

# UK Jobs Market Review

## September 2025



### Downturn in permanent staff hiring eases in September

#### Permanent



The number of people placed into permanent jobs across the UK continued to decline in September, thereby extending the current rate of reduction to three years. Though sharp, it was the softest decline seen over the last 12 months. Low employer confidence, often due to weak economic conditions, and higher staffing costs led to businesses cutting back or freezing recruitment.



#### Temporary

Temp billings fell for the fifteenth month running in September. The rate of reduction quickened slightly from August and was solid overall. Lower billing frequently attributed this to weaker demand for staff and lack of new projects at clients. However, trends diverged by region with Midlands and North actually seeing an increase.

### Overall demand for staff falls again



Vacancies for permanent staff continued to decline more rapidly than for short-term positions. Demand for permanent workers fell at the second-quickest rate since February, while demand for temporary staff was down to a slightly quicker degree than in August. The steepest reduction in vacancies was signalled for permanent staff in the public sector.

The latest official labour market data published by the Office for National Statistics showed that total vacancies declined by 10,000 in the three months to August. As a result, the number of unfilled positions (728,000) was among the lowest recorded since Spring 2021. Job opportunities have now fallen continuously for more than three years.

### Candidate availability continues to rise

The UK signalled another sharp rise in the number of candidates available for permanent jobs in September. Despite easing from August's record, and remaining a little lower than in June, the rate of growth was the third-sharpest since November 2020. The upturn was linked to the combination of redundancies and a reduction in hiring activity.



September signalled a softer rise in the number of people available for short-term jobs at the end of the third quarter. Nevertheless, the upturn was the second-steepest seen since November 2020. There are widespread reports that fewer short-term projects and company layoffs had pushed up the availability of workers.

### Starting salaries rise only fractionally

#### Permanent



Permanent starters' salaries broadly stagnated in September. Anecdotal evidence suggested that budget constraints and reduced demand for staff had weighed on pay growth. Starting salaries rose in the Midlands and London, but fell in the North and South of England.



#### Temporary

September saw a further rise in average hourly pay for temporary workers across the UK at the end of the third quarter. However, the rate of wage inflation was the weakest seen since January and only marginal. Higher candidate numbers and weaker demand for staff dampened wage growth.