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Talent Trends Report.

July 2026

Source: REC/KPMG data June 2026

AFTER A LONG RECRUITMENT WINTER, THE FIRST HOPEFUL SIGNS

June brought the most encouraging jobs data in a long while. Permanent hiring is still falling, but only marginally, the softest decline in three months, and close to flat. Contract and temporary hiring, meanwhile, grew at its fastest rate in over three years, as businesses keep work moving through flexible talent while they wait for the confidence to commit.

Underneath the headline numbers, three things are shifting at once: the permanent decline is easing, starting salaries are rising at their fastest pace since January, and candidates are becoming more hesitant to move. Each one on its own is a footnote. Together, they look like the early mechanics of a market getting ready to turn.

What this means for businesses:

Turns don't arrive evenly. They show up first in specialist markets, where skills are scarce, competition never really went away, and the best people are off the market within weeks. If you're planning to hire specialist talent in the next six to twelve months, the groundwork you do now decides how the turn treats you.

The headline data says the market is still soft. The conversations we're having say something more specific: for genuinely scarce skills, it never really got soft. Salaries for specialist roles are already moving, and the strongest people are the most cautious about jumping. Employers who wait for the recovery to be official will be hiring against everyone else. The ones who map their critical roles now will be hiring first.”

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Hiring headlines | What June data tells us.

Permanent hiring: still slightly down (49.1), but the decline eased notably and is the closest to stabilising in months. Employers are hiring where there's a clear need, and some are pressing ahead with new projects

Contract/temporary: growing at its fastest rate since April 2023 (52.7), and accelerating for a second month. Flexible talent is doing the heavy lifting while confidence rebuilds

Vacancies: still falling (45.1), and at the quickest pace since January, driven by permanent roles. Employers are pausing new commitments, not abandoning delivery

Pay: starting salaries rose at their fastest pace since January, driven by competition for top talent. Even in a soft market, scarce skills are being repriced

Candidates: availability is still rising (60.1), but growth slowed to a four-month low and recruiters report candidates increasingly reluctant to move. More CVs in the pile, but the people you actually want are sitting tighter

REGIONAL DIFFERENCES (WORTH KEEPING AN EYE ON)

The picture evened out in June. Permanent hiring declines softened in London, the South and the Midlands but the North saw a renewed dip after four months of growth. Contract hiring rose across all four English regions, with the South strongest. And pay tells its own story: starting salaries rose solidly in London and the North, modestly in the Midlands, but slipped slightly in the South. If you hire across multiple regions, your offer benchmarks shouldn't be one-size-fits-all.

What the experts are saying.

Lisa Fernihough, Vice Chair Advisory, KPMG UK

"It's encouraging to see some of the hiring data improve in June. Although permanent placements are still falling, the pace of decline is easing... the story of the past few months has been the pivot to temporary work... With oil prices steadying, business leaders will be hoping that the coming months bring a period of stability and improved economic conditions where they can start to build momentum again."

How to interpret this

The 'pivot to temporary' isn't a blip it's how businesses are getting things done while permanent commitment feels risky. But note the direction of travel in her comments: the pause caused by the summer's global uncertainty is unwinding, and leaders are looking for a window to rebuild momentum. When they do, the specialist roles that were parked will come back first and all at once.

Neil Carberry, Chief Executive, REC

"After a long recruitment winter, these figures show truly hopeful signs. Temporary and contract work once again leads the way, as firms react to demand without yet feeling confident enough to commit to larger scale permanent hiring. Though that too looks like it may change."

How to interpret this

'That too looks like it may change' is the most important sentence in this month's report. The REC sees permanent hiring approaching its floor. Nobody can call the date - political and policy uncertainty could push it either way - but the practical takeaway isn't about timing. It's about sequencing: whoever restarts specialist hiring first gets the deepest, least-contested candidate pool of the cycle.

Our view

July's message isn't "the recovery is here". It's "the recovery is forming and specialist markets move first". If there's a role you know you'll need to fill this year, the cheapest and calmest time to prepare for it is now.

Sector lens | What June means for our markets.

The UK-wide numbers hide what's happening inside specialist markets. Here's what the June 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: risk, financial services and insurance specialists all feature among the hardest permanent roles to fill in June. 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

IT vacancies are still falling overall but look at what employers can't find: AI and machine learning engineers, cyber security, data professionals and scientists, and experienced software engineers all appear on June's shortage lists, for both permanent and contract roles. **Translation:** the middle of the tech market is 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 and legal secretarial roles feature among June's permanent skill shortages, and solicitors appear on the contract shortage list too - a sign that firms are using interim capacity to cover demand they can't yet hire for permanently. For London and South East practices, the pattern we're seeing is selective but genuine demand: the right associate or specialist still attracts competition, whatever the headlines say.

The common thread: 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.

The candidates you want aren't applying.

Here's the paradox of this market. Candidate availability has risen for 40 consecutive months and yet June's recruiters reported candidates becoming more hesitant to move. Both are true, and the difference matters:

- **The candidate pile is bigger (largely driven by redundancies and reduced hiring).** There are more people looking but they're not evenly spread across skills or seniority.
- **The people you want are sitting tighter.** High performers in secure roles are watching the same uncertain headlines as you. They're not browsing job boards. They'll move for the right opportunity, presented well but they won't find you on their own.
- **Advert-led hiring misses them entirely.** If your hiring strategy for a critical role is "post the advert and see", you're selecting from the people who have to move, not the people you'd choose.

For specialist roles, this is an approach-led market, not an application-led one. Reaching the strongest people takes a proactive search, a compelling and honest story about the role, and a process that respects their time. That's precisely the work worth doing in a quieter month before every competitor wants the same conversation.

Get ahead whilst it is quiet.

The window between “the data is improving” and “everyone is hiring again” is where the best specialist hires of this cycle will be made.

Here's how we help clients use it:

Talent mapping for priority roles

Tell us the two or three roles that will matter most to your 2027 plans.

We'll map the market for them now, who's out there, where they sit, what they earn, and who'd be open to a conversation, so when the role is approved, you start from a shortlist, not a blank page.

Salary benchmarking by specialism

Starting salaries are moving fastest exactly where skills are scarcest. We benchmark against what's actually being offered in your specialism and region right now, so your offer lands first time, and you're not negotiating against a market that's moved without you.

Specialist contract talent to bridge

Contract demand is at a three-year high for a reason: it keeps delivery moving without waiting for permanent sign-off. We provide specialist contractors, properly scoped, IR35-aware, and quick to start, so a delayed permanent hire doesn't become a delayed project.

How Gerrard White helps:

We're specialist recruiters across Insurance, Tech & Change and Legal, supporting permanent and contractor hiring across the UK, US and Europe. Deep markets, strong networks, long memories and shortlists you can trust.

3 moves to make before September.

1

Pipeline your critical roles now.

Pick the roles your 2027 plans genuinely depend on and treat them differently from routine hiring: map the market, meet people early, keep a warm shortlist. When approval lands, you'll be weeks ahead of anyone starting cold.

2

Re-benchmark before the market does it for you.

If your salary bands were last tested when you were last hiring at volume, they're historical documents. Benchmark your critical specialisms against today's market before the turn reprices them for you

3

Rehearse your speed.

The best specialists will be the first ones contested when confidence returns. If your interview-to-offer process takes six weeks, fix it now, in a quiet month, at your own pace, rather than discovering it under pressure while a competitor moves in days.

None of this commits you to a single hire. It just means that when the market says “go”, you're not starting from the back of the queue.

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A useful next step.

As an award-winning specialist recruiter across three distinct verticals (Insurance, Technology & Change and Legal) we're well placed to tell you what's really happening in your corner of the market.

If this month's data has put a role back on the agenda, the most useful thing we can offer (other than the hire) is perspective: what the market for that role actually looks like right now - the depth of it, the going rate, and how contested it's likely to be as things pick up.

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

Get in touch:

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