

UK Jobs Market Review October 2025



Fresh rise in temp billings, while perm placements fall

Permanent



As has been the case since October 2022, Permanent staff appointments across the UK declined at the start of the final quarter for 2025. That said, the rate of reduction eased and was the softest seen since July 2024. Lower placements were linked to uncertainty around the economic outlook and the upcoming budget, leading to delays in hiring. Greater staffing costs also impacted hiring.

Temporary



Though only marginal, October saw a renewed increase in billings received from the employment of short-term staff. A preference for temp workers over permanent staff to fill roles helped lift billings. That said, relatively subdued overall demand for staff amid a weaker economic climate had dampened the rate of growth.

Vacancies continue to fall sharply



Data broken down by job type signalled further marked falls in demand for both permanent and temporary workers at the start of the fourth quarter. Permanent vacancies continued to fall at a steeper rate than that seen for temporary staff, despite the latter seeing pronounced contraction for six months.

Latest official labour market data published by the Office for National Statistics indicated a further decline in overall vacancies in the three months to September. That said, the latest reduction (9,000) was the smallest recorded since the three months to February. Nevertheless, the sustained fall in demand for staff pushed down the total number of vacancies to 717,000, which was the lowest seen in nearly four-and-a-half years.

Further substantial increase in supply of candidates

October survey data signalled a sustained upturn in the availability of workers seeking permanent roles, thereby stretching the current rate of expansion to 32 months. The latest increase was attributed to a combination of redundancies and fewer job opportunities. Although easing for the second month straight, the rate of growth was nevertheless among the quickest recorded since late 2020.



Growth of temporary market labour supply eased further from August's post-pandemic peak, but remained rapid overall. According to anecdotal evidence, fewer contract roles, hiring freezes and company layoffs had pushed up temporary candidate numbers.

Pay pressures remain weak

Permanent



Salaries awarded to new permanent staff across the UK continued to increase at the start of the final quarter. Rising pay was mainly to secure high calibre candidates. However there were also frequent reports of salaries levelling off or even falling due to weaker market conditions.

Temporary



October signalled broadly stagnant pay for short-term workers. This ended a one-year period of growth. Less demand for staff and increased candidate availability had dampened pay pressures.