is now being tempered by the economic effects of the Gulf conflict. Businesses will be particularly concerned about the impact on inflation, their borrowing costs and any disruption to wider supply chains. The good news is that employers in the UK are leaning more on temporary work to move ahead with their plans in this more uncertain time, demonstrating again why temporary and contract work matters so much to growth and jobs. For example, we can report the ninth successive monthly rise in temp billings in the Midlands. Government can do more to help firms feel able to commit to permanent hiring too, by addressing the cost of doing business – the key domestic contributor to hiring activity. Taking the threat of badly designed guaranteed hours rules off the table would make a huge difference.”

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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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