Pay bulletin

The latest news on salaries, settlements and more

November 2026

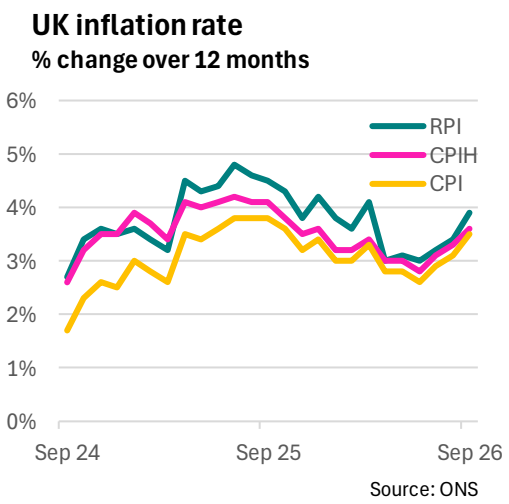
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Welcome to November's pay bulletin. Read on for the latest data on inflation, pay and labour market trends.

This month:

- CPI rises to 3.5%
- Median pay settlements at 3.5%
- Average weekly earnings are rising by 3.7%
- A look at Employee earnings in the UK

1. Headline inflation climbing fast



Source: ONS

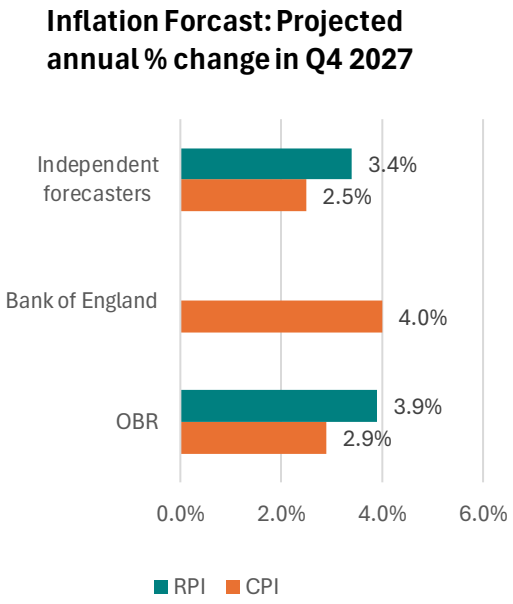
The latest figures from the Office for National Statistics (ONS) show that:

- **CPI was 3.5%** in the 12 months to September, up from 3.1% last month
- **CPIH was 3.6%** in the 12 months to September, up from 3.3% last month
- **RPI was 3.9%**, in the 12 months to September, up from 3.4% last month

Transport, particularly motor fuels, made the largest upward contribution to the monthly change in both CPIH and CPI annual rates; restaurants and hotels made the largest, partially offsetting, downward contribution.

Core CPI (CPI excluding energy, food, alcohol, and tobacco) rose by 2.8% in the 12 months to September 2026, up from 2.6% in August; the CPI goods annual rate rose from 2.7% to 3.2%, while the CPI services annual rate rose from 3.4% to 3.7%.

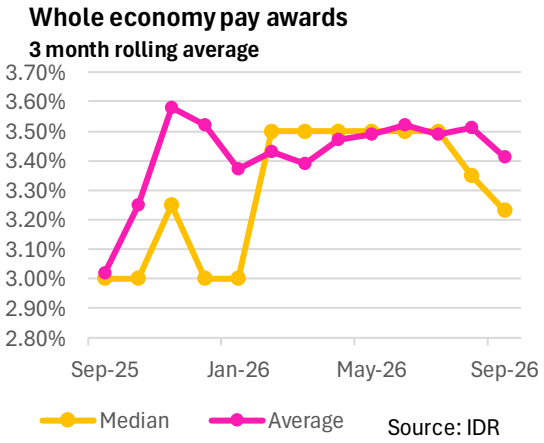
2. Inflation forecasts for 2027



Source: HM Treasury, OBR, BoE

HM Treasury's average of most recent inflation forecasts expects CPI to be 2.5% and RPI at 3.4% by Q4 2027. Meanwhile the Office for Budget Responsibility (OBR) is forecasting CPI to be 2.9% and RPI to be 3.9%. The latest forecast from the Bank of England has CPI at 4% in Q4 2027 or 5.5% in an "adverse" scenario where energy prices remain higher for longer. These forecasts reflect the easing energy and wage pressures and the lagged effects of tighter monetary policy. While risks remain from higher energy prices and stronger-than-expected wage growth, the central expectation is that inflation will stay broadly under control and support a more stable economic environment.

3. Average pay settlements remain stable



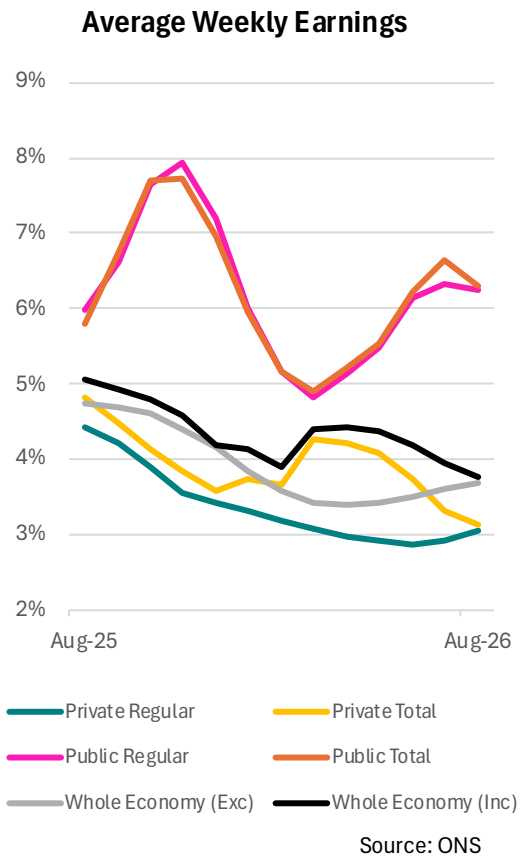
Source: IDR

Median pay awards were at 3.5% in the three months to September, according to Income Data Research, remaining at the same level from last month. Brightmine has found that pay awards were at 3.1% for the three months to September and reports that employers are forecasting a median pay award of 3% in the year to 31 August 2027, with affordability and increased employer National Insurance contributions continuing to constrain budgets.

Recent pay deals negotiated by Prospect & Bectu:

Settlement Date	Bargaining Unit	Headline Figure	Duration
1st April, 2026	Scottish Power Energy Networks (SPEN)	5.50%	1 year
1st June, 2026	DSTL	3.50%	1 Year
1st August, 2006	S4C	3.20%	1 Year

4. Public sector pay continues to grow faster

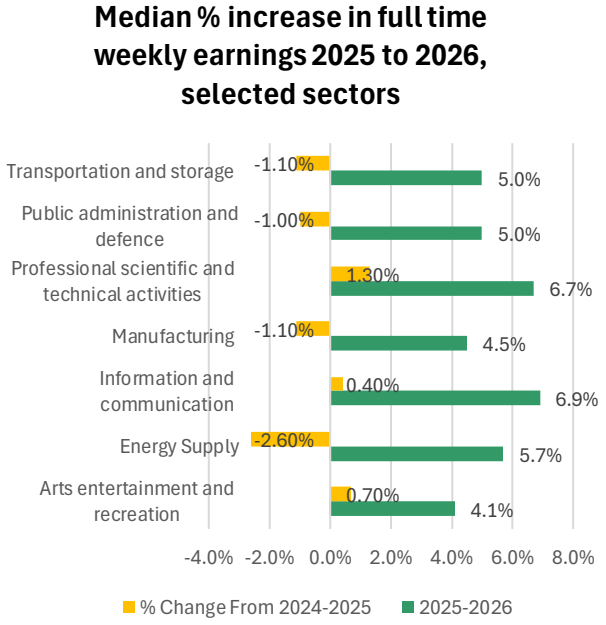


Source: ONS

Annual growth in average earnings was 3.7% for both regular pay (and total pay:

- In real terms (CPIH-adjusted), earnings grew by 0.6% for regular pay and 0.7% for total pay.
- In real terms (CPI-adjusted), earnings grew by 0.8% for regular pay and 0.9% for total pay.
- Regular earnings growth remained at 6.3% in the public sector and 3.0% in the private sector, with public sector numbers somewhat distorted by the uneven timing of pay awards.
- Excluding the public sector, the finance and business services occupation group recorded the strongest regular earnings growth at 3.3%.

5. In Focus: Employee earnings in the UK: 2026



The Annual Survey of Hours and Earnings (ASHE) is the UK's largest and most detailed survey of employee pay, based on employer payroll records. It provides earnings information for employee jobs across occupations, industries, regions and workforce groups. The 2026 survey relates to pay periods including 22 April 2026 and is based on a record sample of approximately 197,000 employee jobs.

The chart on the left shows the data for 2025/26 and the percentage change from 2025/26 for the occupations which are most relevant to Prospect & Bectu members.