



**Client Server**  
Technology Recruitment

Market

**REPORT**

JULY 2025  
EDITION

**03. Recruitment** Landscape

**04. Tech** Market

**06. UK** Salary Benchmarks

**08. Work** Preferences

**09. Employer** Attributes

**10. Industry** Trends

**11. European** Snapshot

**12. US** Market

**14. Hiring** in 2025

**16. Talking Tech**

**17. Get in Touch**

**Contents.**

# Why UK Tech Recruitment Is Picking Up Speed

We're now well past the halfway point of 2025, and after a turbulent few years in the recruitment sector, there's finally real momentum building.

Despite ongoing challenges, regulatory uncertainty, a rising tax burden, and a worrying exodus of entrepreneurial wealth, tech continues to show remarkable resilience.

Businesses are once again reinvesting in digital infrastructure. AI-driven solutions are no longer experimental; they're now mainstream. Cloud migration is accelerating. And demand for skilled technologists is rising.

While broader economic caution hasn't fully disappeared, there's growing confidence across the UK's technology hiring landscape. Hiring activity is climbing steadily, particularly in fields like machine learning, DevOps, cybersecurity, and data science. Companies are no longer just backfilling roles; they're building future-ready teams.

Here's what's shaping the remainder of 2025:

- Continued Rise in AI-Readiness
- Regional Tech Growth Accelerates
- Smarter Hybrid Work Models
- DEI, Upskilling & Internal Mobility Matter More Than Ever

2025 is shaping up to be a pivotal year for the UK technology recruitment market.

There are still big questions around long-term competitiveness, innovation policy, and taxation. But despite the noise, tech continues to lead on job creation, growth, and resilience.



**Nick Boulton** | CEO, Client Server

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The UK remains Europe's leading tech hub in 2025, maintaining its position as a global innovation centre despite macroeconomic headwinds. The sector is home to more than 17,000 VC-backed startups and holds a total market valuation of \$1.2 trillion, driven by world-class talent, high-growth fintech and AI ecosystems, and increasing scale-up momentum.

Investment is on the rebound. In Q1 2025 alone, UK tech startups raised over \$7 billion, the strongest quarterly performance in three years. This resurgence in funding reflects investor confidence, particularly in areas like artificial intelligence, deep tech, and climate tech.

Emerging technologies are fuelling demand for niche and specialist roles. AI, cybersecurity, and cloud infrastructure remain top priorities for hiring. The UK AI sector alone attracted over £1.2 billion in private investment in H1 2025, a 25% increase year-on-year, making it the second-largest AI market globally after the US.

Despite resilient hiring activity, businesses continue to face hiring friction, particularly in high-skill roles. Talent availability, rising salary expectations, and remote work preferences are reshaping workforce planning and retention strategies across the board.

**1 in 3 UK founders say availability of top talent is their biggest barrier to growth.**



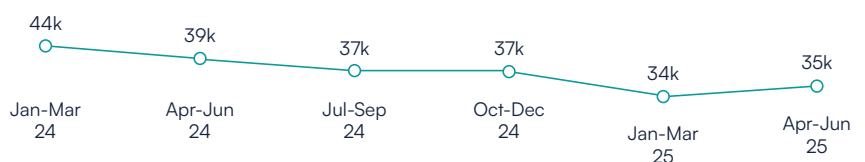
**43% are actively considering relocating their company's headquarters outside the UK.**



Tech Vacancies in 2025 (Jan-Jun) **69k**

Change on year **-15.5%**

### UK ICT Vacancies in 2024 & 2025



Hiring activity in the UK tech sector continues to be heavily concentrated in established hubs, with London, Manchester, and Cambridge accounting for the majority of open roles. According to Job Market Insights, London alone represents 45% of all UK tech job postings this year and is home to over 4,000 tech companies. The capital also contributes 59% of the sector's total market value, underscoring its central role in the national tech economy.

However, regional tech ecosystems are rapidly gaining ground. Cities such as Leeds, Edinburgh, Newcastle, and Nottingham are experiencing growth

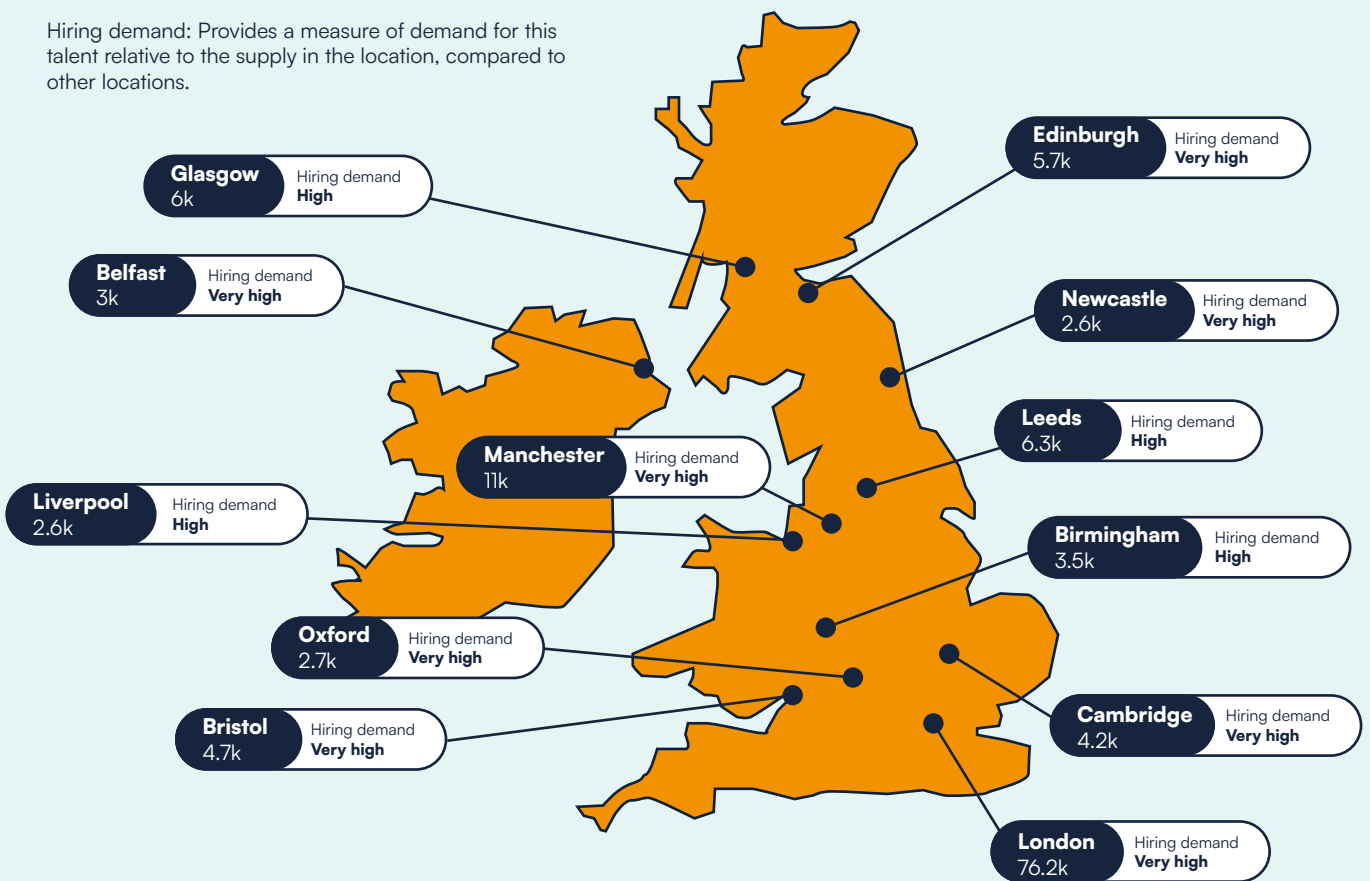
in both investment and job creation, fuelled by improved access to funding, rising cost pressures in the capital, and increasing regional specialisation.

While skills shortages persist in specialised areas, overall candidate availability has surged. 51% of UK IT firms expressed hiring intentions in Q1, yet 75% of those reported difficulties in sourcing suitably skilled candidates.

As regional hubs scale and mature, the UK's tech geography is slowly diversifying, although London continues to dominate in scale, value, and global visibility.

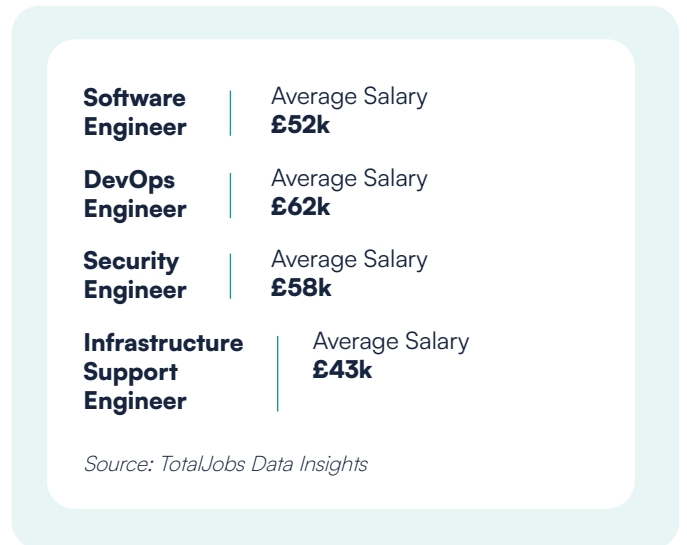
## Distribution of Talent | Software Developers

Hiring demand: Provides a measure of demand for this talent relative to the supply in the location, compared to other locations.

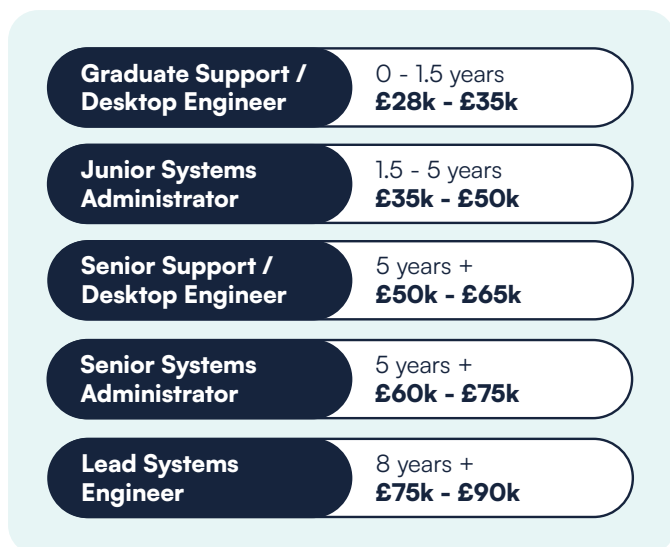


Source: LinkedIn Talent Insights

## Software Development



## Infrastructure & Support



## DevOps, Cloud, SRE



## Cyber Security



## SDET & QA



## Product, BA & Project



<b>Programme Manager</b>	5 years + <b>£80k - £120k</b>
<b>Product Owner</b>	3 years + <b>£60k - £95k</b>
<b>Product Manager</b>	3 years + <b>£75k - £110k</b>
<b>Product Lead</b>	8 years + <b>£90k - £125k</b>
<b>Business Analyst</b>	3 years + <b>£45k - £90k</b>
<b>Project Manager</b>	5 years + <b>£50k - £90k</b>
<b>Technical Project Manager</b>	5 years + <b>£60k - £120k</b>
<b>Agile / Scrum Master</b>	5 years + <b>£60k - £100k</b>



## Data



<b>Data Engineer</b>	2 years + <b>£60k - £100k</b>
<b>Database Reliability Engineer</b>	5 years + <b>£80k - £110k</b>
<b>Big Data Engineer / Developer</b>	1 years + <b>£65k - £120k</b>
<b>Data Scientist</b>	1 - 3 years <b>£40k - £60k</b>
<b>Senior Data Scientist</b>	3 years + <b>£60k - £120k</b>
<b>Machine Learning Engineer</b>	1 - 3 years <b>£40k - £60k</b>
<b>Senior Machine Learning Engineer</b>	3 years + <b>£60k - £120k</b>
<b>Data Analyst</b>	1 - 3 years <b>£35k - £55k</b>
<b>Senior Data Analyst</b>	3 years + <b>£55k - £90k</b>

**Data Engineer** | Average Salary **£73k**

*Source: TotalJobs Data Insights*

## Product Design & UX Design



<b>Junior Designer</b>	1.5 - 5 years <b>£38k - £48k</b>
<b>Mid-Level Designer</b>	3 years + <b>£45k - £65k</b>
<b>Senior Designer</b>	5 years + <b>£65k - £90k</b>
<b>Lead or Principal Designer</b>	8 years + <b>£85k - £115k</b>

## Leadership & Management



<b>Manager / Technical Team Lead</b>	8 years + <b>£110k - £130k</b>
<b>Product Lead / Head of Product</b>	8 years + <b>£120k - £160k</b>
<b>Engineering Manager</b>	8 years + <b>£120k - £150k</b>
<b>Head of Engineering</b>	8 years + <b>£130k - £160k</b>
<b>CTO</b>	8 years + <b>£140k - £200k+</b>



Work preferences across the workforce continue evolving post-pandemic and reflect a strong shift toward flexibility, with hybrid work models dominating.

42.2% of UK workers now engage in some form of remote or hybrid working. Of these, 28.1% follow a hybrid model, while 14.1% work fully remotely. The UK now averages 1.8 remote working days per week, significantly higher than the global average of 1.3 days.

Flexibility is no longer just a preference but a retention factor. Companies offering hybrid or remote flexibility continue to hold a competitive edge in attracting and retaining top talent, particularly across software engineering, AI/ML, and data roles.

Flexibility is increasingly seen as a key differentiator by candidates. According to the TotalJobs UK Salary Trends Report 2025:

Flexible working is the most desired benefit

37% favour flexible working options as an important decision factor for employees

## Financial Goals

**39%** of workers will look for a new job in 2025 for a higher salary

**56%** worry about their finances due to the cost of living

**+13%** increase in pay would make workers consider a new job offer

Top financial goals for workers

- Saving for retirement (32%)
- Covering day-to-day expenses (22%)
- Ensuring a comfortable standard of living (21%)





Candidates rank company culture, career progression, and work-life balance as top priorities when evaluating potential employers.

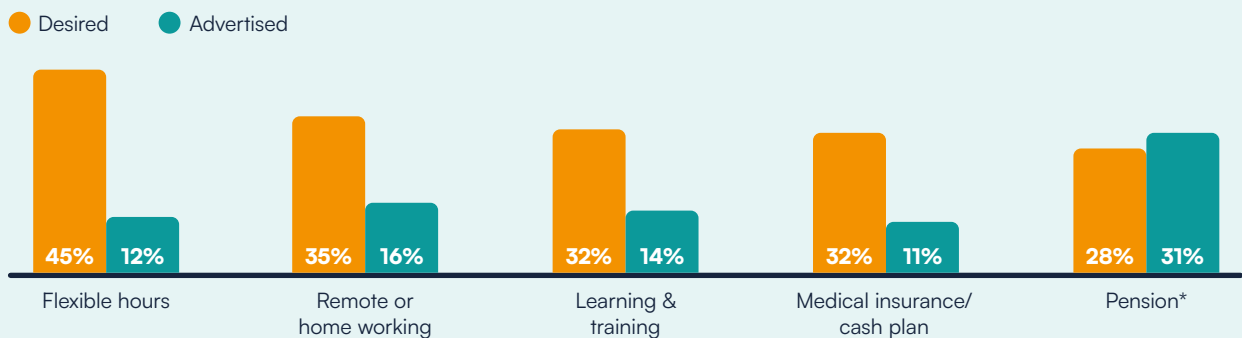
Across Europe, tech employers are increasingly differentiating themselves through the quality of the employee experience, prioritising inclusive cultures, comprehensive training opportunities, and well-being initiatives to attract and retain top talent.

Younger generations are especially attuned to these factors: a recent Gen Z survey found that 75% prefer staying with an employer who offers internal mobility, mentorship, and meaningful career progression over short-term promotions.

**66% would overlook a pay rise to receive their most desired benefit**



## Most desired vs advertised benefits | Technology



\*Desired: | workers seek pension contributions above what's legally required; advertised: employer offers pension contributions.

Source: TotalJobs UK Salary Trends Report 2025, Deloitte 2025 Gen Z and Millennial Survey, The Times

## Tenure & Turnover

**The average tenure for UK tech professionals currently stands at approximately 3.3 years.**

Key drivers prompting job changes include salary dissatisfaction, lack of career advancement, and desire for improved work-life balance. Leadership concerns and insufficient role challenge also play a notable role.

Tech professionals increasingly communicate with recruiters about their motivations for changing roles, enabling employers to refine their **retention strategies**.

- ➔ Enhance career progression pathways
- ➔ Conduct regular compensation reviews
- ➔ Offer flexible and hybrid work models
- ➔ Invest in learning and upskilling
- ➔ Foster a strong, inclusive culture
- ➔ Regularly assess engagement & burnout

Source: Vestd Employee Retention Report, Office for National Statistics

The Fintech sector remains a major driver of tech recruitment growth, buoyed by increased investments and adoption of digital payment and blockchain technologies. Tracxn reports that a total of \$2.4 billion was raised in H1 2025 in the UK fintech ecosystem, up 48% from H2 2024, with London accounting for 67% of all funds raised.

**Fintech**  **+48% H1 2025**

Health tech is another rising sector, with UK startups pulling in \$1.8 billion in the first quarter of 2025, driven by demand for digital health records, AI diagnostics, and remote patient monitoring solutions.

The UK's AI sector continues to scale rapidly, supported by more than 2,300 active AI companies, producing 76% of leaders reporting a positive impact on growth, and capturing \$1.03 billion in VC investment in Q1 2025 alone.

Source: Tech.eu, Startups Magazine, Tracxn UK FinTech Semi Annual Funding Report H1 2025, Tech Nation UK AI Sector Spotlight 2025

## Diversity & Inclusion | Women in Tech

Efforts to improve gender balance, alongside ethnic diversity initiatives, are gaining momentum, but progress remains gradual.

While diversity in the UK tech industry has shown modest progress in recent years, substantial gaps remain. Recruitment of more diverse entry-level candidates has improved slowly, but beyond early-career roles, this momentum diminishes at mid-career and leadership levels, perpetuating a persistent "leaky pipeline."

Companies prioritising inclusive hiring and retention practices report stronger engagement and talent attraction.

**29% of UK tech employees are women or non-binary** 

**21% of senior tech roles are held by women** 



Source: Tech Talent Charter Diversity in Tech Report, Gov.uk Diversity in UK Tech

## 3.5M talent employed in European tech



“Europe now employs as many people today as the US did just five years ago in 2020. The talent pools on both sides of the atlantic are growing at the same pace of 24% year-on-year for the past 10 years.”

## Europe’s talent pool scaled 7x over the past decade



“Today, the European tech workforce stands at 3.5M. The vast majority — 2.9M — of those employees have joined over the past decade... These figures are even more impressive in the context of the last two years, when headlines about funding shortages and staff redundancies have been hard to miss. Against the odds, Europe’s tech sector has remained attractive to new talent and its importance as a contributor to the continent’s workforce continues to grow.”

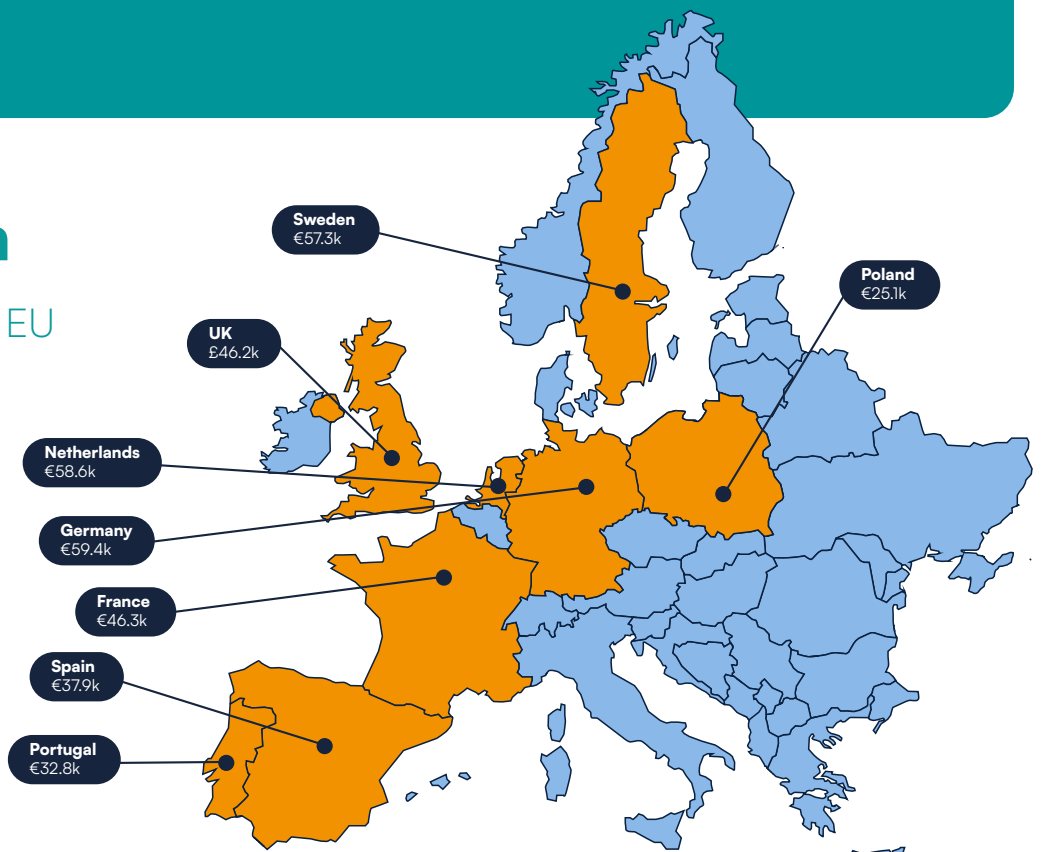
Source: State of European Tech Report 2024

“In H1 2025, European tech investment dropped 31 per cent year-over-year to €33.7 billion, though still 17 per cent above H1 2023. The UK led with €8.4 billion, followed by Germany and the Netherlands. Fintech, healthtech, and energy tech were top-funded sectors, indicating sustained interest in innovation.”

Source: Tech.eu Insights

## Median Tech Salaries | in the EU

Median Salary  
**€45.4k**



Source: Horsefly Labor Market Analytics

# 2024 Average Tech Salary: \$112,521

# USA.

“A closer look at tech salaries over the last two decades reveals a complex picture of resilience. While overall tech salaries have risen steadily since 2005, reaching an average of \$112,521 in 2024, the reality is more nuanced when accounting for inflation. Today’s average tech salary, when adjusted for purchasing power, is similar to what professionals earned in 2005 (\$112,521 versus inflation-adjusted \$114,648) — suggesting that despite periodic surges, compensation in tech overall has effectively plateaued over nearly two decades.

However, this flattening of purchasing power needs to be viewed in the context of broader economic trends. For one thing, the median U.S. household income has fared worse, rising from \$58,000 in 2005 to \$80,610 in 2023 — a gain that significantly trails inflation, as \$58,000 adjusted to inflation is \$95,403 in 2024. While tech professionals haven’t seen real gains in purchasing power, they have at least maintained their position while many other sectors have experienced decline.

This pattern of stability has continued through recent market corrections. Despite tech companies facing revenue pressures and implementing widespread layoffs throughout 2023 and 2024, particularly among giants that had over-hired during the pandemic, tech salaries have held steady. Even with job postings dropping sharply from their 2022 peak, compensation levels have resisted downward pressure. This suggests that while tech may not offer the growing prosperity it once promised, it remains a sector where skilled professionals can maintain their economic position, even as other industries struggle to keep pace with inflation.”

Women in tech with over two decades of experience are nearly 1.5x more likely than men to say the culture in tech has improved over the past 20 years



AI and ML is the most interesting change in tech in the past two decades, say tech professionals with 20+ years of experience



Seasoned tech professionals rank cloud, internet, and mobile as the forces that revolutionized the industry the most in the past 20 years



Tech professionals with over 20 years of experience have changed jobs 5.3 times on average over the course of their career



### Tech Salaries and Job Postings 2010-2024



Source: Dice Tech Salary Report 20 Years in Review

\*Survey techniques and questions have evolved over the life of the Dice Tech Salary Report. As such, these data points can only be compared generally.

Even though salaries have increased on average in 2024, companies seem to be scaling back valuable benefits



The gap between desired and offered benefits continues to grow



Just as many tech professionals received a bonus in 2024, though bonus amounts have decreased by \$817 on average



Remote work has become increasingly critical for job satisfaction, yet companies are rolling back these options



The Benefits Employees Have vs. Those They Find Important



## Recruitment Opportunities | for 2025

### Demand Comprehensive Benefits

Don't settle for a bare-bones benefits package. Advocate for health insurance, retirement-plan matching, and generous time-off policies if those aren't already on offer.

### Prioritize Professional Development

Seek out opportunities for continuous learning and skill enhancement. If your employer isn't providing adequate training, consider taking online courses, attending conferences, or pursuing certifications on your own.

### Embrace Remote Work

Flexible work arrangements offer numerous benefits, including improved work-life balance and increased productivity.

### Demand Recognition & Rewards

Your hard work and dedication deserve to be acknowledged. Seek out opportunities for recognition and rewards, and don't be afraid to negotiate for raises and promotions.

# From Caution to Confidence: A Shift in Tech Hiring

**In the last three months alone, we've seen a 30% increase in roles, with clients stepping cautiously but confidently back into hiring mode.**

Yes, AI doom-mongering is everywhere, for recruiters and the tech talent we're trying to find, but the data suggests we'll be just fine.

Funding is still tough, but notably better than in 2024. VC purse strings are loosening at a healthy rate.

In Q1 2025, EU tech companies raised €18.4 billion in funding across 912 deals. Not exactly small change.

And the types of roles? Everything from traditional engineering to DevOps, data to product, infrastructure to QA.

We're seeing demand for:

- Engineers with a deep understanding of distributed systems, API design, and scalability.
- Platform candidates who can influence dev teams through clear communication and technical credibility.
- Even a QA resurgence - driven by shift-left mindsets and proactive collaboration with engineers.

What's going to be interesting now: Will companies respond quickly enough? Can they keep pace as the best candidates become more sought after?

For 18-24 months, the hiring market favoured the employer. The pace was slower, the options wider.

That's changing.

So far in 2025, we've seen a 20% improvement in hiring speed among our clients. But even then, some processes still take 3 weeks to complete.

We're pushing for 2 weeks end-to-end, and those who can adapt will win.

We're not back in the high-frenzy days of 2018 or post-COVID yet, but we are returning to a world where strong technologists receive multiple offers within weeks.

**So, what should hiring managers be thinking about now?**



**Nick Caley** | Sales Director

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# From Caution to Confidence: A Shift in Tech Hiring

So, what should hiring managers be thinking about now?

Even if your hiring isn't kicking off until after summer:

Do you have clear priorities, criteria, and a well-defined process?



Is your hiring committee aligned, trained, and (most importantly) motivated?



Do you know how to sell the role, the company, the tech stack, and the challenge?



Do you have the collateral to back it all up?



Is sign-off, paperwork, and onboarding ready to go?



If you're planning to hire in 2025 and can't confidently answer all of the above, you may be in for a struggle.

And as I've learned from being reminded about school pick-ups or nursery drop-offs, answering confidently doesn't mean scrambling for your calendar and hoping for the best.

The market is trending upward, and the companies that are proactive, engaged, and prepared will win the battle for top talent.

Make sure you're one of them.



**Nick Caley** | Sales Director

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# Talking**TECH**

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Every episode we focus on a particular trend in the UK's tech scene. We've had shows about women in tech, the hiring market, career development, and more.

Keep an eye on our LinkedIn page for new episodes or get in touch if you want to be on our next one!



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