UK Jobs Market Review
June 2026

Decline in perm eases and temp billings rise strongly

Permanent

There was a reduction in the number of people placed in permanent jobs for the forty-fifth straight month in June. This has been attributed to fewer vacancies and cuts to recruitment budgets, which in turn reflected subdued business confidence. However, the rate of contraction eased notably since May to one of the softest since March.

Temporary

Growth in temp billings across the UK quickened for the second successive month in June and was solid overall. The rate of expansion was the steepest since April 2023. Demand for temporary workers has improved, at times reflecting a preference amongst businesses for flexible staffing solutions and short-term projects.

Demand for staff falls at quickest rate since January

June signalled a sharp reduction in demand for workers. Vacancies how now fallen in each of the past 32 months, with the latest reduction the most pronounced since January. The fall in temp vacancies meanwhile remained marginal with the pace of contraction quickening only fractionally from May.

The latest official vacancies data published by the ONS pointed to a further reduction in demand for workers across the UK during the three months to May. The number of overall job opportunities fell by 4.2% on an annual basis over the latest three month period, dropping to 707,000 - which is the lowest recorded for just over 5 years.

Growth in overall candidate numbers skip to four-month low

UK recruitment consultancies continued to signal an improvement in the availability of permanent candidates at the end of the second quarter. The rate of growth eased since May, and though sharp, was the softest recorded in four months. This was generally linked to redundancies and a reduction in hiring activity.

The supply of short-term staff across the UK rose further in June, thereby extending the current period of expansion to 40 months. Redundancies remained a prominent theme when recruiters were asked what drove the latest upturn, whilst insufficient amounts of new contract work were also cited.

Strongest rise in starting salaries since January

Permanent

As has been the case in each month since March 2021, aveage starting salaries for permanent joiners across the UK increase in June. This was the quickest seen since January. Employers are having to raise salaries in order to attract top talent. However, growth remained slower than the average seen in 30 years.

Temporary

The rate of wage inflation for short-term staff accelerated to a solid pace that was the second-fastest since May 2025. Higher rates were generally linked to a lack of suitably skilled candidates and the impact of stronger-than-usual national minimum wage increases.