UK Jobs Market Review

July 2026

Perm placements stabilise and temp placements rise

Permanent

Permanent staff appointments stabilised as the second half of 2026 began thereby ending a 45-month period of decline. Although uncertainty around the political and economic outlook, alongside high labour costs, had made employers more hesitant to take on additional staff, some firms were reported to have pressed ahead with recruitment plan for new projects.

Temporary

As has been the case since April, there was an increase in temp billings at the start of the third quarter. The rate of growth slowed from June's 38-month record, but was nevertheless among the best recorded since early 2023. There was an increase in employers focusing on flexible workforce arrangements against a backdrop of ongoing market uncertainty.

Temp vacancies rise for the first time in 2 years

July survey data pointed to the furst increase in demand for temporary workers for two years. Though modest, the rate of growth was the quickest recorded since August 2023. At the same time, July signalled a weaker reduction in demand for permanent staff.

The overall number of vacancies fell during the three months to June. The latest official data published by the ONS showed a fall of 7,000 compared to the three month to March. This meant that the overall number of vacancies fell to 712,000 which was among the lowest levels seen over the last five years. This is 9.6% below the pre-pandemic level of 788,000 in the three months to March 2020.

Overall candidates supply rises at softer but still sharp rate

There was another steep rise in permanent candidate availability during July, although the rate of growth slipped again to hit a five-month low. According to anecdotal evidence, more people were seeking permanent roles due to redundancies and concerns over current job security.

As has been the case since March 2023, the supply of temporary workers across the UK increased at the start of the third quarter. Whilst sharp, the rate of growth eased to its lowest level in more than three years.

Starting salaries increase at quickest rate for six months

Permanent

There was a further acceleration of permanent salary inflation during July. Pay has now increase in each month since March 2021, with employers willing to raise salary offers to attract and secure candidates with the right skills and experience.

Temporary

Temp pay rose again in July, thereby extending the current period of wage growth to eight months. Notable, the rate of inflation quickened to the steepest recorded in over two years. Stronger demand and competition for particular skill sets pushed up pay.