

# UK Jobs Market Review

## March 2025



### Hiring activity declines again in march

#### Permanent



March signalled a fall in permanent staff appointments across the UK. This extended the current sequence of contraction to two-and-a-half years. The rate of reduction was little-changed from that seen in February and therefore sharp overall. This has often been linked to fewer job opportunities and reduced confidence around the economic outlook.



#### Temporary

Recruitment agencies across the UK signalled a decline in temp billings for the ninth successive month in March. Though solid, the rate of contraction was the softest in 2025 to date. There were frequent reports that lower demand for staff amid reduced client activity and tighter hiring budgets had weighed on billings. There were also reports that some temp workers had moved to permanent positions.

### Vacancies decline at softest pace in five months



Demand for permanent staff fell for the nineteenth month in a row in March. The rate of decline was the softest seen since last October, albeit sharp overall. Temporary vacancies meanwhile fell at a rate that, though solid, was the slowest since last December.

The latest data from the ONS showed there were 816,000 vacancies across the UK in the three months to February 2025, which was broadly unchanged from the figure recorded in the preceding three month period. The latest figure indicated that the number of open roles was almost 100,000 below that recorded during the same period a year ago (914,000 in the three months to February 2024).

### Quickest increase in overall staff supply since December 2020

The supply of workers to fill permanent positions increased again in march, thereby stretching the current period of expansion to 25 months. Notably, the rate of growth picked up to the sharpest since the end of 2020. Anecdotal evidence indicated that were redundancies and fewer job opportunities were the principal drivers of higher staff supply.



UK recruiters signalled a sustained rise in the availability of short-term staff at the end of the first quarter. Furthermore, the rate of growth edged up to the second-sharpest since December 2020. There were widespread reports that redundancies and weaker demand for staff had led to the greater availability of temp workers,

### Quickest increase in starting salaries for seven months

#### Permanent



There was an increase in starting pay for permanent staff for the forty-ninth month in a row in March. The rate of inflation picked up from February's four-year low to a solid pace that was the fastest since last August. Employers were willing to raise pay offers to secure suitably-skilled candidates.



#### Temporary

March signalled a sustained rise in temp pay during March. The rate of wage growth quickened to a three-month high but was modest overall. Tighter recruitment budgets, notably for NHS workers and improved candidate supply had constrained overall wage growth.