2025 Q3 Industry Insights

Market, Salary and Hiring Insights across the UK Tech Sector

Introduction

The UK tech employment landscape continues to evolve rapidly amid economic uncertainty, technological innovation, and shifting employer priorities.

This report draws on salary data, hiring patterns, and market sentiment across IT and Software roles for Q3 2025. It explores the challenges and opportunities shaping recruitment, from AI-driven job creation to persistent skills shortages and cost pressures.

Whether you're hiring or job-seeking, these insights highlight where demand is rising, and where the market is tightening.

Trends, challenges & opportunities

85%

of HR decision-makers admit their organisation has made a bad hire. Recruiters must drive the good recruitment agenda.
(REC)

60%

of employers expect broadening digital access will transform their business than any other trend.
(World Economic Forum)

Summer Slowdown in Contractor IT Demand

IT contractor demand registered its third lowest score so far this year in July, with only February (41.3) and January (38.8) being lower on the REC's index.

Salary & Vacancy Overview

Across all permanent IT vacancies:

Low	High	Median Salary	Median % change YoY	Sample Size
£28,000	£92,500	£51,000	-15.00%	12,830

The overall decline indicates a market normalising after the post-pandemic tech salary boom.

Most frequently advertised Tech roles

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Permanent

Job Title	Low	High	Median Salary	% change YoY	Sample Size
Project Management	£29,250	£90,000	£54,855	-4.60%	1,457
Developer	£37,500	£118,750	£60,000	-	1,278
Analyst	£26,750	£73,750	£40,500	-14.74%	1,257
DevOps	£43,750	£105,750	£70,000	+1.00%	1,065
Cybersecurity	£28,250	£87,500	£48,500	-25.38%	1,060

Contractors

Job Title	Low	High	Median Daily Rate	% change YoY	Sample Size
DevOps	£381	£700	£525	-4.55%	1,457
Developer	£363	£738	£505	-3.81%	1,332
Analyst	£263	£638	£450	-	1,210
Business Intelligence	£268	£650	£500	-	666
Project Management	£300	£700	£500	-4.76%	566

Across the most advertised permanent positions, salary performance has softened, with only DevOps showing a modest +1.0% year-on-year (YoY) increase to a median of £70,000. These trends reflect a broader market under pressure, with employers managing increased costs and showing more cautious hiring sentiment.

Contractor demand and pay have also moderated amongst the most advertised positions. DevOps continues to command the highest median day rate (£525), despite a 4.55% YoY decline. The REC's contractor demand index for IT registered its third lowest score of the year in July, signalling ongoing caution in project-based hiring.

Scotland | 1,201

North East | 489

Northern Ireland | 247

North West | 2,435

East Mids | 1,253

Wales | 703

West Mids | 1,809

London | 11,648

South West | 2,570

South East | 10,690

Hybrid/ WFH | 13,116
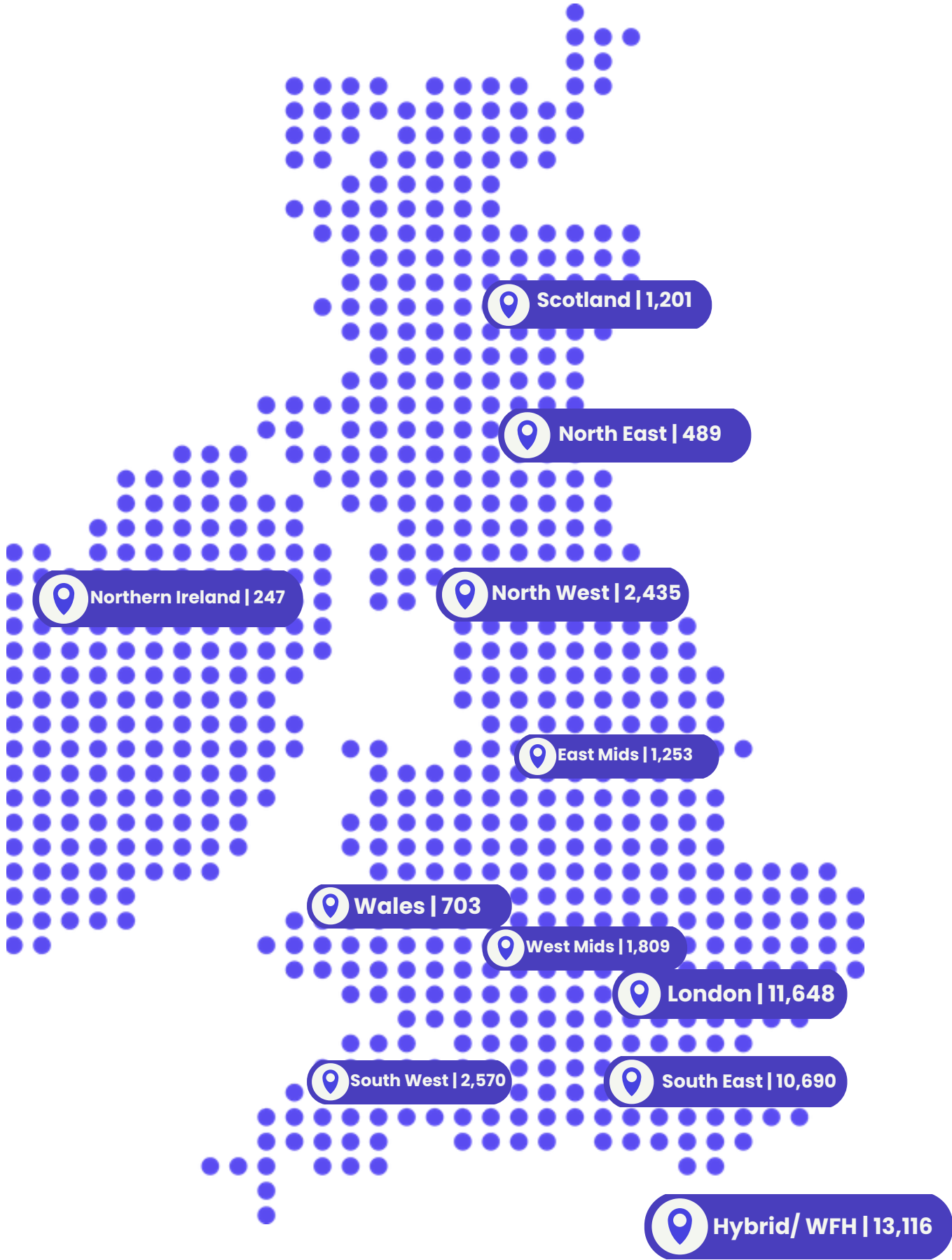
Current picture: UK Digital & IT Vacancies

2025 Recruitment Trends so far

Challenges

1. Tech Demand Remains Resilient, But Selective

While demand for roles in Big Data, FinTech, AI, and Software remains strong, employers are increasingly focused on specialist, high-value skills rather than volume hiring.

(World Economic Forum)

2. AI and automation in recruitment

Hiring teams are accelerating adoption of AI tools for screening, matching, and bias reduction — helping streamline processes but also shifting candidate expectations.

3. Confidence despite uncertaincy

Chief executives are more upbeat about future growth prospects for their industry and the UK economy than might be expected. They are resilient and responding to challenges by adapting their investment strategies to focus on AI adoption, managing cyber risk and upskilling their talent.

(REC)

Skills Shortages

Persistent gaps in AI, data, and cybersecurity continue to constrain hiring, with competition intensifying for top technical talent.

Cost Pressures

NI increases and inflationary overheads are impacting hiring budgets. Employers are balancing wage restraint with retention risks.

Employer Confidence, but with Hiring Caution

The REC and CPD both signal cautious optimism, with many organisations adopting a 'wait-and-see' approach on headcount expansion.

Hiring Trends: Generative AI Vacancies

Generative AI continues to reshape hiring patterns in the UK tech market.

Over the past 6 months, permanent roles citing Generative AI have increased year-on-year, with a median salary of £85,000, up 6.25%.

1. AI (98.16%)
2. Machine Learning (85.2%)
3. LLMs (80.11%)

The strongest growth was recorded in the **Midlands (+137.86%)** particularly noticeable in the **West Midlands (+125%)**, highlighting how AI roles are expanding beyond London's traditional tech hubs

Location	Permanent IT Job Ads	Median Salary (last 6 months)	% Change
England	1,111	£87,500	+6.06%
Work from home	609	£77,500	−6.06%
South East	251	£70,000	−6.67%
Midlands	298	£95,000	+137.50%
North of England	220	£85,000	+47.83%
London	194	£102,000	+24.24%
East Midlands	184	£87,500	−
West Midlands	112	£90,000	+125.00%
North West	81	£85,000	−
East of England	27	£47,500	−58.70%

Scotland | 10

North West | 81

East Mids | 184

Wales | 10

West Mids | 112

South West | 8

London | 194

South East | 251

Generative AI Jobs by location (last 3 months)

Software

Job Title	Low	High	Median Salary	% change YoY	Sample Size
Software Engineer	£40,015	£125,000	£75,000	+7.14%	451
Software Developer	£28,250	£118,750	£52,500	−8.59%	222
Front End Developer	£40,000	£103,500	£62,500	−10.71%	153
Senior Software Engineer	£55,000	£126,250	£82,500	+17.85%	120
Embedded Software Engineer	£39,281	£76,000	£53,750	+7.50%	38
Lead Software Engineer	£67,875	£125,000	£90,000	+2.85%	37
Principal Developer	£68,750	£110,000	£75,000	−25.00%	16
Junior Software Engineer	–	£32,250	£27,500	−42.10%	4

Salary divergence suggests employers are prioritising experienced engineers with full lifecycle or leadership capabilities over junior hires.

The software engineering market remains the backbone of UK tech hiring, though salary movements are mixed.

The UK's Software Development market is projected to reach £36.78 billion by 2029, growing at an annual growth rate of 6.03% from 2025 to 2029.

(Statista)

Programming Languages

Programming Language	Low	High	Median Salary	% change YoY	Sample Size
SQL	£29,000	£90,000	£53,000	-7.82%	1,548
Python	£30,000	£120,000	£70,000	-3.44%	1,353
JavaScript	£28,250	£118,750	£60,000	-7.69%	820
C#	£31,500	£102,500	£60,000	-	777
Java	£41,250	£135,000	£75,000	-6.25%	554
TypeScript	£50,000	£136,250	£75,000	-3.84%	461
C++	£30,708	£132,500	£62,500	-3.84%	217
PHP	£25,000	£76,000	£42,000	-16.00%	140
Rust	£65,000	£150,000	£110,000	+15.78%	66
Ruby	£48,150	£82,750	£75,000	+15.38%	27

The demand for core programming skills remains consistent across the UK technology market, though salary movements indicate a cooling phase following several years of accelerated growth.

Employers are maintaining steady hiring activity for established languages; particularly Python, JavaScript, and SQL, while technologies such as Rust and Ruby have seen stronger upward movement in salary levels, reflecting their growing relevance in advanced engineering and AI-related applications.

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Salary movements indicate a more selective hiring market, where employers are rewarding depth of expertise and experience with specific frameworks, and not just a generalist coding ability.

Python and SQL have been the most cited programming languages in both permanent and contract roles.

While we saw a Summer Slowdown in Contractor IT Demand overall, there's been a **+16.7% increase** in demand for contract roles with Python listed as a skill in comparison to the **42.8% decrease** in permanent roles citing Python.

Permanent jobs citing SQL in the last quarter were at 2,109 vs 4,080 in the same period in 2024.

Contract jobs citing SQL in the last quarter have been at 2,021 vs 2,074 in the same period in 2024

Permanent jobs citing Python in the last quarter were at 1,966 vs 3,435 in the same period in 2024

Contract jobs citing Python in the last quarter have been at 2,484 in the last quarter, which is up from 2,129 in the same period in 2024.

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Cloud hiring remains steady, though salary movements suggest a period of correction following rapid growth between 2021–2023.

Employers are prioritising multi-cloud and automation expertise, particularly across AWS, Azure, and GCP; rather than broad infrastructure experience alone.

Cloud

Job Title	Low	High	Median Salary	% change YoY	Sample Size
Cloud Engineer	£41,250	£105,000	£62,500	−3.85%	152
DevOps Engineer	£48,750	£92,625	£65,000	−10.34%	151
SRE	£59,500	£110,000	£75,000	−14.28%	84
Senior Cloud Engineer	£58,625	£105,000	£76,250	+0.32%	33
Senior DevOps Engineer	£56,125	£100,000	£70,000	−22.22%	33
Cloud Architect	£63,750	£102,000	£85,000	−5.55%	29
Junior DevOps Engineer	–	–	£52,500	+31.25%	1

Businesses continue investing in resilience and automation, cloud professionals with DevOps and architecture skills will remain in high demand, even as compensation levels stabilise across the wider ecosystem

Data, AI and ML

Job Title	Low	High	Median Salary	Median % change YoY	Sample Size
Data Scientist	£42,500	£96,750	£70,000	+27.27%	34
AI Engineer	£51,875	£120,875	£77,500	-	33
Database Administrator	£45,500	£69,500	£60,000	+14.28%	27
Prompt Engineer	£52,125	£122,500	£82,500	+11.86%	18
AI Developer	£52,750	£85,000	£80,000	+14.28%	17
Machine Learning Engineer	£65,000	£121,250	£71,000	−11.25%	11
Senior Data Scientist	£78,000	£111,000	£92,500	+42.30%	2
Lead Data Scientist	-	-	£75,000	+19.04%	1

AI talent market remains one of the strongest within the UK tech ecosystem. Median salaries have risen across nearly all roles, led by significant gains for Data Scientists and Senior Data Scientists
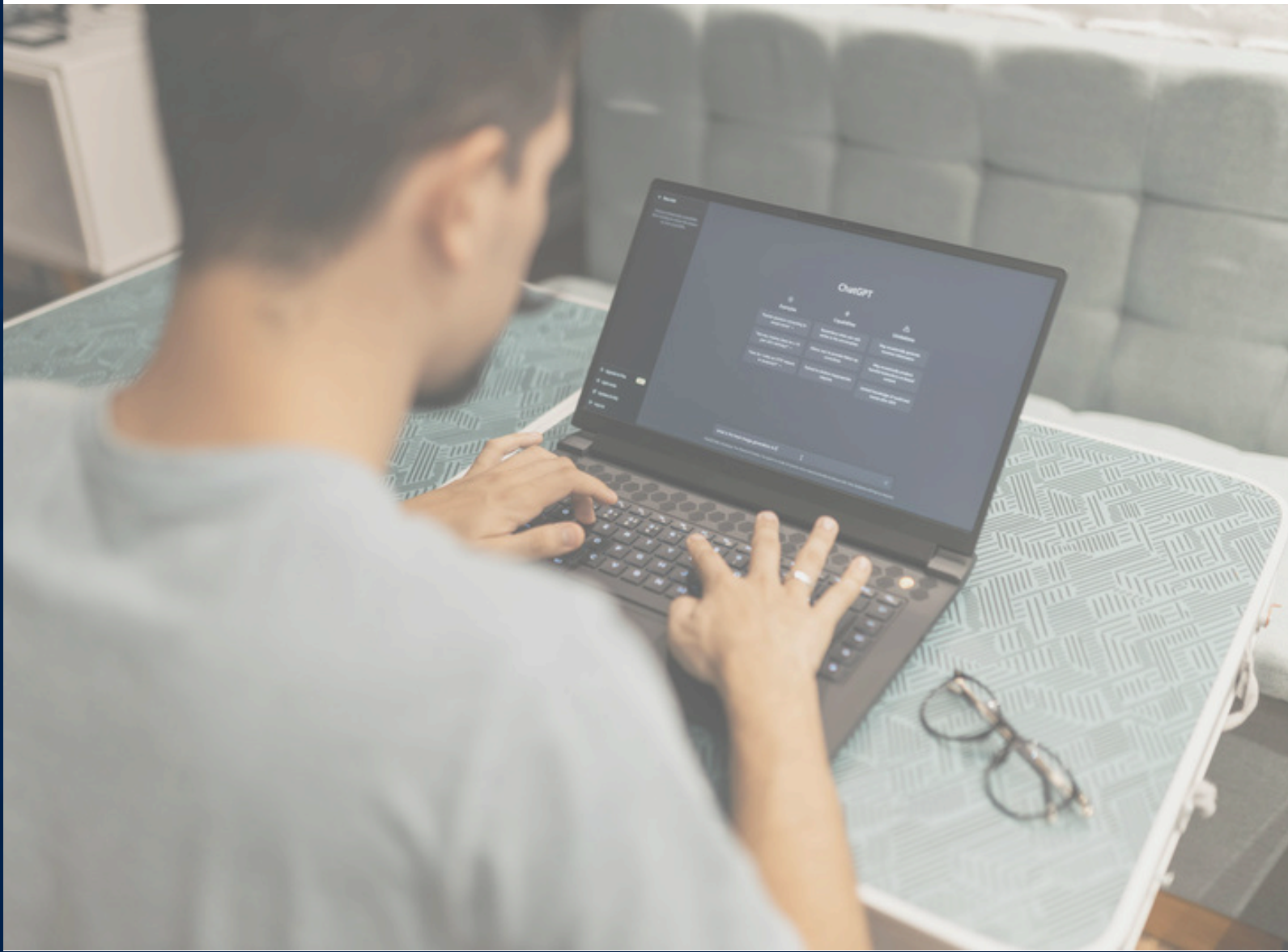
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The Data, AI, and Machine Learning sector continues to experience exceptional growth as UK organisations prioritise data-driven decision-making and automation.

Demand for professionals skilled in analytics, AI model development, and data infrastructure remains strong, with most roles seeing notable year-on-year salary increases.

This upward trend reflects the strategic value of data and AI expertise in enhancing productivity, innovation, and competitiveness across industries.

The World Economic Forum reported that 88% of employers believe AI and Big Data skills will be of increasing in importance between 2025 to 2030.

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Project and Business Consultants have maintained or improved their earnings potential, reflecting their strategic influence in guiding transformation initiatives. However, reductions across analytical and support positions suggest a tightening of budgets and increased expectations for measurable project impact.

Project Delivery

As organisations focus on operational efficiency and digital transformation, demand for skilled delivery professionals remains steady.

Job Title	Low	High	Median Salary	% change YoY	Sample Size
Presales Consultant	£55,250	£56,250	£57,500	-14.81%	14
Project Manager	£41,250	£89,000	£62,500	+13.64%	194
Product Manager	£42,434	£97,500	£67,500	+3.84%	86
Business Consultant	£44,250	–	£75,000	+50.00%	27
BI Analyst	–	£68,250	£46,250	+15.63%	37
Reporting Analyst	£32,500	£61,625	£45,000	-29.13%	15
Scrum Master	£45,750	£75,500	£57,500	-8.00%	8

Cyber Security

The cybersecurity market remains critical to UK tech hiring, though salary shifts highlight changing demand. specialised areas such as PenTesting, DevSecOps, and Security Engineering experienced strong growth, reflecting employer focus on advanced technical capability and proactive threat reduction.

Job Title	Low	High	Median Salary	% change YoY	Sample Size
SOC Analyst	£31,250	£67,500	£34,500	−36.69%	11
Cyber Security Manager	£28,250	£87,500	£67,500	−2.60%	10
Security Analyst	£35,800	£77,000	£51,625	−17.40%	67
Penetration Tester	£54,875	£75,125	£63,750	+24.39%	4
Security Manager	£47,000	£105,050	£67,500	−2.60%	49
DevSecOps	£45,000	£122,500	£90,000	+9.09%	77
Security Engineer	£36,550	£95,000	£65,000	+13.04%	147
Cyber Security Consultant	£52,000	£82,750	£68,750	−11.29%	20

Salary variation indicates organisations are prioritising hands-on expertise and modern security skill sets over traditional monitoring roles. Professionals with cloud-native security, automation, and offensive security skills remain best positioned for long-term demand.

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Infrastructure Support &

The infrastructure and support market shows mixed salary movement, with strong gains for Cloud and Infrastructure Engineers, driven by ongoing cloud adoption and hybrid network needs.

Traditional support roles saw modest to negative shifts, indicating continued prioritisation of automation, scalability skills, and cloud expertise over purely operational support functions.

Job Title	Low	High	Median Salary	% change YoY	Sample Size
Cloud Infrastructure Engineer	£46,500	£101,000	£75,000	**+20.00**	33
IT Manager	£37,375	£80,000	£55,000	**-7.56%**	240
Infrastructure Engineer	£39,250	£86,550	£57,500	**+10.58%**	209
Infrastructure Analyst	£33,250	£39,750	£37,500	**-44.44%**	3
Network Engineer	£39,250	£80,000	£55,000	**-**	134
IT Support Analyst	£25,300	£37,500	£31,000	**-9.16%**	177
NOC Engineer	£30,500	£40,000	£32,950	**-0.75%**	22
Systems Admin	£33,000	£68,625	£51,250	**+2.50%**	32

Market movement reflects a clear preference for cloud-enabled and infrastructure-focused engineering roles, with reduced emphasis on traditional support positions.

Exec

Executive hiring remains stable with strong growth in strategic and technology-driven leadership roles, particularly Development and Technology heads. Salary uplift reflects increased demand for senior leaders guiding digital transformation, despite smaller sample sizes.

Job Title	Low	High	Median Salary	% change YoY	Sample Size
CTO	£85,000	£195,000	£120,000	+9.09%	14
Software Development Manager	£56,672	£101,500	£85,000	+8.28%	14
IT Director	£95,000	£155,000	£100,000	−9.09%	12
Development Director	£73,750	£142,000	£110,000	+15.78%	9
Head of Technology	£72,750	£193,000	£123,750	+50.00%	8
Programme Director	£89,000	£158,000	£100,000	+2.56%	3

Demand remains strongest for technology-driven leaders who can steer digital transformation and long-term innovation strategies. Promising growth in the Exec and C-Suite world, with median salaries showing promising growth despite small sample sizes.

Closing Statement

There are challenges for both job seekers and hiring managers, but the future outlook for the IT & Software industry is promising

Hiring

Hiring is tough right now, not because there aren't candidates, but because finding the right ones takes more time and care. Many businesses are slowing down their recruitment to focus on quality over quantity, but that only works if the process itself runs smoothly. Clear communication, faster decision-making, and realistic expectations on salary will go a long way in helping you secure the people you really need.

Finding a role

It's no secret that the market has become more competitive. Some roles are attracting huge numbers of applicants, while others remain hard to fill. If you're looking for a new opportunity, you might need to stay flexible, whether that's on salary, hybrid working, or role type. The good news? There's still strong demand for people with the right skills, especially in high-growth areas like AI, data, and cloud. Keep building those capabilities, stay visible, and don't lose confidence; the right move could be closer than you think.

Sam Birtwistle
Head of IT & Software Recruitment – T2M Resourcing

Jon Holt – Group Chief Exec, KPMG

Economic uncertainty, the complexities of AI adoption and global headwinds are all weighing on business planning. Many firms will continue to pause major investment decisions until there is greater clarity in the autumn.

Neil Carberry – REC

Employers are feeling better about themselves but are lurking in the shadows of the labour market waiting for better news on the wider economy before they come out into the light.

Michael Shull, MD – Manpower Group

The UK's recruitment market is quite contradictory at present

For tailored insights or to discuss your hiring strategy, contact our Head of IT & Software Recruitment, Sam Birtwistle.

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4.9 average rating

A partnership approach to recruitment, helping businesses and people grow