

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

Starting salaries increase for first time in five months

41.0

PERMANENT
PLACEMENTS INDEX
MAR '25

44.8

TEMPORARY BILLINGS
INDEX
MAR '25

Fresh rise in starting salaries, but pay growth is only modest

Hiring activity falls at slightly softer, but still marked rate

Sharper rise in candidate availability amid redundancies

Commenting on the latest survey results Steve Hickman, Reading Office Senior Partner at KPMG UK, said:

"While the UK job market remains under pressure, the pace of decline in the South slowed in March - suggesting that things may be bottoming out despite broader economic uncertainty."

"Notably - and perhaps counterintuitively - both candidate availability and starting salaries are on the rise, with employers appearing willing to pay more to attract and secure the right skills. For the South East's talent pool, it's further proof that experienced and skilled individuals are still able to access roles in thriving sectors such as life sciences and tech."

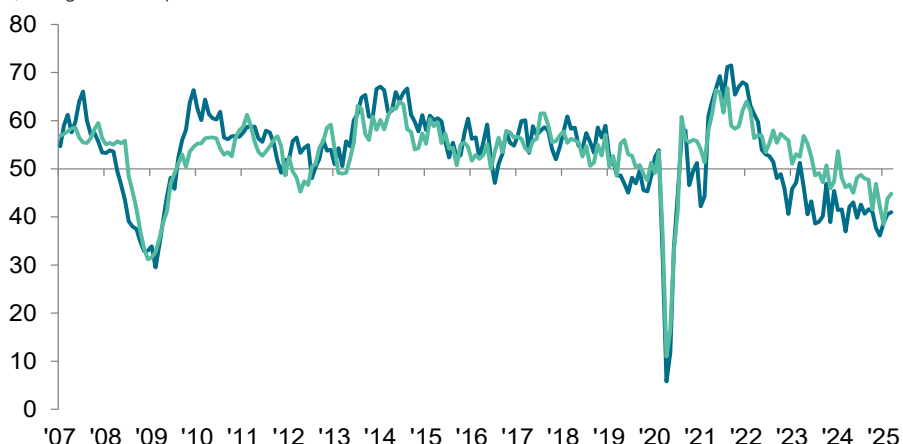
Neil Carberry, REC Chief Executive, said:

"Today's report shows that there were some signs of progress in the jobs market in March, with the downturn in placements in the South of England the weakest in five months, and the rate of contraction in billings received from employment of temps the slowest since last November in that region. Given the substantial effects of the Government's decision to increase payroll taxes hugely, these figures were if anything slightly better than expected and suggest that there is potential in the market. Nevertheless, activity in the UK jobs market has now been subdued for almost two and a half years."

"A cyclical hiring upturn was always likely in 2025, but the near-term prospects for this have been made all the more uncertain by the actions of the US Government in upending the global trade system. We can't ignore the immediate and second-order effects of this context even if the UK is better positioned than many nations to weather the storm. Announcing support for the auto sector is one thing but the faster we have clarity on how the industrial strategy will support all sectors the more likely employer sentiment on hiring and investing will remain stable. And it is even more important now that the Government reconsiders the scale of rising costs of employment after this week's rise in National Insurance - a full review of the impact of the Employment Rights Bill, and changes to simplify compliance costs, would be welcomed by businesses across the country."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month



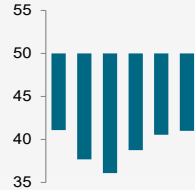
The KPMG and REC, UK Report on Jobs: South of England is compiled by S&P Global from responses to questionnaires sent to around 150 recruitment and employment consultancies in the South of England.

1 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

Permanent Placements Index

Oct '24 - Mar '25
sa, >50 = growth



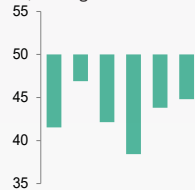
Downturn in permanent placements remains sharp

Adjusted for seasonal factors, the Permanent Placements Index signalled a drop in permanent staff appointments across the South of England in March, thereby stretching the current period of decline to two years. The rate of contraction remained sharp, despite easing to the weakest in five months. Recruiters in the region often noted that reduced hiring reflected a weaker economic climate and recruitment freezes.

Out of the four monitored English regions, only the North of England recorded a quicker fall in permanent placements during March.

Temporary Billings Index

Oct '24 - Mar '25
sa, >50 = growth



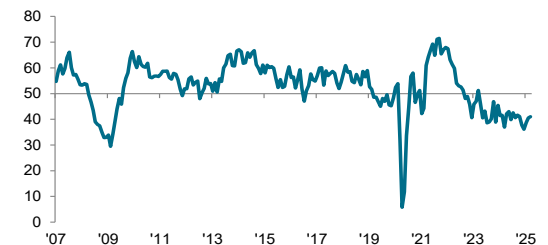
Temp billings decline at slower but still marked pace

Billings received from the employment of temporary workers in the South of England fell for the fourteenth consecutive month in March. The rate of contraction was the slowest since last November, albeit still sharp overall. Where lower temp billings were reported, it was generally linked to fewer temporary roles and tighter hiring budgets among employers.

The drop in temp billings was broad-based among the four monitored English regions and led by the North of England.

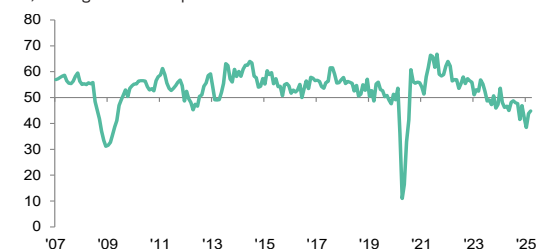
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	South	UK	South
Oct-24	44.1	41.1	46.3	41.5
Nov-24	40.7	37.7	47.7	46.9
Dec-24	39.5	36.1	46.3	42.1
Jan-25	39.8	38.8	41.5	38.4
Feb-25	43.6	40.5	45.0	43.8
Mar-25	43.4	41.0	46.0	44.8

Job vacancies

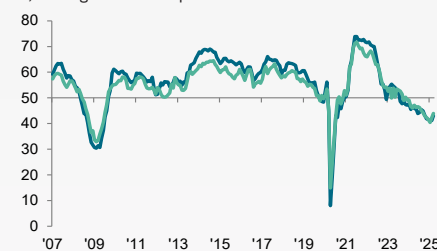
March survey data indicated a further reduction in permanent job openings across the South of England. The pace of decline was sharp, despite easing to the weakest in five months, and outpaced the UK average.

Demand for temporary staff also fell at a softer, but still substantial pace. The reduction in temp vacancies was also quicker than that seen at the national level. Demand for short-term workers in the region has now fallen in each of the past 16 months.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month



sa, >50 = growth since previous month

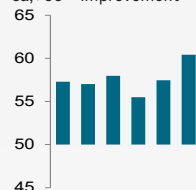
	Permanent		Temporary	
	UK	South	UK	South
Oct-24	46.1	43.2	46.6	43.0
Nov-24	43.8	41.8	46.2	42.3
Dec-24	42.7	41.6	45.4	41.6
Jan-25	41.5	41.3	43.3	40.4
Feb-25	41.7	41.1	43.5	42.3
Mar-25	44.1	43.0	45.2	43.9

2 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month.

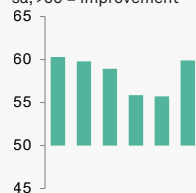
Permanent Staff Availability Index

Oct '24 - Mar '25
sa, >50 = improvement



Temporary Staff Availability Index

Oct '24 - Mar '25
sa, >50 = improvement



Permanent labour supply rises at quickest pace since last August

Adjusted for seasonal influences, the Permanent Staff Availability Index signalled a sharp and accelerated rise in permanent candidate numbers across the South of England in March. That said, the upturn was the softest recorded across the four monitored English regions.

Recruiters often mentioned more people were seeking permanent roles due to redundancies and reduced hiring activity.

Fastest upturn in temp candidate availability for five months

Temporary candidate numbers across the South of England increased for the twenty-third month in a row in March. The rate of growth quickened from February, hitting a five-month high. That said, the upturn was slightly slower than that seen across the UK as a whole.

According to anecdotal evidence, company lay-offs and fewer contract opportunities drove the latest increase in temp labour supply.

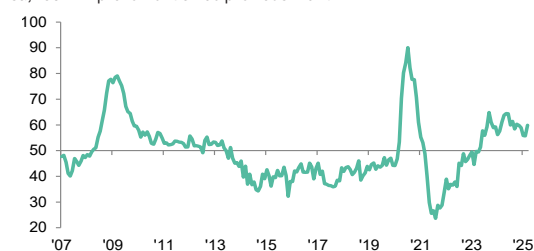
Permanent Staff Availability Index

sa, >50 = improvement since previous month



Temporary Staff Availability Index

sa, >50 = improvement since previous month



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	South	UK	South
Oct-24	59.1	57.3	61.3	60.3
Nov-24	59.8	57.0	59.4	59.8
Dec-24	60.7	58.0	59.5	58.9
Jan-25	57.7	55.5	58.1	55.9
Feb-25	59.2	57.5	59.6	55.7
Mar-25	63.2	60.4	60.2	59.9

3 Demand for skills

Skills in short supply: Permanent staff

Accounting/Financial	Engineering	IT
Accountancy Roles	Engineers	Quantitative Developers
Accountants	System Engineers	Software Architects
Banking	Technicians	Software Developer
Financial Analysts	Executive/Professional	Software Engineers
Financial Services	Business Development	Technology Skilled
Insurance	Competition Law	Nursing/Medical/Care
Payroll	Corporate Law	Allied Health Professionals
Pensions Admin	Directors	Consultant Doctors
Practice Accounting	Energy & Renewables	Paediatric Nurses
Blue Collar	Legal	Pharmaceutical Roles
Drivers	Management	Secretarial/Clerical
LGV 2 Drivers	Real Estate	Administration
LGV Drivers	Hotel & Catering	Office Staff
Technical Operators	Chefs	Other
Vehicle Technicians	Hospitality	Commercial
Construction	IT/Computing	European Languages
Architect Asst.	C#	Operations
Architectural Tech	Cloud Engineers	Sales
Construction Planners	Cyber Security	Security Cleared
Quantity Surveyors	Data Scientists	Teachers
	Developers	Telesales

Skills in short supply: Temporary staff

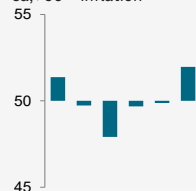
Accounting/Financial	Software Developer
Finance	Software Engineers
Blue Collar	Technical Roles
CNC Miller	Nursing/Medical/Care
Coded Welders	Carers
Drivers	Midwife
Electricians	Nurses
FLT Operators	Paediatric Nurses
Industrial Painters	Psychiatric Nurses
LGV 2 Drivers	Other
LGV Drivers	Sales
Machine Operators	Telesales
Manufacturing Operatives	
Manufacturing Welders	
Engineering	
Engineers	
Executive/Professional	
Human Resources	
Cyber Security	
IT	
IT Project Manager	

4 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.

Permanent Salaries Index

Oct '24 - Mar '25
sa, >50 = inflation



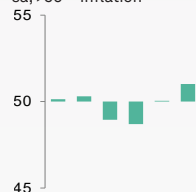
Starting salaries increase for first time since last October

Salaries awarded to new permanent joiners in the South of England increased during March, thereby ending a four-month period of decline. Though modest, the rate of salary inflation was the quickest recorded since last September. However, the upturn remained much softer than the survey's long-run average (57.5). Recruiters often noted that employers raised their pay offers to attract and secure candidates that had the most suitable skills.

Steeper increases in starting salaries were recorded in the Midlands and London, while pay declined modestly in the North of England.

Temporary Wages Index

Oct '24 - Mar '25
sa, >50 = inflation



Strongest rise in temp wages in nine months

After stabilising in February, temp wages in the South of England increased at the end of the first quarter. The rate of pay inflation was the quickest recorded since last June, albeit marginal overall. While some recruiters mentioned that higher pay reflected efforts to attract desirable candidates, there were also reports that improved staff availability and tighter recruitment budgets had dampened the overall rate of inflation.

Temp wages increased across all four monitored English regions in March, albeit at historically subdued rates.

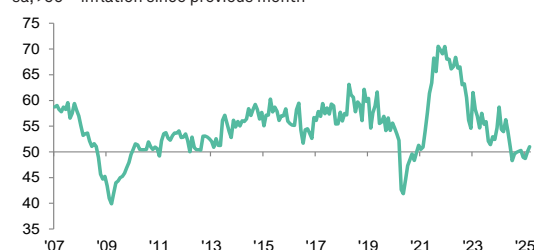
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

	Permanent		Temporary	
	UK	South	UK	South
Oct-24	52.5	51.4	51.5	50.1
Nov-24	52.6	49.7	51.2	50.3
Dec-24	53.1	47.9	51.6	48.9
Jan-25	52.6	49.7	50.5	48.7
Feb-25	52.1	49.9	51.1	50.0
Mar-25	53.3	52.0	51.6	51.0

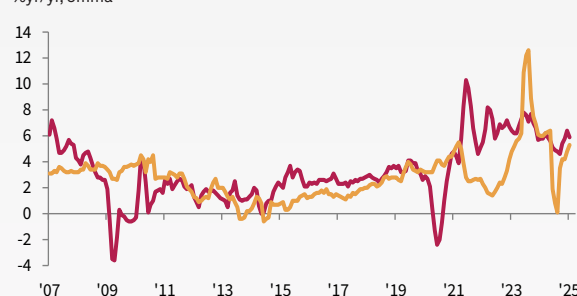
Official data: UK average weekly earnings

Official data published by the ONS signalled that annual growth in average weekly earnings remained strong in the three months to January (5.8%). This was down slightly from the preceding three-month period, however, when pay rose at the strongest pace in over a year (6.1%).

Underlying data indicated that a softer increase in private sector pay (5.9%, from 6.4%) offset a faster rise in public sector earnings (5.3%, from 4.8%).

UK average weekly earnings

%yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

5 Regional comparison

The KPMG and REC, UK Report on Jobs: South of England is one of four regional reports tracking labour market trends across England. Reports are also available for London, the Midlands and the North of England.

Staff appointments

Permanent placements across the UK decreased at a slightly sharper rate at the end of the first quarter of 2025. Declines were recorded across three of the four monitored English regions, led by the North of England. London meanwhile saw permanent staff appointments rise for the first time since July 2024.

Recruiters also signalled a sustained fall in temporary billings during March, thereby extending the current sequence of contraction to nine months. The decline was solid, but the slowest in 2025 to date. All four monitored English regions saw temp billings decrease, with the North of England seeing the steepest pace of reduction.

Candidate availability

Amid lower demand for workers, recruiters across the UK indicated a robust increase in candidate availability in March. The rise in candidate numbers for permanent positions was the steepest recorded since December 2020 and well above the long-run series average. Marked increases in permanent labour supply were seen in each of the four monitored English regions, with the sharpest rise in the North of England.

A widespread increase in candidates seeking temporary positions was also signalled in March, with the sharpest upturn seen in the North of England. The UK as a whole posted a marked rise in temporary candidate availability that was the most pronounced for five months. The softest increase in temp staff availability was meanwhile seen in the Midlands.

Pay Pressures

As has been the case since March 2021, permanent starting salaries increased in the latest survey period. The pace of inflation quickened from February's four-year low and was the most marked in seven months. London posted the fastest rise in permanent pay, while there was a fall in starting salaries across the North of England for the second month in a row.

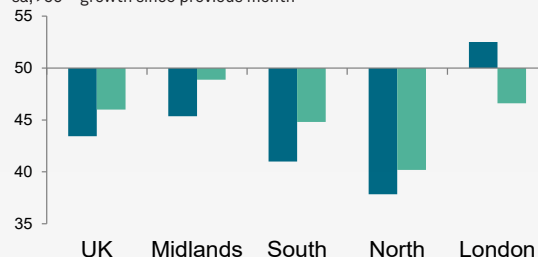
Temp wages also increased at a slightly quicker pace during March. Though modest, the rate of inflation was the joint-steepest in nine months. The strongest upturn in temp pay was registered in the Midlands, while the North of England saw the softest rise. In fact, it was the first time that wages had increased across all four monitored English regions since last October.

March 2025

■ Permanent
■ Temporary

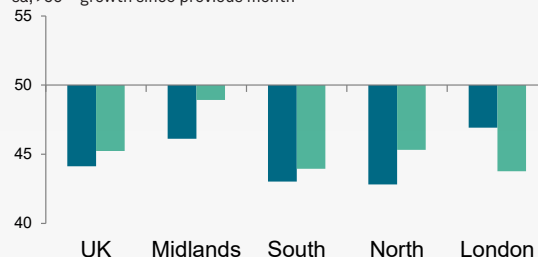
Staff Appointments

sa, >50 = growth since previous month



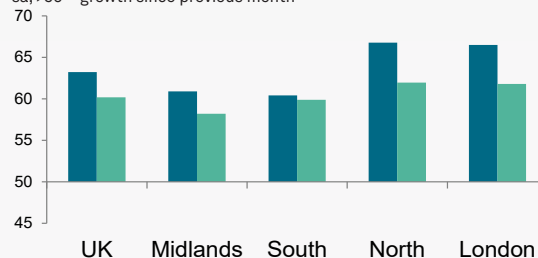
Vacancies

sa, >50 = growth since previous month



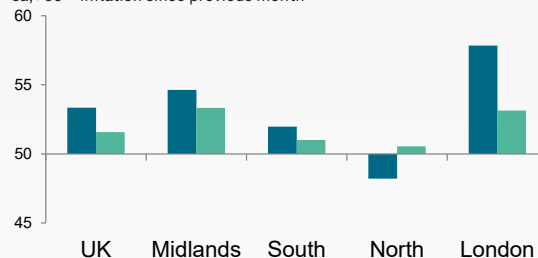
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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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.

Survey Dates

Data were collected 12-25 March 2025.

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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.

About KPMG UK

KPMG LLP, a UK limited liability partnership, operates across the UK with approximately 17,000 partners and staff. The UK firm recorded a revenue of £2.99 billion in the year ended 30 September 2024.

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