

UK Jobs Market Review

June 2025



Steeper reduction in recruitment activity in June

Permanent



June saw a sharp and accelerated decline in the number of people placed into permanent roles. Notably, the rate of reduction was the steepest recorded since August 2023. Those surveys frequently mentioned that reduced business confidence and concerns over costs had led companies to delay or cut back on staff hiring.



Temporary

June signalled a further fall in billings received from the employment of short-term staff. The rate of contraction was the quickest recorded since February and sharp overall. Where lower billings were reported, this was generally attributed to a slowdown in market conditions and a reduced demand for workers.

Steeper decline in overall vacancies signalled



June signalled a quicker decline in overall vacancies than May. This extended the current period of contraction to 20 months, with the latest reduction steeper than the average seen over this period and marked overall. When broken down by job type, vacancy trends diverged in June. While demand for permanent staff fell at a sharper rate, temp jobs declined at the slowest pace since last August.

Latest data from the Office for National Statistics (ONS) showed a further drop in vacancies across the UK in the three months to May. On an annual basis, the number of open roles fell by 150,000 to stand at 736,000. This was the lowest figure published in just over four years. Job opportunities are now 10% lower than seen before the pandemic.

Candidate supply expands at fastest pace since late 2020

The availability of staff to fill permanent positions increased at a sharp and accelerated pace in June. Notably the rate of growth was the steepest recorded by the survey in just over four-and-a-half years. The upturn was widely linked to redundancies, but also more people seeking out new work opportunities due to concerns over current job security.



The upturn in temporary candidate numbers also gathered pace in June, with growth hitting the highest since November 2020. Panellists widely reported that redundancies and fewer job opportunities had pushed up the supply of short-term workers.

Slower growth in starting salaries and temp wages

Permanent



There was an increase in starting pay for permanent joiners for the fifty-second month in a row in June. That said, the rate of inflation dipped to a modest pace that was the softest since February. Some firms noted competition for scarce candidates and more senior roles had pushed up rates of pay. However tighter client budgets and improved candidate supply reportedly dampened overall growth.



Temporary

After improving to a one-year high in May, temp pay growth slowed in June. Notably the latest increase in average hourly wages was the slowest seen in three months and only mild. Pay offers increased due to efforts to attract suitably-skilled candidates, put pressure on client budgets and overall rising candidate supply had weighed on overall growth.