

TALENT TRENDS REPORT

NOVEMBER 2026

Source: REC/KPMG data October 2026

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Award-winning talent partner, trusted by growing companies across the UK

WHAT THE MARKET IS TELLING US | NOVEMBER 2026

Last month we told you the market was rebalancing, and asked whether that would happen by design or by default. October answered quicker than anyone wanted. Permanent placements fell for the first time in four months, at the second-quickest pace of 2026, as employers held back before the Autumn Budget. Temp billings slipped below 50 for the first time in seven months.

Look under the surface though, and this is not a market giving everything back. Vacancies fell at their softest rate in 26 months, private sector demand for permanent staff actually grew, and candidate numbers surged to 59.4 on the availability index as redundancies pushed more people into the market.

So demand is close to flat, supply is climbing and confidence keeps swinging: falling, stable, growing, falling again, all inside six months. That stop-start pattern is the expensive part of this month's data, and the thread running through this edition: what changed in 30 days, what stop-start hiring really costs, and how to tell whether your hiring model fits how your demand behaves.



“Almost every conversation we're having has the same shape: we need to hire, but we can't commit to hiring. They sound like opposites, but they’re not. You don't beat a stop-start market by predicting it better than everyone else. You beat it with hiring capacity that flexes when the market changes its mind.”

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HIRING HEADLINES | WHAT OCTOBER'S DATA TELLS US

Permanent placements fell again: The first decline in four months, and the second-quickest of 2026 (46.6 on the index). Recruiters blamed uncertainty and rising employment costs in the run-up to the Autumn Budget.

Temp billings slipped below 50: The first fall in seven months (48.9), put down to contracts completing and firms hesitating on new projects.

Demand is close to its floor: Vacancies fell at their softest rate in 26 months, and private sector demand for permanent staff actually grew.

Candidate supply surged: The availability index jumped to 59.4, the 44th monthly rise in a row, driven by redundancies.

Pay crept up, not down: Starting salaries accelerated to 54.1 as the people employers most want stayed in short supply.

WHAT THIS MEANS FOR YOUR BUSINESS

Six months of data now reads: falling, stabilising, growing, growing, falling. That is not a recovery or a collapse, but it is a market that cannot hold a direction for a full quarter.

For hiring teams, the whiplash is the real cost. Searches restarted in September are being paused in November, and shortlists built six weeks ago are going cold.

One detail in the report stopped us this month: the REC's excess-supply list now includes talent acquisition professionals. In plain terms, firms are cutting the very capacity they will need at the next restart.

So the question is not when the market will settle. It is whether your hiring model can cope with one that won't.

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THE FOUNDATIONS ARE STRONGER THAN THE HEADLINES

Official data from beyond the REC survey fills in October's picture:

VACANCIES: 691,000

The lowest since spring 2021 and, outside the pandemic, the lowest since 2014. Down 5.1% on the year.

UNEMPLOYMENT: 4.7%

An unexpected fall from 4.9%, and the lowest rate in over a year, even as vacancies kept shrinking.

PAY GROWTH: 3.7%

Total earnings growth in the three months to August: the softest since late 2020.

PRIVATE SECTOR PAY: 3.1%

The slowest private sector earnings growth since the pandemic. Public sector pay rose 6.3%.

THE BUDGET - 28TH OCT

The REC survey closed two days before Budget day on the 26th October, so the data doesn't include immediate response from the Budget, but yje REC's verdict since the Budget was announced is that is was a missed opportunity for both jobs and growth.

Sources: ONS via the KPMG/REC UK Report on Jobs, November 2026 (vacancies, three months to September; earnings, three months to August); ONS Labour Market Overview, October 2026 release (unemployment). Budget comment: REC.



Read alongside the REC survey, the official data says demand is near its floor while candidate supply keeps climbing. The raw conditions for hiring well are still all there. **Confidence is the only thing that keeps stalling.**

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THE REAL COST OF STOP-START HIRING

October shows the current market is one that moves in bursts. Employers committed in August and September, then froze again before the Autumn Budget. Pausing a search feels free, but it isn't. The bill arrives later, when you restart. Three costs hide inside every stop-start cycle:



COLD PIPELINES

Candidates engaged in September will not be waiting in January. Every restart means rebuilding interest from scratch, and the strongest people on a paused shortlist are the first to accept elsewhere.



PANIC SPEND

When the brakes come off, everything is urgent at once. Urgent roles go to whoever can move fastest, usually at full fees, with little to no time to negotiate and little leverage to do it with.



CAPACITY WHIPLASH

Teams scaled down in the pause are overwhelmed in the restart, so time to hire stretches exactly when the business wants speed. The REC's October excess-supply list includes talent acquisition professionals: hiring teams are among the redundancies.

Demand has not disappeared. Private sector demand for permanent staff grew in October, and vacancies are close to flat. What the stop-start cycle burns is not opportunity, it’s the capacity to act on it.

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MATCH THE MODEL TO THE MARKET

An in-house team sized for one version of this market will be wrong for the other three. The fix is matching capacity to how your demand actually behaves:

STEADY	**PREDICTABLE VOLUME**	A well-run in-house team is the right answer. If that is you, keep it, and keep its benchmarks and pipelines current through the pauses.
GROWING	**SUSTAINED DEMAND**	**Full or project RPO** hands you the whole hiring engine: sourcing, process, technology and reporting, built to scale without adding fixed headcount.
SPIKY	**STOP-START DEMAND**	**Embedded Talent (RaaS)** puts experienced recruiters inside your business for as long as the peak lasts, and not a month longer.

Running a large contingent workforce through the swings? MSP gives you one point of control for spend, compliance and supplier performance.

NOT SURE WHICH FITS?

That is what **Talent Advisory** is for: workforce planning, salary benchmarking and a clear-eyed look at how your hiring model held up through 2026, before you commit to changing anything. Preparation without commitment, so that when direction returns you can move on the first signal rather than the third.

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SIX SIGNS YOUR HIRING MODEL IS FIGHTING THE MARKET

No quiz, just a simple list of things we keep hearing from hiring teams in a stop-start market. Tick the ones that sound like yours.

- ☐ **RESTARTS:** You switched hiring back on in the autumn and have already paused again
- ☐ **SPEND:** Agency costs spike every time hiring resumes, because everything is suddenly urgent
- ☐ **CAPACITY:** Your talent team is permanently either overstretched or underused, never right-sized
- ☐ **PACE:** Roles sit open for months, then get filled in a scramble
- ☐ **VISIBILITY:** Nobody can tell you, today, what your contingent workforce costs
- ☐ **PIPELINE:** Shortlists from the last restart have gone cold, and nobody owns keeping them warm

Ticked two or more? The market is not your problem but your hiring model is. You may not be able to change the market, but the model is yours to change.



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HIRING CAPACITY, WITHOUT THE FIXED COST

Here is the bind that October exposed. Talent teams trimmed through the long decline were asked to restart in September, and are now being asked to pause again. Rebuild the talent team permanently and you add fixed cost in a market that changes its mind every few weeks. Do nothing and the next restart runs on panic agency spend. There is a third option: hiring capacity that scales with demand.

EMBEDDED TALENT (RaaS)

Experienced recruiters who plug into your team - your brand, your systems, your culture - on a simple monthly subscription. Scale up when hiring picks up, scale down when it doesn't. The responsiveness of an in-house team with the flexibility of a variable cost.

RPO - FULL, PARTIAL OR PROJECT

RPO isn't all or nothing. Project RPO delivers a defined hiring burst - a restart, a new team, a January surge - with a start date, an end date and no ongoing commitment. Partial RPO takes on the stages that slow you down. Full RPO hands you the whole engine, run by specialists and built to flex.

TALENT ADVISORY

Not ready to change how you hire but want to know if you're ready? Advisory support covers workforce planning, salary benchmarking and process health-checks. Preparation without commitment.

And if contingent workers are carrying you through the swings, MSP puts spend, compliance and supplier performance under one point of control.

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PREPARE AHEAD, DON'T LEAVE PLANNING TOO LATE

The latest S&P Global UK Business Outlook put hiring intentions at a two-year high, and the strongest people move first. Decisions made in November fill seats in January.

Complimentary Hiring Model Review - a structured conversation covering:

- How your model coped with the stop-start year
- Salary benchmarks for your critical roles
- Where your process loses time (and candidates)
- What flexible hiring capacity could look like for you

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Vermelo delivers award-winning RPO and flexible talent solutions across insurance, insurtech, fintech, financial services and regulated sectors.

We help organisations hire smarter by combining people, process and technology to deliver faster, compliant, cost-controlled hiring through:

- RPO (full / partial / project)
- Manages Service Provider (MSP)
- Embedded Talent (RaaS)
- Total Talent (perm and contractors)
- Talent Advisory & Consulting

We work as an extension of your team, focused on the outcomes that matter: speed, quality, and a better experience, with governance built in as standard (IR35, screening checks, audit-ready onboarding).

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