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Paydata Business Insight
National Statistics

July 2023: PAYstats Pay and Labour Market Statistics

Quarterly Edition

July 2023: PAYstats Pay and Labour Market Statistics

AIMS

Our quarterly round-up brings together trends and opinions on what is happening and what the future holds for:

- Inflation
- Employment
- Earnings
- Pay Settlements
  - Historic
  - Predictive
- PAYstats – pay and labour market statistics

KEY FINDINGS

- The Consumer Prices Index (CPI) rose by 7.9% in the 12 months to June 2023, down from 8.7% in May.
- The UK employment rate was estimated at 76.0% in March to May 2023, 0.2 percentage points higher than December 2022 to February 2023.
- In April to June 2023, the estimated number of vacancies fell by 85,000 on the quarter to 1,034,000. Vacancies fell on the quarter for the 12th consecutive period.
- Growth in employees' average total pay (including bonuses) was 6.9% and growth in regular pay (excluding bonuses) was 7.3% in March to May 2023. For regular pay, this equals the highest growth rate, which was also seen last month and during the coronavirus (COVID-19) pandemic period for April to June 2021.
- Paydata's pay database shows a median pay review of 5 per cent in the 12 months to July 2023, with an interquartile range of between 4.0 and 6.0 per cent.
- Early 2024 pay predictions sit at a median of 5.0%, with an interquartile range of between 4.0% and 5.0%.

If you would like to find our more about any of the information contained in this PAYstats bulletin please contact us via:

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Inflation

BANK OF ENGLAND MONETARY POLICY REPORT (MAY 2023)

CPI inflation was 10.2% in 2023 Q1, higher than expected at the time of the February and March MPC meetings, with the upside surprise concentrated in core goods and food prices. Although still elevated, nominal private sector wage growth and services CPI inflation have been close to expectations.

CPI inflation is expected to fall sharply from April, in part as large rises in the price level one year ago drop out of the annual comparison. In addition, the extension in the Spring Budget of the Energy Price Guarantee and declines in wholesale energy prices will both lower the contribution from household energy bills to CPI inflation. However, food price inflation is likely to fall back more slowly than previously expected. Alongside news in other goods prices, this explains why the Committee's modal expectation for CPI inflation now falls back more slowly than in the February Report.

In the MPC's latest modal projection conditioned on market interest rates, CPI inflation declines to a little above 1% at the two and three-year horizons, materially below the 2% target. This reflects the emergence of an increasing degree of economic slack and declining external pressures that are expected to reduce CPI inflation. However, there remain considerable uncertainties around the pace at which CPI inflation will return sustainably to the 2% target. The Committee continues to judge that the risks around the inflation forecast are skewed significantly to the upside, reflecting the possibility that the second-round effects of external cost shocks on inflation in wages and domestic prices may take longer to unwind than they did to emerge. The mean CPI inflation profile, which incorporates this risk, is at or just below the 2% target in the medium term.

BANK OF ENGLAND MPC MINUTES (JUNE 2023)

Twelve-month CPI inflation fell from 10.1% in March to 8.7% in April and remained at that rate in May. This is 0.3 percentage points higher than expected in the May Report. Services CPI inflation rose to 7.4% in May, 0.5 percentage points stronger than expected at the time of the May Report, while core goods price inflation has also been much stronger than projected. In general, news in the latter component is less likely to imply persistent inflationary pressures.

CPI inflation is expected to fall significantly further during the course of the year, in the main reflecting developments in energy prices. Services CPI inflation is projected to remain broadly unchanged in the near term. Core goods CPI inflation is expected to decline later this year, supported by developments in cost and price indicators earlier in the supply chain. In particular, annual producer output price inflation has fallen very sharply in recent months. Food price inflation is projected to fall further in coming months.

OFFICE FOR NATIONAL STATISTICS (JUNE 2023)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 7.3% in the 12 months to June 2023, down from 7.9% in May. On a monthly basis, CPIH rose by 0.2% in June 2023, compared with a rise of 0.7% in June 2022. The Consumer Prices Index (CPI) rose by 7.9% in the 12 months to June 2023, down from 8.7% in May. On a monthly basis, CPI rose by 0.1% in June 2023, compared with a rise of 0.8% in June 2022. Falling prices for motor fuel led to the largest downward

> **"In the MPC's latest modal projection conditioned on market interest rates, CPI inflation declines to a little above 1% at the two and three-year horizons, materially below the 2% target."**
>
> **BANK OF ENGLAND MONETARY POLICY REPORT**
> May 2023

contribution to the monthly change in CPIH and CPI annual rates, while food prices rose in June 2023 but by less than in June 2022, also leading to an easing in the rates. There were no large offsetting upward contributions to the change in the rate.

Core CPIH (excluding energy, food, alcohol and tobacco) rose by 6.4% in the 12 months to June 2023, down from 6.5% in May, which was the highest rate for over 30 years; the CPIH goods annual rate slowed from 9.7% to 8.5%, while the CPIH services annual rate was 6.3%, unchanged from May. Core CPI (excluding energy, food, alcohol and tobacco) rose by 6.9% in the 12 months to June 2023, down from 7.1% in May, which was the highest rate since March 1992; the CPI goods annual rate slowed from 9.7% to 8.5%, while the CPI services annual rate eased from 7.4% to 7.2%.

> **“Falling prices for motor fuel led to the largest downward contribution to the monthly change in CPIH and CPI annual rates, while food prices rose in June 2023 but by less than in June 2022, also leading to an easing in the rates.”**
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> **OFFICE FOR NATIONAL STATISTICS**
> June 2023

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Employment

+27

this quarter's net employment balance

42%

report having hard-to-fill vacancies.

CIPD LABOUR MARKET OUTLOOK (SPRING 2023)

The net employment balance – which measures the difference between employers expecting to increase staff levels in the next three months and those expecting to decrease staff levels – remained stable at +27.

Two in five of employers (42%) have hard-to fill vacancies. These are most prevalent among employers in education (60%) and healthcare (55%). Both industries anticipate significant problems filling their hard-to-fill vacancies in the next six months (42% and 44%).

Half of employers with hard-to-fill vacancies have responded by upskilling more existing staff (50%) and raising wages (48%) in the past six months. In future, the level of employers who wish to focus on improving job quality (35%) is higher than the rate who currently do (30%).

BANK OF ENGLAND MONETARY POLICY REPORT (MAY 2023)

There are indications that the labour market has started to loosen but it is expected to remain tighter than in the February Report. The unemployment rate was 3.8% in the three months to February, slightly below the MPC's assessment of the medium-term equilibrium rate of unemployment. A fall in the inactivity rate has been the counterpart to a faster-than-expected rise in employment in recent data. But a stronger near-term outlook for employment is also reflected in a lower expectation for the unemployment rate, which is now projected to remain at 3.8% in 2023 Q2, compared to the 4.1% forecast at the time of the February Report. While the ratio of vacancies to unemployment remains elevated, it has fallen from its peak in 2022, and job-to-job flows have declined. The Bank's Agents have also reported an easing in recruitment difficulties. [...]

Although supply is expected to remain relatively weak, the headwinds to demand from both the path of market interest rates and fiscal policy lead to some degree of economic slack emerging in the Committee's projections from the end of this year. As has been the case in recent forecasts, companies are expected to respond to this weakness in demand by retaining their existing workers, while using them less intensively and hoarding labour for a prolonged period. That is broadly consistent with capacity utilisation falling back rapidly at the start of this year and remaining some way below normal for much of the remainder of the forecast period. As a result, the labour market is expected to remain fairly tight in the near term. In the MPC's May modal projection, the unemployment rate is projected to remain below 4% until the end of 2024, rather than rising towards 5% as expected in the February Report.

BANK OF ENGLAND MPC MINUTES (JUNE 2023)

Labour Force Survey (LFS) employment had increased by 0.8% in the three months to April, 0.2 percentage points higher than had been expected at the time of the May Monetary Policy Report. Rather than a decline in unemployment, the counterpart to this strong employment growth had been a further fall in the 16+ population's inactivity rate, particularly amongst students, which had reached its lowest level since spring 2020. HMRC PAYE employee payrolls and the S&P Global/CIPS UK PMI composite employment index had continued to point to employment growth being somewhat softer than LFS-based estimates.

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Some measures of labour market tightness had continued to ease, but overall the labour market had remained tight by historical standards. The LFS unemployment rate had been broadly flat, at 3.8%, in the three months to April, consistent with the expectation at the time of the May Report. The vacancies-to-unemployment ratio had fallen further in the three months to April, to its lowest level since October 2021, but was still significantly elevated compared to pre-Covid levels. The number of job-to-job flows had declined again in 2023 Q1, to just above the level observed pre-Covid. Recruitment and employment consultancies responding to the KPMG/REC survey had indicated that overall staff availability had continued to improve in May. The Bank's Agents' contacts had reported that recruitment difficulties had continued to ease, but overall recruitment had still been more difficult than normal.

OFFICE FOR NATIONAL STATISTICS (JULY 2023)

The UK employment rate was estimated at 76.0% in March to May 2023, 0.2 percentage points higher than December 2022 to February 2023. The quarterly increase in employment was mainly attributed to part-time employees.

The estimate of payrolled employees for June 2023 shows a monthly decrease, down 9,000 on the revised May 2023 figure, to 30.0 million. The June 2023 estimate should be treated as a provisional estimate and is likely to be revised when more data are received next month.

The unemployment rate for March to May 2023 increased by 0.2 percentage points on the quarter to 4.0%. The increase in unemployment was driven by people unemployed for up to 12 months.

The economic inactivity rate decreased by 0.4 percentage points on the quarter, to 20.8% in March to May 2023. The decrease in economic inactivity during the latest quarter was largely driven by those inactive for other reasons, those looking after family or home, and those who are retired.

In April to June 2023, the estimated number of vacancies fell by 85,000 on the quarter to 1,034,000. Vacancies fell on the quarter for the 12th consecutive period.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q3 2023)

Employer hiring confidence has grown in almost every sector, rising by eight percentage-points to +29% since last quarter, according to the latest ManpowerGroup Employment Outlook Survey. The ManpowerGroup Employment Outlook Survey is based on responses from 2,013 UK employers and asks if they intend to hire additional workers, maintain current headcount, or reduce the size of their workforce in the coming quarter (July to September 2023). […]

The optimistic UK Net Employment Outlook follows a global trend and indicates the country's businesses are remaining competitive in challenging economic circumstances. The Outlook is only five percentage-points lower than this time last year, when overall jobs vacancies were at record high levels. Despite the positive uplift, many employers are still having great difficulties in sourcing the right talent amidst rising costs.

"The intention to hire remains very positive for most businesses," says Chris Gray, Director, ManpowerGroup UK. "Especially if you consider how this year began with concerns of a recession, and where we are in terms of inflation and the cost-of-living. We should lean toward the opportunities this positive Outlook indicates, as we're still seeing concentrated demand in our real-time data for very specific skills across all sectors."

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CHRIS GRAY
Director, ManpowerGroup UK

Gray continues: "The intent to hire is promising in many areas but it comes partly due to the high number of reoccurring unfilled vacancies proving hard to fill due to niche skills scarcity. It also contrasts with the realities that high-volume employers are experiencing where speed to hire is more of a challenge. Ongoing talent supply issues are restricting UK business' ambitions to grow, aligning what British employers need with the shortage occupation list will bolster our global competitive standing."

KPMG / REC REPORT ON JOBS (JULY 2023 PRESS RELEASE)

The latest KPMG and REC, UK Report on Jobs survey […], highlighted that lingering uncertainty over the economic outlook continued to weigh on hiring decisions at the end of the second quarter. Permanent placements fell solidly, while growth of temp billings remained mild overall. Total vacancies meanwhile expanded at the slowest pace in 28 months.

The slowdown in recruitment activity and reports of redundancies drove a steep and accelerated rise in overall candidate availability. Notably, the supply of both permanent and temporary workers increased at the sharpest rates since December 2020. […]. Recruitment consultancies indicated that companies continued to hesitate to take on additional staff in June, as uncertainty over the economic outlook weighed on hiring decisions across the UK. […] Overall vacancies continued to rise in June, but the pace of expansion softened for the fourth month in a row. […] Underlying data indicated that a slower uptick in permanent vacancies offset a quicker rise in demand for short-term staff.

Neil Carberry, REC Chief Executive, said:
"There is a risk of seeing an element of Groundhog Day in June hiring, with permanent billing easing again and firms still turning to temporary staff in the face of uncertainty. But there was quite a lot of change in the shadows of the headline data. There was a significant step up in the number of candidates looking for a new permanent or temporary role. This is likely driven by people reacting to high inflation by stepping up their job search, and by some firms reshaping their businesses in a period of low growth. It's no surprise, therefore that the rate at which wages are rising has dropped again.

"Despite these trends, the labour market remains very tight. There are still broad skills shortages, with accountancy, construction, teaching and nursing among those sectors struggling to find and retain workers. This is despite the supply of candidates across the job market having risen for four consecutive months."

UK REWARD MANAGEMENT SURVEY (SPRING 2023)

The ongoing skills shortage complicates this landscape. Employers continue to compete for top talent, but slightly fewer respondents have experienced retention problems. 64 per cent have reported difficulty in retaining people, a reduction from 77 per cent in autumn 2022. In the next six months, the labour market is set to remain competitive, but fewer people anticipate retention difficulties. 61 per cent is a stark contrast to the anticipated retention levels of spring 2021, where only 31 per cent expected retention challenges.

Our spring 2022 survey captured a return to pre-pandemic levels of challenges facing employers looking for top candidates, with 85 per cent of respondents experiencing difficulties in recruiting people. Fewer respondents expect recruitment challenges over the next six months in comparison to autumn 2022. 66 per cent anticipate recruitment difficulties in the next six months, in comparison to 79 per cent in autumn 2022.

"There was a significant step up in the number of candidates looking for a new permanent or temporary role. This is likely driven by people reacting to high inflation by stepping up their job search, and by some firms reshaping their businesses in a period of low growth."

NEIL CARBERRY
Chief Executive, REC

Earnings

BANK OF ENGLAND MONETARY POLICY REPORT (MAY 2023)

Annual private sector regular pay growth has eased slightly, to 6.9% in the three months to February, close to expectations in the February Report. On a three-month on three-month annualised basis, private sector regular pay growth has fallen significantly, from a peak of 9.0% in July to 5.6% in February. Annual growth is expected to continue to decline, to around 5.5% by the end of this year and to around 3% by the end of the forecast period, as short-term inflation expectations are assumed to fall back and a margin of spare capacity is expected to open up in the labour market in the medium term. The Committee has retained its judgement from recent Reports that, owing to the pressures from pay growth, CPI inflation is a little higher throughout the projection than would otherwise be the case. The medium-term path of pay growth is somewhat stronger in the latest projection than in the February Report.

BANK OF ENGLAND MPC MINUTES (JUNE 2023)

Annual private sector regular Average Weekly Earnings (AWE) growth had increased by 0.5 percentage points to 7.6% in the three months to April, 0.5 percentage points above the expectation at the time of the May Report. The pick-up in annual pay growth since the time of the May Report had been concentrated in higher-paying sectors such as financial and business services. Pay growth in lower-paid sectors like wholesaling, retailing, hotels and restaurants had been broadly flat. Three-month on three-month growth in private sector regular pay had been strong, rising to an annualised rate of around 8% in April, from 6.3% in March, contrasting notably with the falling growth rates between July 2022 and February 2023.

KPMG / REC REPORT ON JOBS (JULY 2023 PRESS RELEASE)

Latest data revealed further marked increases in both starting salaries and temp pay at the end of the second quarter. Panel members frequently mentioned that the rising cost of living and competition for skilled staff had pushed up starting salaries and temp wages. That said, remuneration for both permanent and temporary staff rose at the slowest rates for over two years in June.

ONS AVERAGE WEEKLY EARNINGS (JULY 2023)

Growth in employees' average total pay (including bonuses) was 6.9% and growth in regular pay (excluding bonuses) was 7.3% in March to May 2023. For regular pay, this equals the highest growth rate, which was also seen last month and during the coronavirus (COVID-19) pandemic period for April to June 2021. In real terms (adjusted for inflation), growth in total and regular pay fell on the year in March to May 2023, by 1.2% for total pay and 0.8% for regular pay.

“

Latest data revealed further marked increases in both starting salaries and temp pay at the end of the second quarter. Panel members frequently mentioned that the rising cost of living and competition for skilled staff had pushed up starting salaries and temp wages.”

KPMG / REC REPORT ON JOBS
July 2023

Pay Settlements - Historic

LABOUR RESEARCH DEPARTMENT (JUNE 2023)

The median pay rise achieved in May was 8% according to LRD Payline. The 3-monthly median pay rise was 8% on the lowest basic rate (impacted by the National Living Wage increase) and 7.0% on the standard increase (what most workers got out of these agreements).

INCOMES DATA RESEARCH – REPORTED IN REUTERS (JUNE 2023)

[...] the median pay settlement awarded by major British employers had increased to 5.6% in the three months to April, [...] up from 5.0% in the three months to the end of March.

Median pay awards for private-sector workers increased to 5.8% in the same period, while public-sector pay awards averaged 5.0%.

XPERTHR – REPORTED IN HR REVIEW (JULY 2023)

New data released by XpertHR reveals that pay awards during the second quarter of 2023, spanning three months until the end of June, maintained a median value of 6 percent [...]. The latest findings, based on an analysis of 267 pay awards covering over 400,000 employees with effective dates between April 1 and June 30, 2023, highlight additional key points:

- Among the recorded deals, a 5 percent pay award emerged as the most common, accounting for just under a quarter (23%) of the total.
- The majority of deals (75%) resulted in higher pay settlements compared to the previous year, while approximately one in six (15%) saw lower settlements. For 9 percent of the deals, pay levels remained the same in both years.
- The interquartile range, which measures the spread of pay settlements, widened during this period. The lower quartile of settlements stood at 5 percent, while the upper quartile reached 9 percent. Notably, nearly a quarter (24%) of the deals surpassed the 9 percent mark, highlighting the extent to which some pay agreements exceeded the median statistic.
- Pay freezes were relatively rare, with only 3 percent of pay settlements resulting in no pay increase during the three-month period ending in June 2023.

PAYDATA PAY DATABASE (JULY 2023)

Paydata's pay database shows a median pay review of 5 per cent in the 12 months to July 2023, with an interquartile range of between 4.0 and 6.0 per cent.

Pay Settlements

8.0%
Labour Research Department

5.6%
Incomes Data Research

5.0%
XpertHR

5.0%
Paydata

Pay Settlements - Predictive

XPERTHR CENDEX PAY AWARD FORECAST (MAY 2023)

- Organisations are predicting a median 5% pay award in 2023.
- Pay settlements continue to be across a fairly wide spread, with the interquartile range or middle half falling between 4% and 6%.
- The most common prediction is 5%, with three in 10 awards at exactly this level.
- More than one award in 10 (11.7%) is expected to be worth 8% or more.
- 2.4% of employee groups are forecast a pay freeze during 2023.

BANK OF ENGLAND MPC MINUTES (JUNE 2023)

The KPMG/REC survey measure of pay for new permanent hires, which had historically led AWE pay growth by around a year, had declined in May, having been broadly stable at a lower level since October 2022. This indicator pointed to a risk of private sector regular pay growth easing by more than had been expected in the May Report over the rest of this year. Some of the Bank's Agents' contacts had reported that pay settlements in the second half of this year could be somewhat lower than in the first half, largely due to lower near-term inflation expectations, with a looser labour market also expected to play a role.

CIPD LABOUR MARKET OUTLOOK (SPRING 2023)

The median expected basic pay increase among employers expecting to increase, decrease or freeze pay within the next 12 months stands at 5% unchanged on the quarter. This figure matches last quarter, which was the highest overall net figure in the LMO's current time series dating back to 2012. Expected pay awards in both the private sector and voluntary sector remain at 5%. The figure for the public sector has risen to 3.3%, up from 2% in the previous quarter. This is the highest public sector expected pay increase in the LMO time series, which covers the austerity period of lower public sector pay awards.

It should be noted that the average basic pay award covered in this analysis is only one pay component. Many people will also benefit from incremental progression, bonuses, or a pay bump when switching jobs. For this reason, growth in median earnings is likely to be higher than this metric suggests.

WILLIS TOWERS WATSON – REPORTED IN EMPLOYEE BENEFITS (JUNE 2023)

Salary budgets for UK employees are expected to decline in 2024 after peaking this year […]. The […] latest Salary budget planning survey found that UK employers are budgeting an average increase of 4.4% for 2024. This is lower than the average 5.1% increase in 2023 and the average 4.3% 2022 pay rises.

Nearly three-quarters (71%) of respondents cited inflationary pressure as the main driver influencing changes in salary budgets, followed by concerns over a tighter labour market (54%). Other factors include employee expectation (27%), anticipated recession or weaker financial results (23%) and concerns related to cost management (20%).

Paul Richards, UK reward data intelligence leader at Willis Towers Watson, said: "While we are seeing lower salary increases forecasted for next year, they're still well above the ones we've seen for the last 10 years."

"The median expected basic pay increase among employers expecting to increase, decrease or freeze pay within the next 12 months stands at 5% unchanged on the quarter."

CIPD LABOUR MARKET OUTLOOK
Spring 2023

UK REWARD MANAGEMENT SURVEY (SPRING 2023)

Every year we capture participants' expectations for pay review budgets. We have been monitoring HR practices for over a decade through our survey. Prior to 2022, pay levels largely tracked inflation at around two to three per cent. Our spring survey reveals a significant shift to higher pay increases. 37 per cent are offering between four and five per cent, closely followed by 33 per cent who are offering over five per cent, reflective of the sustained pressure of inflation.

Cost of living challenges led to a third of employers paying a lump sum to support employees in 2022, paying a median amount of £750. 15 per cent have already decided to pay a lump sum in 2023, while 14 per cent are considering doing so, with a median amount of £550 noted. Fewer employers are set to offer a lump sum payment than last year and those that are will largely offer a lower amount; indicating that affordability is an issue, or a hope that inflation will reduce and cost of living challenges will start to abate over the second half of 2023.

Emerging trends:

- While prevalent throughout the pandemic, just one per cent of respondents plan to implement a pay freeze over 2023.
- Median pay awards have jumped from two to five per cent.
- Budgets over four per cent were previously rare – now up to five per cent and over five per cent are predicted by one in three respondents, showing a significant shift in HR practices.

PULSE SURVEY: PAY AWARDS EXPECTATIONS AND LABOUR MARKET TRENDS (JULY 2023)

Early 2024 pay predictions (taken from 150 organisations) sit at a median of 5.0%, with an interquartile range of between 4.0% and 5.0%.

To take part in our Autumn UK Reward Management Survey and receive a copy of the free participant report, please register here.

"Early 2024 pay predictions (taken from 150 organisations) sit at a median of 5.0%, with an interquartile range of between 4.0% and 5.0%."

PAYDATA PULSE SURVEY
July 2023

PAYstats at a glance

Our round-up of key statistics, covering inflation, employment and average earnings.

Consumer Price Index	CPIH	Retail Price Index ^
7.9%	7.3%	10.7%
June 2023	June 2023	June 2023

Employment

33m
employed, up 0.6% on last year.

95,000
redundancies, up 84.2% on last year.

1.03m
vacancies, down 20.4% on last year.

1.37m
unemployed, up 6.6% on last year.

7.1%
change in whole economy average earnings, excluding bonuses, for the 12 months to April 2023, down 0.6 percentage points on last month.

7.4%
change in whole economy average earnings, including bonuses for the 12 months to April 2023, down 0.4 percentage points on last month.

Notes: ^ RPI has lost its designation as a National Statistic but is still used for some indexing purposes. ~ Labour Force Survey estimates published on 14 June 2022 have been reweighted for periods from January to March 2020, using updated Pay As You Earn (PAYE) Real Time Information (RTI) data.

Data source: Adapted from data from the Office for National Statistics licensed under the Open Government Licence v.1.0. Please note the specific definitions for the measures above vary.

PAYstats in detail

EMPLOYMENT (seasonally adjusted, change calculated for last 12 months)

	Jobs *		Vacancies		Redundancies		Unemployment	
Reference Period	Mar-May 2023		Apr-Jun 2023		Mar-May 2023		Mar-May 2023	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK ~	33,053	0.6%	1,034	-20.4%	95	84.2%	1,370	6.6%
Manufacturing	2,643	1.0%	70	-24.6%				
Electricity & gas supply	132	-3.2%	6	8.6%				
Water, sewerage & waste	256	8.3%	7	-24.2%				
Construction	2,294	1.7%	39	-15.5%				
Wholesale, retail & motor repair	4,847	0.1%	138	-16.7%				
Info & communications	1,700	6.4%	46	-42.1%				
Financial & insurance	1,235	6.9%	37	-32.0%				
Real estate	699	11.9%	15	-13.1%				
Prof. scientific & technical	3,436	4.2%	102	-24.0%				
Administrative & support	3,074	0.3%	65	-18.8%				
Public admin, defence, social security	1,660	1.4%	39	-0.3%				
Education	3,052	0.4%	67	-8.8%				
Health & social work	4,765	3.3%	187	-12.6%				
Other services	940	4.3%	24	-4.0%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
May 2023	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	7.1%	-0.6%	7.4%	-0.4%
Private	7.4%	-0.7%	7.7%	-0.5%
Public	5.7%	-0.4%	5.9%	-0.2%
Services	7.2%	-0.6%	7.6%	0.0%
Finance & business services	8.4%	-1.4%	9.2%	1.1%
Public sector exc. Financial services	5.6%	-0.5%	5.8%	-0.4%
Manufacturing	8.1%	-0.1%	8.4%	-0.3%
Construction	5.6%	-0.3%	4.1%	-2.5%
Wholesale, retail, hotels & restaurants	5.0%	-0.5%	3.7%	0.0%

Notes: * Sector breakdown as at March 2023

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Current Rates

NATIONAL MINIMUM WAGE (NMW)

For more information: www.gov.uk

Workers 21-22 years old: Workers 18-20 years old: Workers 16-17 years old:	£10.18 £7.49 £5.28
Accommodation offset – maximum per day that can be offset against the NMW where employer provides accommodation.	£9.10
Apprentice minimum wage rate for: - apprentices under 19 years old - apprentices aged 19 and over, but in the first year of their apprenticeship	£5.28

NATIONAL LIVING WAGE

For more information: www.gov.uk

The compulsory National Living Wage (NLW) was introduced in April 2016. The NLW effectively increases the National Minimum Wage for workers aged 23 and over.	£10.42

LIVING WAGE

For more information: www.livingwage.org.uk

The Living Wage is set independently and calculated according to the basic cost of living in the UK.

- UK hourly rate:	£10.90
- London hourly rate:	£11.95

STATUTORY MATERNITY PAY

For more information: www.gov.uk

Statutory Maternity Pay is paid for up to 39 weeks:
- the first 6 weeks: 90 per cent of average weekly earnings (AWE) before tax
- the remaining 33 weeks: £172.48 or 90 per cent of AWE (if lower)

Statutory Paternity Pay:
- 1 or 2 weeks consecutive leave: £172.48 or 90 per cent of AWE (if lower)

Statutory Adoption Pay is paid for up to 39 weeks:
- the first 6 weeks: 90 per cent of AWE before tax
- the remaining 33 weeks: £156.66 £172.48 or 90 per cent of AWE (if lower)

STATUTORY SICK PAY

For more information: www.livingwage.org.uk

Standard weekly rate	£109.40
Maximum period	28 weeks in any 3 years

STATUTORY REDUNDANCY PAY

For more information: www.gov.uk

Statutory redundancy pay rates are based on age and length of employment:
- 1.5 weeks' pay for each year of employment after their 41st birthday
- 1 week's pay for each year of employment after their 22nd birthday
- 0.5 week's pay for each year of employment up to their 22nd birthday

Length of service is capped at 20 years.

Calculation of age and service is counted back from the date of dismissal.

For redundancies made on or after 6 April 2023, the weekly pay is capped at £643 and the maximum statutory redundancy pay is £19,290. If redundancy was made before 6 April 2023, these amounts will be lower.

WORKING TIME

For more information: www.gov.uk

Basic entitlement for workers aged 18 and over:
- 5.6 weeks holiday a year
- Work no more than 6 days out of every 7, or 12 days out of every 14
- A 20 minute break if more than 6 hours worked continuously
- Work a maximum 48-hour average week

Workers aged 16 and 17 are entitled to:
- Take at least 30 minutes break if more than 4.5 hours worked continuously
- Work no more than 8 hours a day and 40 hours a week
- Have 12 hours rest between working days and 2 days off every week
- 5.6 weeks holiday a year

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'Early Bird' rates apply on all bookings made by 31st July.

Paydata HR & Reward Conference
Tuesday, 19th September 2023

Join us this September and help prepare for the year ahead, as we explore all things HR and Reward at Paydata's HR and Reward Conference.

A cross sector event, the conference brings together expert speakers to tackle current challenges, including:

- **Pay plans and expectations** - with inflation remaining stubbornly high and 2023 seeing the highest pay awards in over a decade, what does the pay landscape look like for the year ahead?
- **Embracing the Employee Experience** - how can organisations blueprint their path to success by prioritizing and enhancing the employee experience?
- **Case Study: The power of people analytics** - sharing how Lendlease are utilising people analytics to make better informed decisions.
- **HR Group discussion forums** - exchange advice and experience on current challenges at industry level discussion groups.

Tuesday, 19th September 2023
9:00 - 5:00pm

Venue: Royal College of Physicians, St Andrews Place, London. NW1 4LE

Tickets

Full Price	**Early Bird**
£295 +VAT	£255 +VAT
£260 +VAT*	£230 +VAT*

** Not for profit discounted price*

Discounts available for additional delegates attending from the same organisation.

Places are limited and available on a first come, first served basis.

To discover more and reserve your place, please contact us on **+44 (0)1733 391 377** or email **events@paydata.co.uk**

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