UK Jobs Market Review
August 2026

Perm placements increase for first time in nearly four years

Permanent

After stabilising in July, the number of people placed in permanent jobs across the UK increased during August. Though only marginal, it maked the first rise in permanent placements since September 2022. The upturn was linked to companies expanding capacity, new contract wins and a relative improvement in market confidence.

Temporary

August signalled a fifth successice monthly increase in billings received from the employment of short-term staff. Greater amounts of contract work among clients and a preference for temporary staff were the main drivers. The rate of increase was the second-quickest since April 2023 (after June 2026) and solid.

Demand for staff continues to decline in August

Permanent staff vacancies continued to fall in August, thereby extending the current period of decline to three years. While solid, the rate of contraction was unchanged from July, which marked the weakest reduction in 22 months. Meanwhile, after having decreased for the furst time in two years during July, demand for temporaray staff weakened in August. That said, the rate of reduction was marginal overall.

The latest official data published by the ONS pointed to a further reduction in overall demand for workers across the UK. At 707,000, the number of vacancies recorded in the three months to July was 2.8% lower compared to a year ago.

Supply of workers increases at fastest pace in three months

As has been the case since March 2023, the number of workers seeking permanent job roles increase midway through the third quarter. The rate of growth was the most pronounced since May and sharp. That said, the upturn was softer than that seen on average over the past year. Redundancies were the key driver of the latest increase, Fewer overall work opportunities, uncertainty over current job security and the preference for permanent positions also pushed up supply.

There was a sustained rise in the number of candidates available for temporary work in August. The rate of growth was historically strong, but nevertheless the second-slowest in over three years. Company layoffs, and a lack of new contract opportunities pushed up supply.

Strongest increase in permanent pay since January

Permanent

There was an increase in starting pay for permanent joiners in August, extending the current run of growth to five-and-a-half years. It was the quickest seen in seven months and solid. Some employers had raised salary offers in order to attract and secure highly-skilled candidates or those with niche skills.

Temporary

Average hourly pay rates for temporary workers incerased for the ninth successive month in August. The rate of wage inflation slowed from July's 26-month high, but remained solid. Competition for scarce skills, the higher cost of living and wage negotiations with candidate had lifted the average.