Paydata Business Insight
National Statistics

July 2026: PAYstats Pay and Labour Market Statistics

Quarterly Edition

Paydata
making lives better at work

July 2026: 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

- Twelve-month CPI inflation had been 2.8% in May, unchanged from April, but down from 3.3% in March.
- The UK employment rate (based on the LFS) for people aged 16 to 64 years was estimated at 75.1% in March to May 2026.
- The UK unemployment rate for people aged 16 years and over was estimated at 4.9% in March to May 2026.
- The estimated number of vacancies in the UK decreased in the latest quarter. Early estimates for April to June 2026 suggest a decrease of 7,000 (0.9%) to 712,000, compared with January to March 2026.
- Annual growth in employees' average regular earnings excluding bonuses in Great Britain was 3.3% in the 12 months to May 2026, and annual growth in total earnings including bonuses was 3.5%.
- Paydata's pay database shows a median pay settlement of 3.0% for the 12 months to July 2026, with an interquartile range of 3.0% and 3.5%.
- Initial pay expectations for 2027, across all sectors, show an anticipated median pay award of 3.0%, with an interquartile range of between 3.0% and 3.5%.

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 (APRIL 2026)

The conflict in the Middle East has changed the outlook for inflation in the UK. The disruption the conflict has caused to energy supplies has led to a sharp rise in global energy prices. The immediate effects are already being felt in the UK, for example in higher fuel prices. CPI inflation increased to 3.3% in March and is likely to be higher later this year as the effects of higher energy prices pass through. That is a very different picture from three months ago, when inflation was expected to fall back to close to the 2% target. Monetary policy cannot undo the increase in global energy prices. And it takes time for monetary policy to work through the economy, so any action the MPC might take now would not prevent higher inflation in coming months. What the MPC will do is set monetary policy to make sure that the effects of the shock do not become embedded into broad-based inflationary pressures, so that inflation falls back to the 2% target and stays there.

BANK OF ENGLAND MPC MINUTES (JUNE 2026)

Twelve-month CPI inflation had been 2.8% in May, unchanged from April, but down from 3.3% in March. The May outturn had been 0.4 percentage points below the short-term forecast published in the April Report. Downside news relative to the April Report had been spread across food, core goods and services, with an outsized contribution to the news from food price inflation, which had fallen to 2.2%. Some direct effects of the energy shock, especially from the initial post-conflict increase in fuel prices, had already pushed up on CPI inflation.

Energy prices had remained volatile. Based on energy prices as of close of business on 15 June, CPI inflation was now expected to be a little under 3% in 2026 Q3 and pick up to a little over 3.25% in Q4. This was below the path expected in the April Report, reflecting both lower energy and non-energy prices.

OFFICE FOR NATIONAL STATISTICS (JUNE 2026)

The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.8% in the 12 months to June 2026, down from 3.0% the previous month. On a monthly basis, CPIH rose by 0.2% in June 2026, compared with a rise of 0.3% in June 2025. The Consumer Prices Index (CPI) rose by 2.6% in the 12 months to June 2026, down from 2.8% the previous month. On a monthly basis, CPI rose by 0.1% in June 2026, compared with a rise of 0.3% in June 2025. Transport, and food and non-alcoholic beverages made the largest downward contributions to the monthly change in both CPIH and CPI annual rates. Core CPIH (CPIH excluding energy, food, alcohol and tobacco) rose by 2.8% in the 12 months to June 2026, unchanged from the 12 months to May; the CPIH goods annual rate slowed from 2.0% to 1.7%, while the CPIH services annual rate was unchanged, at 3.6%. Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 2.6% in the 12 months to June 2026, unchanged from the 12 months to May; the CPI goods annual rate slowed from 2.0% to 1.7%, while the CPI services annual rate eased from 3.7% to 3.6%.

DECISION MAKER PANEL SURVEY (JUNE 2026)

Expectations for year-ahead CPI inflation remained unchanged at 3.7% in the three months to June. In the single-month data year-ahead CPI inflation expectations fell from 3.7% to 3.3%. Three-year-ahead CPI inflation expectations were 2.9% in the three months to June, up 0.1 percentage points relative to the three months to May.

> **Based on energy prices as of close of business on 15 June, CPI inflation was now expected to be a little under 3% in 2026 Q3 and pick up to a little over 3.25% in Q4."**
>
> **BANK OF ENGLAND MPC MINUTES**
> June 2026

Employment

CIPD LABOUR MARKET OUTLOOK (SPRING 2026)

The net employment balance – the difference between employers expecting there will be an increase in staff levels and those expecting there will be a decrease in the next three months – remains at a near record low this quarter at +10. Employment intentions continue to be stable in the private sector at +13, having fallen to a record low of +11 in spring 2025. Employment intentions in the public sector remain below zero. This means that more public sector employers expect staff numbers to decrease than increase over the next three months.

There has been a slight uptick in the proportion of employers planning to recruit employees in the next three months, from 60% last quarter to 63% this quarter. This is driven by the proportion of public sector employers planning to recruit in the next three months, which has risen from 70% last quarter to 77% this quarter. 58% of employers in the private sector plan to recruit over that time period, largely unchanged from our previous report.

22% per cent of employers are planning to make redundancies in the three months up to July 2026, remaining broadly similar to the previous quarter. [...] despite the low level of vacancies, one-third of employers currently have hard-to-fill vacancies. This indicates skills mismatches across the economy, as employers seek talent that is not available to them.

BANK OF ENGLAND MONETARY POLICY REPORT (APRIL 2026)

The LFS unemployment rate fell to 4.9% in the three months to February, 0.2 percentage points lower than both the previous quarter and expectations at the time of the February Report. The decline was driven entirely by a drop in the participation rate, reflecting an increase in the number of people who report being inactive because they are studying. Other indicators remain consistent with easing labour demand: job vacancies fell by around 4% in 2026 Q1, and the LFS redundancy rate remains elevated relative to in recent years. Reflecting these signals, Bank staff project the unemployment rate to rise to 5.1% in 2026 Q2.

Bank staff judge that underlying employment growth, based on the signal from a range of measures, has remained flat since early 2025, with no immediate sign of a change following the onset of the Middle East conflict. Contacts of the Bank's Agents typically attribute this weakness to subdued demand and higher labour costs. [...]

Employment growth is expected to remain muted in the near term and the energy shock and the resulting impact on demand could weigh on hiring plans later in the year. Respondents to the April DMP survey expected headcount to be flat in the three months to April 2027, up from -0.4% realised employment growth over the 12 months to April 2026. Contacts of the Bank's Agents report that the conflict in the Middle East has not yet affected hiring plans, and in general expect employment to be broadly flat over the next year (ASBC – April 2026).

Higher unemployment over recent months and some stabilisation in the number of job vacancies has meant that the vacancies to unemployment ratio (V/U) remains well below its equilibrium, consistent with a margin of slack in the labour market. The net additional hours desired by workers as a percentage of average hours worked, a measure of underemployment, also suggests more slack relative to in the recent past.

+10

this quarter's net employment balance.

60%

are planning to recruit in the next three months.

LFS job-to-job flows remain subdued. Overall, these data suggest that labour market conditions are considerably looser than at the onset of the previous energy shock in 2022.

BANK OF ENGLAND MPC MINUTES (JUNE 2026)

There had been a mixed picture on labour demand in recent data. The Labour Force Survey (LFS) unemployment rate had fallen to 4.9% in the three months to April, slightly lower than had been expected in the April Report. LFS employment had grown by 0.3%, slightly higher than had been expected in the April Report, but underlying employment growth had remained close to zero. Vacancies had continued to decline, by 2.6% in the three months to May compared to the previous three months, although the redundancy rate had also fallen. Overall, these data continued to be consistent with a gradual loosening in the labour market. This was supported by intelligence from the Bank's Agents' contacts, many of whom had reported that weak or delayed demand was leading them to operate below desired utilisation.

OFFICE FOR NATIONAL STATISTICS (JULY 2026)

When looking at March to May 2026, the period comparable with our Labour Force Survey (LFS) estimates, the number of payrolled employees fell by 90,000 (0.3%) over the year and by 30,000 (0.1%) over the quarter. The early estimate of payrolled employees for June 2026 decreased by 71,000 (0.2%) on the year, but was largely unchanged on the month, decreasing by just 4,000 (0.0%) to 30.3 million. Figures for June should be treated as provisional estimates and are likely to be revised when more data are received next month. […]

The UK employment rate (based on the LFS) for people aged 16 to 64 years was estimated at 75.1% in March to May 2026. This is down 0.1 percentages point on the year but up 0.1 percentage points on the latest quarter. The UK unemployment rate for people aged 16 years and over was estimated at 4.9% in March to May 2026. This is up 0.2 percentage points on the year but down 0.1 percentage points on the latest quarter.

The UK economic inactivity rate for people aged 16 to 64 years was estimated at 20.9% in March to May 2026. This is down 0.1 percentage points on the year and down 0.1 percentage points on the latest quarter. The UK Claimant Count for June 2026 increased on the month but decreased on the year to an estimated 1.689 million. […]

The estimated number of vacancies in the UK decreased in the latest quarter. Early estimates for April to June 2026 suggest a decrease of 7,000 (0.9%) to 712,000, compared with January to March 2026.

MANPOWER EMPLOYMENT OUTLOOK SURVEY (Q3 2026)

UK employers are reporting strong hiring intentions for the third quarter of 2026, with 37% of businesses planning to recruit. The findings from the latest ManpowerGroup Employment Outlook Survey (MEOS) show a Net Employment Outlook (NEO) of 37, up 10 percentage points quarter-on-quarter and 18 percentage points year-on-year.

While 49% of employers expect to increase staffing levels, 12% expect to reduce headcount, 35% expect no change and 4% are unsure.

Michael Stull, UK Managing Director, ManpowerGroup UK: "UK businesses are realising the need for people. Uncertainty has dominated the UK economy and

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MICHAEL STULL
MANPOWERGROUP UK

job market for months, but that is not sustainable for businesses, employees or the consumer. That's why we are seeing the needle shifting in terms of a willingness to hire."

The increase in hiring intent is visible across the board. Among the nine sectors surveyed, Information leads at 46%, followed by Construction & Real Estate at 43%. In contrast, Public Sector, Health & Social Services at 29% and Hospitality at 12% are lagging behind. The sector picture is stronger than last quarter overall, but not uniform. Hiring intentions strengthen quarter-on-quarter in eight of the nine core sectors, while Finance & Insurance is the only sector to record a decline, slipping from 38% to 36%.

KPMG / REC REPORT ON JOBS (JULY 2026)

The latest survey data pointed to a relative improvement in hiring trends across the UK in June. The number of people placed into permanent positions fell at a marginal pace that was the softest in three months, while temp billings rose at the quickest rate since April 2023. These trends were often linked to wider economic uncertainty and cost considerations, which have driven a greater preference for short-term staff and projects among a number of businesses.

Although candidate numbers continued to rise sharply overall in June, often due to redundancies and reduced hiring activity, the latest upturn was the least pronounced in four months. Softer increases in supply were signalled for both permanent and temporary labour, as some firms noted that people were more hesitant to seek out new roles in the current economic climate.

The sustained rise in candidate numbers coincided with a further reduction in job opportunities in June. Total demand for staff declined at the quickest rate since January, which was predominantly driven by a steeper drop in permanent vacancies. Demand for short-term staff meanwhile fell at a marginal pace that was little-changed from May.

Commenting on the latest survey results, Lisa Fernihough, Vice Chair Advisory, KPMG UK, said: "Although permanent placements are still falling, the pace of decline is easing and back to a rate we were seeing before the Iran conflict put a pause on active recruitment for many companies. But the story of the past few months has been the pivot to temporary work. With chief execs still facing into global uncertainty, this preference for a flexible approach to hiring means they have been able to progress shorter term projects and investments without longer term commitments."

Although permanent placements are still falling, the pace of decline is easing and back to a rate we were seeing before the Iran conflict put a pause on active recruitment for many companies."

LISA FERNIHOUGH
KPMG

Earnings

BANK OF ENGLAND MONETARY POLICY REPORT (APRIL 2026)

Annual private sector regular AWE growth was 3.2% in the three months to February, 0.2 percentage points below expectations at the time of the February Report and down from around 6% at the start of 2025. Alternative indicators continue to point to wage growth being stronger than AWE, though these indicators have also trended downward. An estimate of private sector median pay based on HMRC RTI data implies pay growth of 4.4% in the three months to February, while data from Indeed and the DMP survey imply wage growth of around 4%, down from over 5% in early 2025. Part of the difference between these alternative indicators and the AWE data reflects the shifting composition of the workforce towards lower paid industries in the AWE statistics. ONS estimates suggest this effect pushed down measured wage growth by around 0.5 percentage points in the three months to February.

BANK OF ENGLAND MPC MINUTES (JUNE 2026)

Annual growth in private sector regular Average Weekly Earnings in the three months to April had been 2.9%, a touch lower than had been expected in the April Report. On the face of it, this was below the estimates of target-consistent wage growth published in the February Report, but, adjusting for changes in industry mix, private sector AWE growth was around half a percentage point higher. Growth in bonus payments, which were not included in measures of regular pay, had also been strong. In addition, public sector regular pay had grown by 5.1%, although this strength had in part reflected that the twelve-month comparison had included both the 2025 and 2026 uplifts for some NHS staff.

KPMG / REC REPORT ON JOBS (JULY 2026)

UK recruitment consultancies signalled further increases in rates of starting pay for both permanent and temporary workers at the end of the second quarter. According to panellists, efforts to attract top talent had placed upward pressure on pay offers. The latest upturns in salaries and wages were the strongest seen since January, but in each case, growth remained slower than typically seen across the survey history (which began October 1997).

ONS AVERAGE WEEKLY EARNINGS (JULY 2026)

Annual growth in employees' average earnings in Great Britain was 3.4% for regular earnings (excluding bonuses) and 4.3% for total earnings (including bonuses) in March to May 2026. Annual average regular earnings growth was 5.5% for the public sector and 2.9% for the private sector. Public sector annual pay growth continues to be affected by variations in the timing of pay awards this year.

Annual growth in real terms, adjusted for inflation using the Consumer Prices Index including owner occupiers' housing costs (CPIH), was 0.3% for regular pay and 1.1% for total pay in March to May 2026. Annual growth in real terms, adjusted for inflation using the Consumer Prices Index excluding owner occupiers' housing costs (CPI), was 0.4% for regular pay and 1.3% for total pay in March to May 2026.

“UK recruitment consultancies signalled further increases in rates of starting pay for both permanent and temporary workers at the end of the second quarter. According to panellists, efforts to attract top talent had placed upward pressure on pay offers.”

KPMG / REC REPORT ON JOBS
July 2026

Pay Settlements - Historic

BANK OF ENGLAND MONETARY POLICY REPORT (APRIL 2026)

Indicators of pay settlements have been little changed in recent months. For 2026 as a whole, data from the Bank's Agents' contacts now suggests a median settlement of 3.5%, 0.1 percentage points higher than the pay survey outcome reported in February. That is slightly above the central estimate of target consistent wage growth of 3.25% […], although there is uncertainty around that estimate. The impact of higher expected inflation is unlikely to show up in realised pay settlements data until the end of the year at the earliest. The majority of pay deals are implemented in January and April and intelligence from the Bank's Agents suggests that these pay deals were mostly agreed around the turn of the year, prior to the recent inflationary shock. Most firms tend to set basic pay only once a year, so the recent rise in inflation is unlikely to show up this year unless firms choose to reopen their pay deals. Looking ahead, contacts of the Agents report that, due to the energy shock, pay deals for 2027 are likely to be somewhat higher than firms would otherwise have planned. But the backdrop is different to the previous shock in 2022 since the labour market is much looser and margins are constrained. And so far, contacts report little sign of firms seeking to top up pay within the year, in light of higher inflation, in contrast to the 2022–23 period.

DECISION MAKER PANEL SURVEY (JUNE 2026)

Firms reported that annual wage growth was 4.1% in the three months to June, down 0.1 percentage points from the three months to May.

BRIGHTMINE (JULY 2026)

UK pay awards have remained consistent at 3.3% for the three months to the end of June 2026, according to data from Brightmine, the HR data and insights provider. The findings suggest that the overall level of pay settlements has been more resilient than employers anticipated at the start of 2026. With the year now at its halfway point, the current figure is likely indicative of where pay awards will settle for 2026 as a whole. However, almost half (45.7%) of matched settlements were lower than those awarded in 2025, suggesting that while the median pay award remains steady, a significant number of employers are awarding smaller rises than they did last year.

LABOUR RESEARCH DEPARTMENT (JUNE 2026)

Deals reported to Payline in the three months to May 2026 averaged 3.5%, matching the previous period. The statistic is based on 71 deals reported to Payline for the past three months.

Pay deals are currently reasonably robust following a period where they were at a low ebb of just 3.0%. The public sector continued to perform better than the private sector in the most recent period, with a median of 3.8%. The median was consistent between services and industry.

The RPI inflation measure was 3.1% in new figures for May, meaning that pay deals were maintaining a lead on inflation. 80% of the deals recorded for the past three months were matching or beating the current RPI inflation rate of 3.1%. RPI inflation was up slightly from 3.0% the month before, which was the lowest recorded figure since September 2024. The CPI measure of inflation unexpectedly held at 2.8%.

The 12-month median for all deals implemented in the past year stands at 3.6%,

Pay Settlements

3.5%
Labour Research Department

3.3%
Brightmine

3.5%
Incomes Data Research

3.0%
Paydata

taking into account all staggered increments within the year. Taking this longer view shows that most pay deals are roughly keeping pace with inflation.

INCOMES DATA RESEARCH (JULY 2026)

as reported on Employee Benefits online

The median pay increase in the private sector remained at 3.5% for the three months to April 2026 [...]. The median pay award in manufacturing and production has held steady since March at 3.5%, although the average rose from 3.4% to 3.6%. More than a third (35%) of increases were worth at least 4%, compared to a fifth in March. Increases such as these were common in engineering and the energy and water sector.

However, the median pay award in private services fell from 3.5% in March to 3.3%, due to a larger proportion of pay outcomes below 3%. Nearly a quarter (24%) of awards in the sector occurred at this level in the three months to April, an increase from 15% in March. [...] the proportion of higher-end increases worth 4% or more grew from 21% to 36%, and this pushed the upper quartile in private services from 3.5% to 4%. Increases at this level occurred across air transport and financial services, but were most common in hospitality and retail. In the public sector, the median pay award was also 3.5%, while the median was 3.6% in the not-for-profit area. Nearly two-fifths (38%) of outcomes were worth 4% or more, as employers were impacted by the 4.1% national living wage increase.

[...] the median pay increase across the economy has remained at 3.5% in the three months to April. A third (33%) of all increases were worth 4% or more, growing from 21% in March. It also pushed the upper quartile of awards to 4%, from 3.8% last month.

PAYDATA PAY DATABASE (JULY 2026)

Paydata's pay database shows a median pay settlement of 3.0% for the 12 months to July 2026, with an interquartile range of 3.0% and 3.5%.

"Paydata's pay database shows a median pay settlement of 3.0% for the 12 months to July 2026, with an interquartile range of 3.0% and 3.5%."

PAYDATA PAY DATABASE
July 2026

Pay Settlements - Predictive

> “UK employers are signalling a more cautious approach to pay rises next year based on early forecasts.”
>
> **BRIGHTMINE**
> June 2026

BANK OF ENGLAND MONETARY POLICY REPORT (APRIL 2026)

Annual private sector AWE growth is expected to average 3.1% in 2026 Q1 before falling slightly to 3.0% in 2026 Q2 owing to base effects.

BANK OF ENGLAND MPC MINUTES (JUNE 2026)

There had been no change since the April Report to the Bank's Agents' estimate that basic private sector pay settlements were expected to average 3.5% over 2026. The Agents reported that most of these settlements had been agreed before the recent rise in energy prices, and that contacts did not generally expect that they would be re-opened. Some contacts had expressed concerns that the pace of wage disinflation could slow next year as a result of the conflict.

DECISION MAKER PANEL SURVEY (JUNE 2026)

Expected year-ahead wage growth rose slightly, by 0.1 percentage points to 3.5% in the three months to June.

CIPD LABOUR MARKET OUTLOOK (SPRING 2026)

Among employers looking to increase, decrease or freeze pay in the next 12 months, the median expected basic pay increase for the next 12 months remains at 3% overall for the eighth consecutive quarter.

The median expected pay award remains at 3% across the private, public and voluntary sectors. To put the median expected pay award into context, the Consumer Prices Index (CPI) […] in March 2026 was 3.3%. The latest National Institute of Economic and Social Research macroeconomic forecasts predict CPI inflation will rise across the remainder of the year, reaching a peak of 4.1% in January 2027. […]

The latest Bank of England Monetary Policy Report outlines how changes in labour market conditions since Russia's invasion of Ukraine in 2022 should in theory make it easier for firms to reduce wage growth, as firms face less competition for available workers […].

However, factors unique to the UK suggest this might not necessarily be the case. In the UK 40% of workers are at the lower end of the wage distribution and heavily impacted by changes such as those to the NLW. The Low Pay Commission's remit has been increased since 2024 to include the cost of living. In addition to this, approximately half of workers are employed at firms that tend to put greater emphasis on changes in inflation because they have wage bargaining with their workers. Both of these factors mean that it is likely there will be mechanisms for vast numbers of those in work to receive an uplift in pay. This is likely to happen in 2027, as wage settlements for 2026 have in most cases already been decided.

BRIGHTMINE (JUNE 2026)

UK employers are signalling a more cautious approach to pay rises next year based on early forecasts, with just over two-fifths (41.6%) expecting their organisation's 2027 pay award to be worth more than 2% but less than 3% […]. A further 41.6% of HR professionals expect pay awards to fall between 3% and 4%, while just 2% anticipate awards above 4%.

Sheila Attwood, Senior Content Manager, Data and HR Insights at Brightmine, comments: "While many employers are currently planning for lower pay awards in

2027, this week's inflation figures highlight why there is still significant uncertainty around next year's settlements. With inflation still above the Bank of England's 2% target and close to the current median pay award, employers may come under renewed pressure to go further than they are currently planning to support employee living standards."

PAYDATA UK REWARD MANAGEMENT SURVEY (SPRING 2026)

The median predicted pay award for 2026 currently stands at 3.0 per cent, with an interquartile range of between 3.0 and 3.5 per cent. Both the mode and the median pay budget for 2026 are 3.0%, unchanged from autumn 2025 predictions.

PAYDATA PULSE SURVEY: 2027 PAY AWARD EXPECTATIONS (JULY 2026)

Initial pay expectations for 2027, across all sectors, show an anticipated median pay award of 3.0%, with an interquartile range of between 3.0% and 3.5%. If inflation were to fall closer to 2-3% between autumn 2026 and spring 2027, 53 per cent would not change their 2027 prediction; 25 per cent would reduce their prediction by 0.5% and 16 per cent would reduce their prediction by 1.0%.

To be notified when the Autumn UK Reward Management Survey launches, please register for updates here.

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Initial pay expectations for 2027, across all sectors, show an anticipated median pay award of 3.0%, with an interquartile range of between 3.0% and 3.5%."

PAYDATA PULSE SURVEY
July 2026

PAYstats at a glance

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

Consumer Price Index	CPIH	Retail Price Index ^
2.6%	2.8%	3.0%
June 2026	June 2026	June 2026

Employment

34.5m
employed, up 1.0% on last year.

108,000
redundancies, down 5.2% on last year.

712,000
vacancies, down 2.5% on last year.

1.76m
unemployed, up 4.8% on last year.

3.3%
change in whole economy average earnings, excluding bonuses, for the 12 months to May 2026, down 0.2 percentage points on last month.

3.5%
change in whole economy average earnings, including bonuses, for the 12 months to May 2026, down 1.2 percentage points on last month.

Notes: 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 2026		Apr-Jun 2026		Mar-May 2026		Mar-May 2026	
	000's	Change	000's	Change	000's	Change	000's	Change
All UK ~	34,475	1.0%	712	-2.5%	108	-5.2	1,760	4.8
Manufacturing	2,482	-3.2%	48	-2.4%				
Electricity & gas supply	147	2.9%	3	-17.9%				
Water, sewerage & waste	244	-0.1%	7	-8.5%				
Construction	2,321	0.3%	34	11.3%				
Wholesale, retail & motor repair	4,629	-1.8%	87	-6.9%				
Info & communications	1,577	-3.6%	41	17.2%				
Financial & insurance	1,112	-2.5%	32	-0.6%				
Real estate	728	0.2%	10	-17.5%				
Prof. scientific & technical	3,492	0.7%	70	-4.9%				
Administrative & support	2,995	-0.7%	52	6.6%				
Public admin, defence, social security	1,794	3.0%	29	2.8%				
Education	3,137	0.6%	47	10.6%				
Health & social work	5,090	0.5%	121	-10.4%				
Other services	980	-1.2%	14	26.6%				

AVERAGE EARNINGS (seasonally adjusted)

	Excluding bonuses		Including bonuses	
May 2026	Change from 12 months ago	% point change since last month	Change from 12 months ago	% point change since last month
Whole economy	3.3%	-0.2	3.5%	-1.2
Private	2.7%	-0.2	3.2%	-1.1
Public	6.0%	0.1	5.9%	0.0
Services	3.6%	-0.2	3.9%	-0.9
Finance & business services	2.1%	0.0	3.0%	-0.2
Public sector exc. Financial services	5.9%	-0.1	5.9%	0.0
Manufacturing	2.5%	-0.1	2.4%	-2.5
Construction	0.3%	0.2	0.7%	-1.1
Wholesale, retail, hotels & restaurants	3.1%	-0.7	3.9%	-1.1

Notes: * Sector breakdown as at March 2026, \ not seasonally adjusted

Current Rates

NATIONAL MINIMUM WAGE (NMW)

For more information: www.gov.uk

Workers 18-20 years old:	£10.85
Workers 16-17 years old:	£8.00
Accommodation offset – maximum per day that can be offset against the NMW where employer provides accommodation.	£11.10
Apprentice minimum wage rate for: - apprentices under 19 years old - apprentices aged 19 and over, but in the first year of their apprenticeship	£8.00

NATIONAL LIVING WAGE

For more information: www.gov.uk

Workers aged 21 and over:	£12.71

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:	£13.45
- London hourly rate:	£14.80

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: £194.32 or 90 per cent of AWE (if lower)

Statutory Paternity Pay:
- 1 or 2 weeks consecutive leave: £194.32 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: £194.32 or 90 per cent of AWE (if lower)

STATUTORY SICK PAY

For more information: www.livingwage.org.uk

Standard weekly rate	£123.25
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 2026, the weekly pay is capped at £751 and the maximum statutory redundancy pay is £22,530. If redundancy was made before 6 April 2026, 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

Benchmark your pay and benefits with confidence

In today's economic climate, HR teams are under pressure to do more with less. You need to offer reward packages that attract and retain great people - all within constrained budgets.

Paydata's pay database provides accurate, up-to-date insights into pay trends across industries, roles and regions. Whether you're planning a salary review, recruiting new talent or developing pay strategies, access the market data you need to confidently make evidence-based decisions.

Our salary market data provides a reliable foundation for your pay decisions, combining real-world figures with sector-specific insights. The result? A transparent, competitive and well-informed approach to compensation that helps your business attract, motivate and retain the very best talent.

Benchmarking services include:
- Pay and Benefits Benchmarking
- Executive Benchmarking
- Off-the-shelf Pay Market Reports
- Bespoke Benchmarking

Access pay and benefits market data across specialist sectors, including:

- Construction and Engineering
- Electricity
- Facilities Management
- Housing Associations
- Mechanical and Electrical
- Membership Organisations
- Private Healthcare
- Property and Construction Consultancies
- Purpose Built Student Accommodation
- Renewables Sector
- Residential Care

To discover more and to discuss your requirements, please contact us today on +44 (0)1733 391 377 or via info@paydata.co.uk

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LIVING WAGE EMPLOYER