

# UK Jobs Market Review

## July 2025



### July sees further marked reduction in staff appointments

#### Permanent



July signalled a further reduction in permanent staff appointments across the UK. The rate of contraction was again rapid, having eased only slightly from June's 22-month record. Demand for staff remained weak and there were fewer job opportunities. The, in turn, was linked to higher payroll costs, which have squeezed company budgets, and a lack of confidence in the economic outlook.

#### Temporary



As has been the case since July 2024, temp billings decreased in July 2025. Anecdotal evidence frequently attributed the all to lower demand for temp staff, often due to cost-cutting and reduced operational requirements and clients. Furthermore the rate of contraction was the most pronounced in six months and sharp.

### Vacancies fall at quicker rate



July saw a sharp and accelerated decline in demand for workers. Moreover, the rate at which vacancies fell was steeper than the average seen since November 2023. Permanent vacancies fell at the fastest pace in five months, whilst temporary roles decreased at the sharpest rate since April.

Figures from the Office for National Statistics (ONS) indicated that vacancies declined by 56,000 over the second quarter of 2025. As a result, the overall number of job opportunities stood at 727,000; the lowest figure since the three months to April 2021. The number of total vacancies was also 8.6% (68,000) below the pre-pandemic level of 795,000 seen in the three months to March 2020.

### Upturn in candidate supply amid reports of redundancies

There was another rapid increase in permanent candidate supply during July. Notably the rate of growth moderated only slightly from June's four-and-a-half-year high. Redundancies, and worries over current job security, were cited as the key drivers of growth. Reduced hiring activity amid a subdued economic environment was also linked to the upturn in candidate numbers.



Temporary worker availability also rose again in July. While the rate of expansion slowed from June's recent post-pandemic record, it remained sharp in the context of historical data. Company layoffs and reduced workplace activity were all attributed to the latest upturn in temp candidate supply.

### Salary inflation slips to lowest in nearly four-and-a-half years

#### Permanent



There was a further slowdown in starting salary inflation in July. Furthermore, the rate of growth was the slowest seen since the current period of inflation began in March 2021. Companies are still offering higher salaries to attract and secure desirable candidates, but this is levelling off due to budget restraints and improved candidate availability.

#### 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.