

Pay bulletin

The latest news on salaries, settlements and more

December 2025

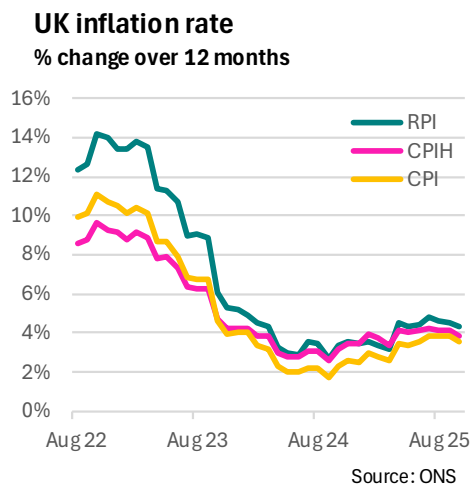
@prospectunion • prospect.org.uk

Welcome to December's pay bulletin. Read on for the latest data on inflation, pay and labour market trends.

This month:

- CPI remains falls to 3.6%
- Median pay settlements marginally increase to 3.1%
- In the three months to September average weekly earnings are rising by 4.8%

1. Inflation starts to fall



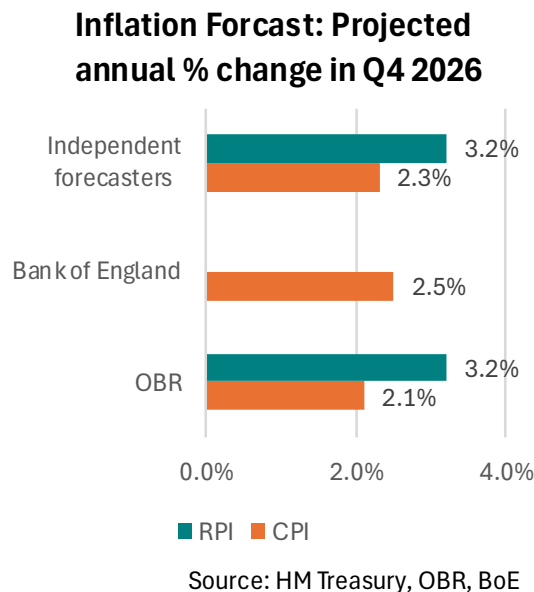
Inflation has fallen to 3.6%. The [latest figures](#) from the Office for National Statistics (ONS) show that:

- **CPI was 3.6%** in the 12 months to October, down from 3.8% last month
- **CPIH was 3.8%** in the 12 months to October, down from 4.1% last month
- **RPI was 4.3%**, in the 12 months to October, down from 4.5% last month

Housing and household services made the largest downward contribution to the monthly change in both CPIH and CPI annual rates; food and non-alcoholic beverages made the largest offsetting upward contribution.

Core CPI rose by 3.4% in the 12 months to October 2025, down from 3.5% in the 12 months to September; the CPI goods annual rate fell from 2.9% to 2.6%, while the CPI services annual rate fell from 4.7% to 4.5%.

2. Headline rates of inflation for Q4 2026



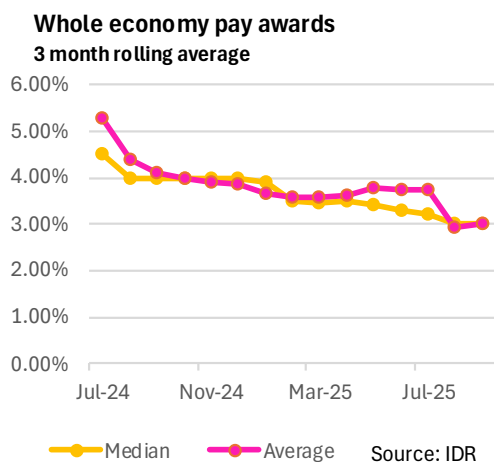
[HM Treasury's average of most recent inflation forecasts](#) expects CPI to be

2.1% and RPI at 3.2% by Q4 2026.

This represents a significant reduction and is driven by a combination of past price shocks fading, monetary and fiscal tightening curbing demand, and the normalisation of supply-side conditions.

At its last meeting the [Bank of England Monetary Policy Committee](#) decided to maintain the Bank Base Rate to 4%, however four members voted to reduce by 0.25 percentage points, leading to speculation that a further cut will take place at the next meeting on December 18th now that CPI inflation is judged to have peaked.

3. Average pay settlements largely unchanged



The latest analysis from [Income Data Research](#) shows that the median pay award across the economy was 3.1%

for the 3 months to October, a slight decrease from September. This is in line with the latest data from

[Brightmine](#), which finds that the UK

median basic pay award is 3%. [LRD](#)

[pay data](#) reports that pay rises for the

lowest-paid in the three months to

October 2025 is 3%, down slightly from last month. Recent Prospect pay deals

have been predominantly in the public sector, and have been at the top end of

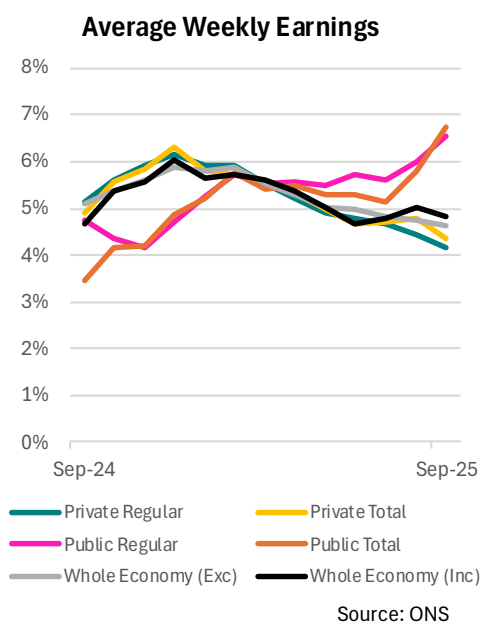
the pay remit guidance, which was set

at for 3.75% for 2025/26.

Recent Prospect pay deals include:

- Health & Safety Executive (HSE), 3.75%, effective 1st September 2025
- Red Bee Media, 2.5%, effective 27th October 2025
- Shakespeare's Globe Theatre 3%, effective 1st November 2025

4. Public sector pay continues to grow faster



Employee average regular earnings

(excluding bonuses) increased by 4.6% in the three months to September 2025 and total earnings (including bonuses) were 4.8%. Pay adjusted for inflation shows that 'real' regular pay growth was 0.8% and 'real' total pay growth was 1%, representing a decline in 'real' earnings growth due to an increase in inflation.

Pay in the public sector is now surging ahead of private sector earnings growth, as regular pay in the public sector is rising by 6.6% and total pay at 6.8%, compared to 4.2% for regular pay and 4.4% for total pay in the private sector.

5. Prospect Negotiated Pay Settlements: 2025

The table below provides details of the pay settlements, split by sector, reported on the Prospect bargaining database, up to and including October 31st 2025.

Sector	Numer of Settlements	Average Settlement	Median Settlement	Highest Settlement	Lowest Settlement
Aviation	9	6.46	3.70	27	3
Bectu	10	3.60	3.00	6	2.5
Defence	10	3.78	3.60	6	2
Energy	11	3.71	3.30	5.7	2.9
Heritage	6	3.58	3.75	6	0
IT & Telecoms	1	3.20	3.20	3	3.2
Public Services	16	4.14	3.75	8	2.5
Other	8	3.89	4.00	5	2.5
Total	71	4.15	3.70	27	0

* There was a pay settlement for 27%, however this covers a shift increase for firefighters at LYDD Airport

** Members at Guard Archaeology excepted a 0% pay rise to avoid redundancies