

# Pay bulletin

The latest news on salaries, settlements and more

April 2026

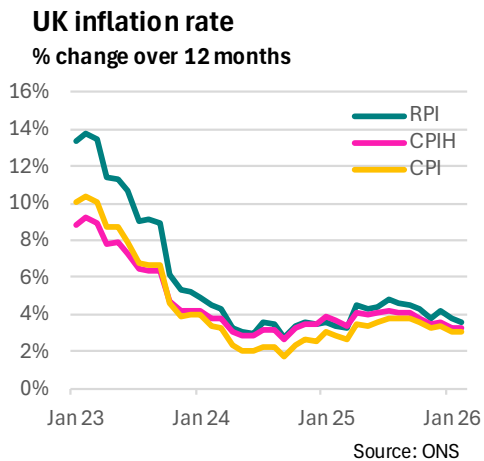
@prospectunion • prospect.org.uk

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

## This month:

- CPI remains at 3%
- Longer term forecasts are unpredictable due to the middle east conflict
- Median pay settlements increase to 3.3%
- In the three months to December average weekly earnings are rising by 3.9%
- A look at changes to the Ofgem price cap and energy prices overall

## 1. Inflation remains stable



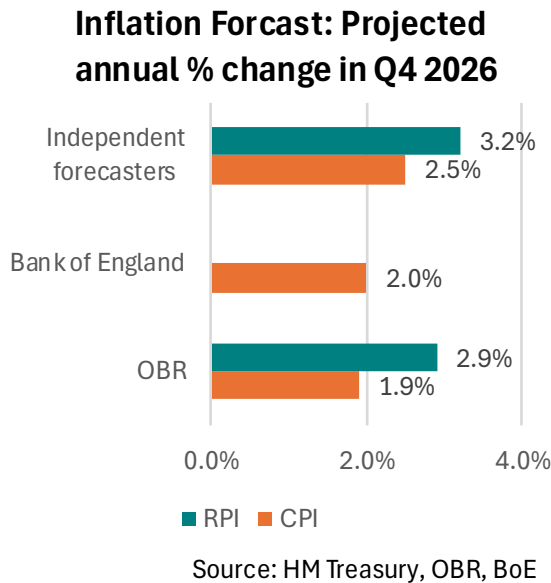
The [latest figures](#) from the Office for National Statistics (ONS) show that:

- **CPI was 3%** in the 12 months to February, unchanged from last month
- **CPIH was 3.2%** in the 12 months to February, unchanged from last month
- **RPI was 3.6%**, in the 12 months to February, down from 3.8% last month

Clothing made the largest upward contribution to the monthly change in both CPIH and CPI annual rates; motor fuels made the largest, offsetting, downward contribution.

Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 3.2% in the 12 months to February 2026, up from 3.1% in the 12 months to January; the CPI goods annual rate was unchanged at 1.6%, while the CPI services annual rate eased slightly from 4.4% to 4.3%.

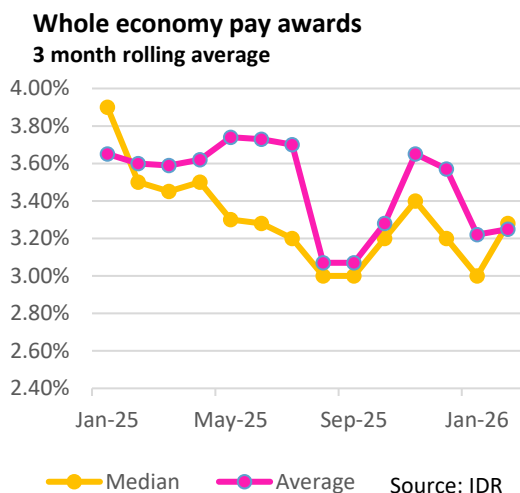
## 2. Headline rates of inflation for Q4 2026



HM Treasury's average of most recent [inflation forecasts](#) expects CPI to be 2.5% and RPI at 3.2% by Q4 2026, whilst the OBR is forecasting 1.9% for CPI and 2.9% for RPI. At its meeting ending on 18 March 2026, Bank of England's the [Monetary Policy Committee \(MPC\)](#) voted unanimously to maintain Bank Rate at 3.75%.

The Middle East conflict is likely to lead to higher global energy and commodity prices, raising household fuel and utility costs and adding indirect pressure through higher business expenses. This will reverse the trend of easing domestic prices and slower wage growth, meaning CPI inflation is likely to rise in the near term due to this new price shock.

## 3. Average pay settlements remain flat

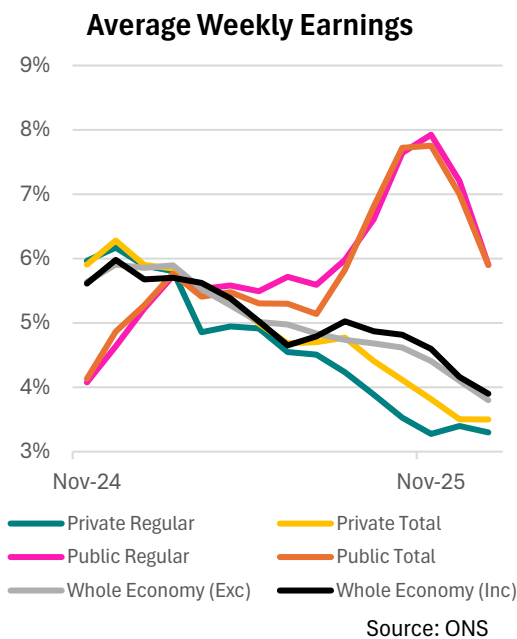


Median pay awards rose to 3.3% in the three months to February, according to [Income Data Research](#), marking an increase from January. [Brightmine](#) also reported that pay awards edged up to 3.3% in February, though employers remain cautious about the outlook. Meanwhile, deals logged in the LRD's [Payline](#) database showed a further rise, with pay settlements averaging 3.5% in the three months to January 2026, putting them ahead of CPI inflation for the first time since June 2025.

### Recent Prospect pay settlements include:

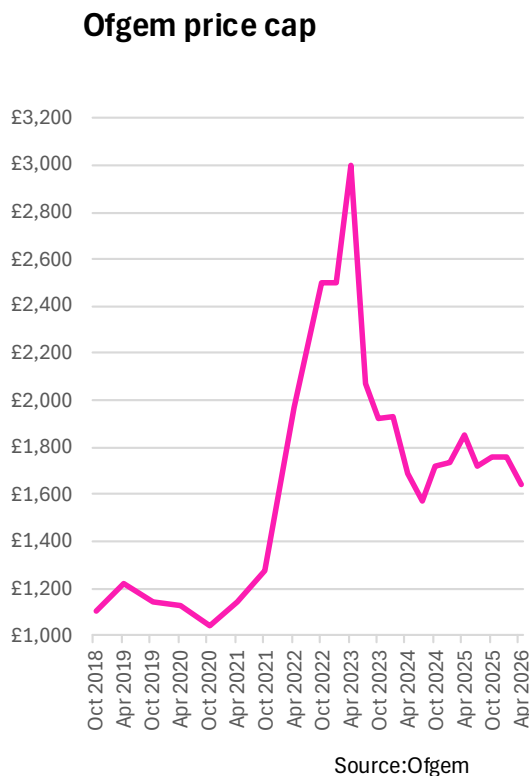
- National Trust, headline increase: 3.56%, 1-year deal, effective 1<sup>st</sup> April 2026
- Mirion Technologies (Canberra), headline increase: 3.4%, 1-year deal, effective 1<sup>st</sup> April 2026
- Cinema for All, headline increase: 3%, 1-year deal, effective 1<sup>st</sup> April 2026

## 4. Public sector pay continues to grow faster



[Annual earnings growth](#) remained moderate over the period, with regular pay rising by 3.8% and total earnings by 3.9%. In real terms, pay increased slightly: 0.4% for regular earnings and 0.5% for total pay when adjusted using CPIH, and 0.5% and 0.7% respectively when adjusted using CPI. Public sector regular pay grew by 5.9%, compared with 3.3% in the private sector, though the higher public-sector figure reflects a temporary base effect from early 2025 pay awards that peaked in the three months to November 2025 and will diminish over time. Outside the public sector, the wholesale, retail, hotels and restaurants sector recorded the strongest regular earnings growth.

## 5. In Focus: Energy Prices



UK energy prices remain high and sensitive to global events. The [Ofgem price cap](#) for 1 April–30 June 2026 has fallen by 6.6% to £1,641 for a typical household due to a temporary easing in wholesale gas and electricity costs. However, analysts expect this relief to be short-lived. Ongoing disruption to oil and gas supplies from the Middle East is forecast to push wholesale prices higher later in 2026, increasing the price cap in July and October if conditions persist.

The price cap only applies to mains gas and electricity supplied through standard variable tariffs. It does not cover off-grid fuels such as LPG and heating oil, which are regulated separately and can experience sharp price swings independent of the Ofgem cap.

