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Talent Trends Report.

August 2026

Source: REC/KPMG data July 2026

Has the longest decline on record ended for good?

July delivered the milestone the market has been waiting for: permanent placements stopped falling for the first time in 45 months. It's not a boom (overall demand is still soft) but the longest decline in the REC/KPMG survey's history is over, and temporary vacancies rose for the first time in two years.

The more useful story for specialist hiring sits in the pay data. Starting salaries rose at their fastest rate in six months and temp pay hit a 26-month high - even though candidate availability has now risen for 41 consecutive months. More candidates and higher salaries, both at once. That only happens when the extra supply isn't the supply employers actually need.

What this means for businesses:

This month's national shortage lists read like our job board: actuaries, underwriting and insurance specialists; AI/ML engineers and cyber security; solicitors and legal professionals. If you hire in these markets, the candidate-rich headlines don't apply to you - your market got more competitive in July, not less.

"The paradox in this month's data is one we see on every specialist desk: record candidate availability and rising salaries at the same time. There are more CVs in the market than at any point in years, and yet the people our clients actually need - in pricing, in insurance, in technology, in legal - are as hard to secure as ever. Judge your hiring plans by your market, not the headlines."

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Hiring headlines | What July data tells us.

- **Permanent hiring:** stabilised at 50.0 - the first month without decline in 45 months. Some employers pressed ahead with hiring as new projects commenced, and London hit a near four-year high (56.2)
- **Contract/temporary:** still growing (51.9) for a fourth consecutive month, with temporary vacancies rising for the first time in two years. Flexible talent is doing the heavy lifting
- **Vacancies:** still falling overall (47.1), but at the slowest pace in 22 months. Employers are edging back towards hiring, not flooding back
- **Pay:** starting salaries rose at their fastest pace in six months (53.3) and temp wages hit a 26-month high (54.8). Scarce skills are being repriced
- **Candidates:** availability is still rising (59.8), but at the softest pace since February - and recruiters keep citing a lack of suitably skilled candidates. More CVs in the pile, but fewer of the right ones

Regional differences (worth keeping an eye on)

July split the UK map. London led everything: permanent hiring at a near four-year high (56.2) and the fastest pay growth in the country for both permanent and temp roles. The Midlands returned to permanent growth, while the South and North softened - though the North recorded the steepest rise in temp billings anywhere in the UK (57.7). If you hire across multiple regions, your offer benchmarks shouldn't be one-size-fits-all.

What the experts are saying.

Callum Licence, Group Head of Advisory, KPMG UK and Switzerland, says:

“Despite ongoing uncertainty it's encouraging that businesses are starting to press ahead with investment... Over the past 45 months we have seen the longest recorded period of contraction in the permanent placements index, so to finally have it stable is a big milestone.”

How to interpret this
The word 'milestone' is doing real work here. KPMG isn't calling a recovery - they're marking the end of the decline. For specialist hiring, the distinction barely matters: the roles employers pressed ahead with in July were project-driven and skills-led, exactly the territory where competition never went away.

Maxine Bligh, Chief Membership & Innovation Officer, REC says:

“Rays of light are beginning to break through for the job market as employers revive hiring plans. Temporary vacancies are up for the first time in two years... And the permanent market is stabilising. Remarkably, this is the first month without a decline in permanent placements since 2022.”

How to interpret this
'Employers revive hiring plans' is the phrase to hold onto. The sequencing is familiar: contract first, permanent second - which is why the specialist contract market is where the recovery shows up earliest. It also means permanent competition for scarce skills builds quietly, well before it becomes visible in the headline numbers.

Our expert take
August's message isn't “the recovery is here”. It's “the decline is over, and pay for scarce skills is already moving”. If there's a specialist role you know you'll need this year, benchmark it and map the market now, while things are still quiet.

Sector lens | What July means for our markets.

The UK-wide numbers hide what's happening inside specialist markets. Here's what the July data, and our own desk activity, say about the three we work in:

Insurance

Financial sector hiring remains cautious overall, but the skills-shortage lists tell the real story: actuaries, underwriting and insurance specialists all feature among the hardest permanent roles to fill in July. Pricing, actuarial and technical roles continue to sit in a market of their own, where the constraint isn't candidate volume, it's finding people with the right depth who are actually willing to move.

Tech & Change

The wider tech market is still quiet, but look at what employers can't find: AI project managers, AI/ML developers and engineers, cyber security, cloud and full-stack developers all appear on July's shortage lists, for both permanent and contract roles. The middle of the tech market may still be quiet, but the sharp end never stopped competing. If your 2027 plans involve AI, data or security capability, the talent for it is already contested.

Legal

Legal, legal secretarial and solicitor roles all feature among July's permanent skill shortages - and the regional data matters here. London, the heart of the UK legal market, saw permanent hiring reach a near four-year high and the country's fastest pay growth. For London and South East practices, the pattern is selective but genuine demand: the right associate or specialist still attracts competition, and counter-offers are creeping back.

Our expert take

In all three of our specialist markets, the shortage lists are already behaving like an upturn. The wider market will catch up but the specialists won't wait for it.

Why the CV pile isn't always the talent pool.

Candidate availability has risen for 41 consecutive months, yet a specialist brief still takes months to fill. That's because the headline counts everyone. Your shortlist counts a much smaller group:

THE TALENT POOL FUNNEL

Everyone who is actively looking

Candidate availability has grown for 41 consecutive months. This is the number the headlines talk about

Has skills relevant to brief

Remove the career changers, wrong specialisms and speculative CVs, and your talent pool falls sharply

Genuinely qualified

Actuarial, pricing, underwriting, AI/ML, cyber, solicitors at the right PQE are as scarce as ever, limiting your pool further

Actually available

Candidates that are actively looking will likely be in several other processes, or being counter-offered by their employer. You need to act quick to secure the best talent from an aready small pool

Our expert take:

A candidate-rich market and a hard-to-fill role are not a contradiction. They're the same market, viewed from different perspectives. For specialist roles, the work is in the small numbers: finding, engaging and moving quickly for the few who genuinely fit.

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The offer stage is the new bottleneck.

Getting to shortlist has become easier, but getting to offer accepted has not. July's data shows where the pressure has moved:

Pay is being repriced quietly

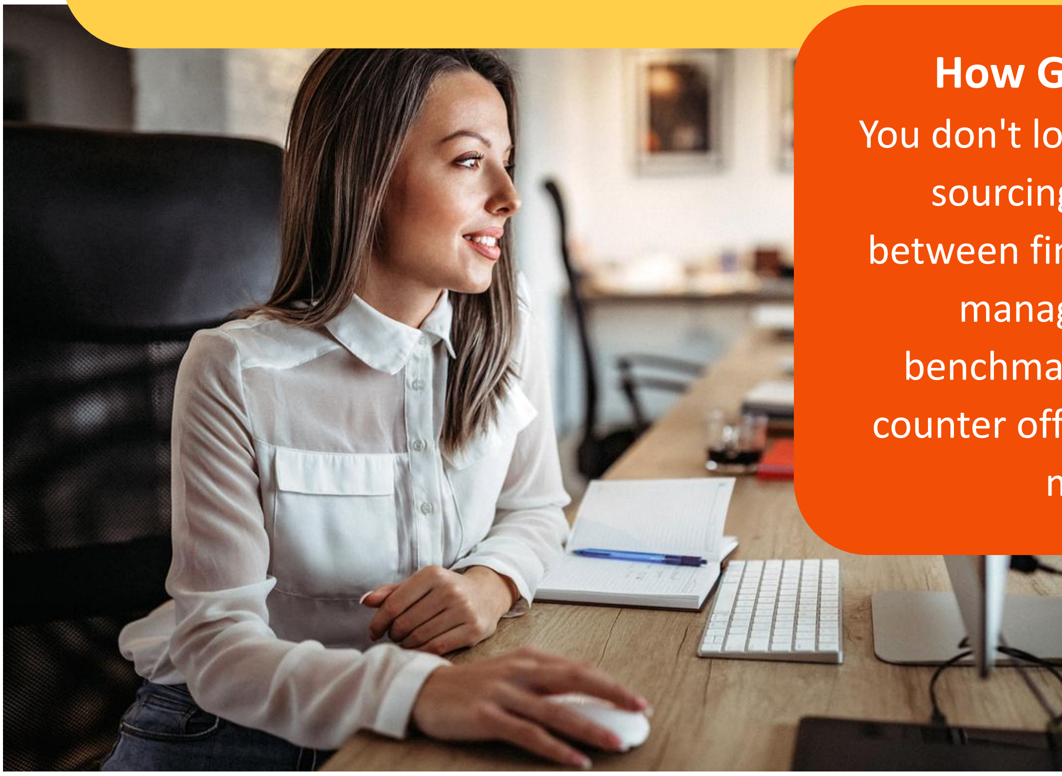
Starting salaries rose at their fastest rate in six months, with London sharpest. Salary bands set eighteen months ago now sit below the market for scarce skills - and candidates tend to know it before you do.

Counter-offers are back

They're being reported again, in legal especially. Employers who have struggled to hire are working harder to keep who they have - so plan for a counter in every offer you make, as a stage rather than a surprise.

Speed decides contested hires

In scarce skills, the second-fastest process rarely wins. If your offer takes four weeks longer than a competitor's, the decision is usually made elsewhere - long before you know you were in a race.



How Gerrard White helps:

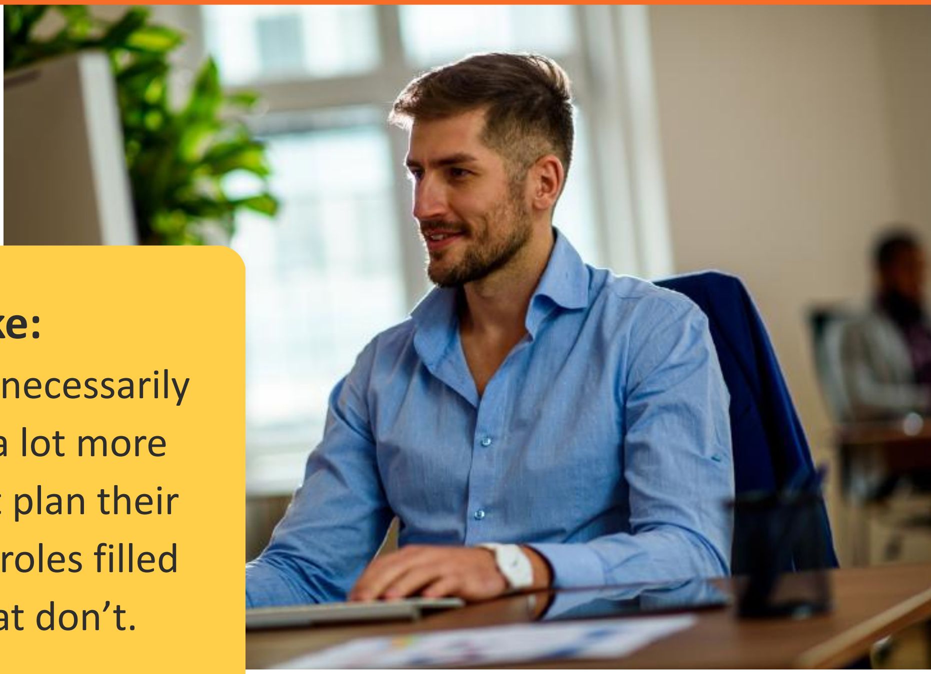
You don't lose scarce candidates at the sourcing stage - you lose them between final interview and offer. We manage that window daily: benchmarking offers, anticipating counter offers and keeping processes moving at speed.

How to brief a role in this market.

The role brief | 4 things to agree from the outset

THE RANGE	What the role pays now, in your region - not what it paid last time you hired for similar position. Include what a counter-offer is likely to look like.
THE MUST-HAVES	Keep it to three core requirements, not ten. A ten-point spec on a four-candidate market is a decision not to hire. Everything else is a trade-up, not a filter.
DECISION ROUTE	Who interviews, who signs off, and how quickly - agreed before the first CV lands, not during week five.
THE TRADE-OFF	Agree where you are willing to compromise - slightly less experience and hire faster, or exactly right experience and slower process. Both work. Not choosing or choosing late is what costs you the candidate.

Agree these things early at brief stage and a search that stalls for months will usually runs in weeks.



Our expert take:

The hiring market hasn't necessarily got harder. It's just got a lot more specific. Companies that plan their briefs to reflect that get roles filled quicker than those that don't.

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Get ahead of your next brief.

If you've got a role in mind for the autumn, it's worth knowing what it looks like from the candidate side before you go to market.

Ask us for a complimentary market view on a live or upcoming role:

- what it realistically pays now in your region
- how deep the genuine candidate pool is
- where competing employers are moving faster
- what's likely to slow the process down

It's a short conversation, it costs you nothing and you'll be able to plan better for having had it.

Get in touch with our specialist team:

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