

# Pay settlements in the low-paying sectors

A report for the Low Pay Commission

by

Incomes Data Research

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## 1. Introduction

This report has been prepared for the Low Pay Commission (LPC) by Incomes Data Research (IDR). It examines the impact of the National Living Wage (NLW), introduced on 1 April 2016, on both the level and distribution of pay settlements in low-paying sectors compared with other parts of the economy. It also examines the relationship between the uprating of the NLW and pay settlements in the low-paying sectors. In particular, we analyse:

- how far the level of the NLW uplift affects the level (and distribution, or range) of pay settlements, especially settlements effective in the month of uplift (April) and adjacent months;
- whether uplifts in the *National Minimum Wage, now applicable to workers aged 16 to 24*, is continuing to have an effect on the level and distribution of pay settlements;
- the extent to which the shift from October to April for the annual uplift in the statutory floor has affected the timing of pay settlements;
- the key developments in relation to the NLW's impact on pay reviews and reward decisions.

### 1.1. Methodology

The pay settlements data used for this analysis is proprietary IDR data, ie information on settlements collected directly by us from companies and organisations. The analysis is based on a total of 1,496 pay settlements with effective dates between 1 January 2015 and 31 July 2017. A breakdown of the number of settlements IDS has recorded in each year is shown in table 1. The low-paying sectors covered by this report are retail, fast food, pubs and restaurants, hotels, social care and housing, childcare and leisure. All the data used in this report has been gathered by IDS researchers via surveys and telephone interviews with employers and trade unions.

**TABLE 1 TOTAL NUMBER OF PAY SETTLEMENTS RECORDED BY IDR**

Year	Total number of pay settlements	Of which are in low-paying sectors*
2015	550	131
2016	532	135
2017	414	101

\* The low-paying sectors are retail, fast food, pubs and restaurants, hotels, social care and housing, childcare and leisure.

Our methodology for analysing pay settlements consists of recording the percentage increase to basic pay, in order to calculate the median settlement. Bonuses or lump-sum payments are not included in the aggregate data. For settlements where the percentage increase varies, for example with performance-related awards, IDR records a single figure which is either the average increase (where this is known), or alternatively, the increase received by most employees, or the paybill increase.

## 2. Pay reviews

### 2.1. Pay settlement levels

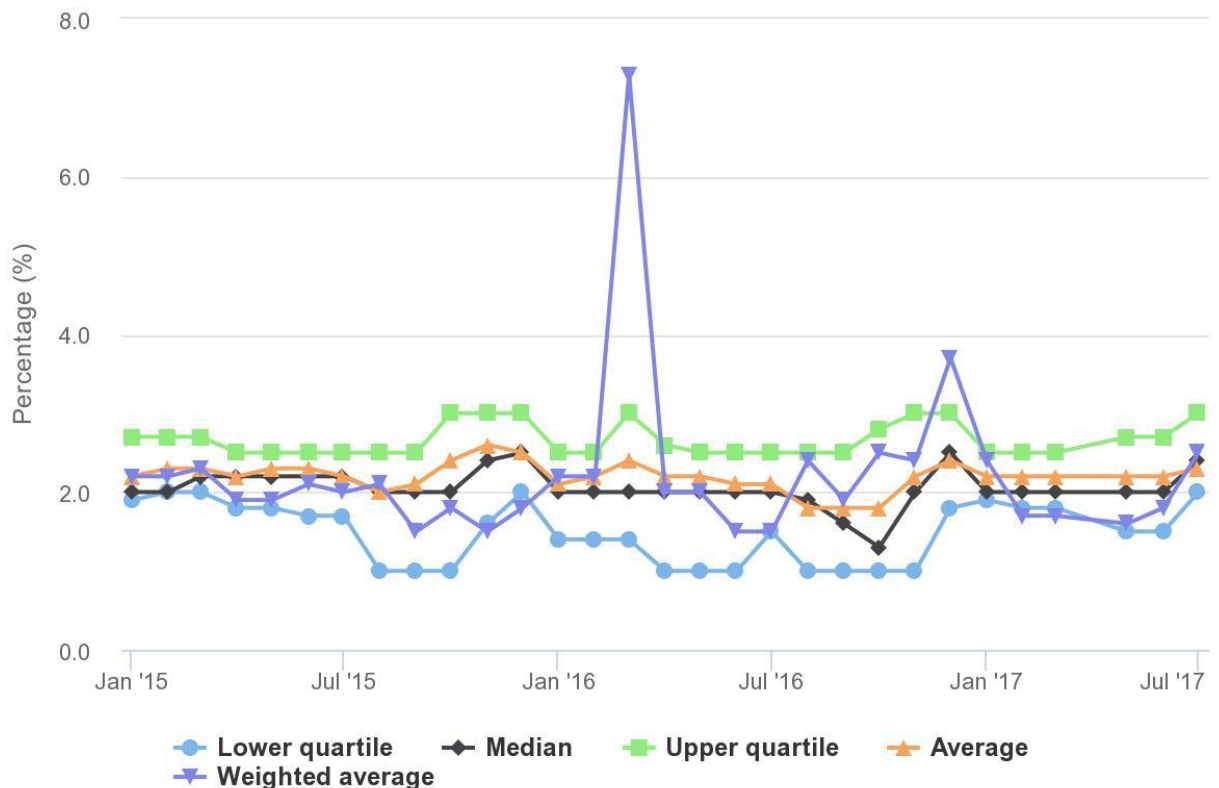
The median pay settlement for the whole economy has been at 2% for much of the period from January 2015 to July 2017. The whole-economy figures are affected by awards in the public sector, which throughout the period have generally been restricted to a limit of 1%.

**TABLE 2 WHOLE ECONOMY PAY SETTLEMENT LEVELS, JANUARY 2015 TO JULY 2017**

Three months ending	Lower quartile	Median	Upper quartile	Average	Weighted average
2015 JAN	1.9	2.0	2.7	2.2	2.2
2015 FEB	2.0	2.0	2.7	2.3	2.2
2015 MAR	2.0	2.2	2.7	2.3	2.3
2015 APR	1.8	2.2	2.5	2.2	1.9
2015 MAY	1.8	2.2	2.5	2.3	1.9
2015 JUN	1.7	2.2	2.5	2.3	2.1
2015 JUL	1.7	2.2	2.5	2.2	2.0
2015 AUG	1.0	2.0	2.5	2.0	2.1
2015 SEP	1.0	2.0	2.5	2.1	1.5
2015 OCT	1.0	2.0	3.0	2.4	1.8
2015 NOV	1.6	2.4	3.0	2.6	1.5
2015 DEC	2.0	2.5	3.0	2.5	1.8
2016 JAN	1.4	2.0	2.5	2.1	2.2
2016 FEB	1.4	2.0	2.5	2.2	2.2
2016 MAR	1.4	2.0	3.0	2.4	7.3
2016 APR	1.0	2.0	2.6	2.2	2.0
2016 MAY	1.0	2.0	2.5	2.2	2.0
2016 JUN	1.0	2.0	2.5	2.1	1.5
2016 JUL	1.5	2.0	2.9	2.2	2.4
2016 AUG	1.0	1.9	2.5	1.8	2.4
2016 SEP	1.0	1.6	2.5	1.8	1.9
2016 OCT	1.0	1.3	2.8	1.8	2.5
2016 NOV	1.0	2.0	3.0	2.2	2.4
2016 DEC	1.8	2.5	3.0	2.4	3.7
2017 JAN	1.9	2.0	2.5	2.2	2.4
2017 FEB	1.8	2.0	2.5	2.2	1.7
2017 MAR	1.8	2.0	2.5	2.2	1.7
2017 APR	1.5	2.0	2.7	2.2	1.6
2017 MAY	1.5	2.0	2.7	2.2	1.6
2017 JUN	1.5	2.0	2.7	2.2	1.8
2017 JUL	2.0	2.4	3.0	2.3	2.5

Source: IDR.

**FIGURE 1 WHOLE ECONOMY PAY SETTLEMENT LEVELS, JANUARY 2015 TO JULY 2017**



Source: IDR

Pay awards in the private sector have been slightly higher than those for the whole economy. (The public sector pay limit has had an effect on private sector pay setting, along with comparatively low levels of inflation for much of the recent period and the long shadow cast by the deep recession of 2008/09. This is especially, though not exclusively so as our 'private sector' measure includes the not-for-profit sector. If this were excluded, then the median would be a little higher, around 2.5%).

Private sector pay awards have been broadly stable, with the exception of March, April and May 2016, when the **weighted average** figures were boosted by comparatively high pay awards at larger retailers (see below).

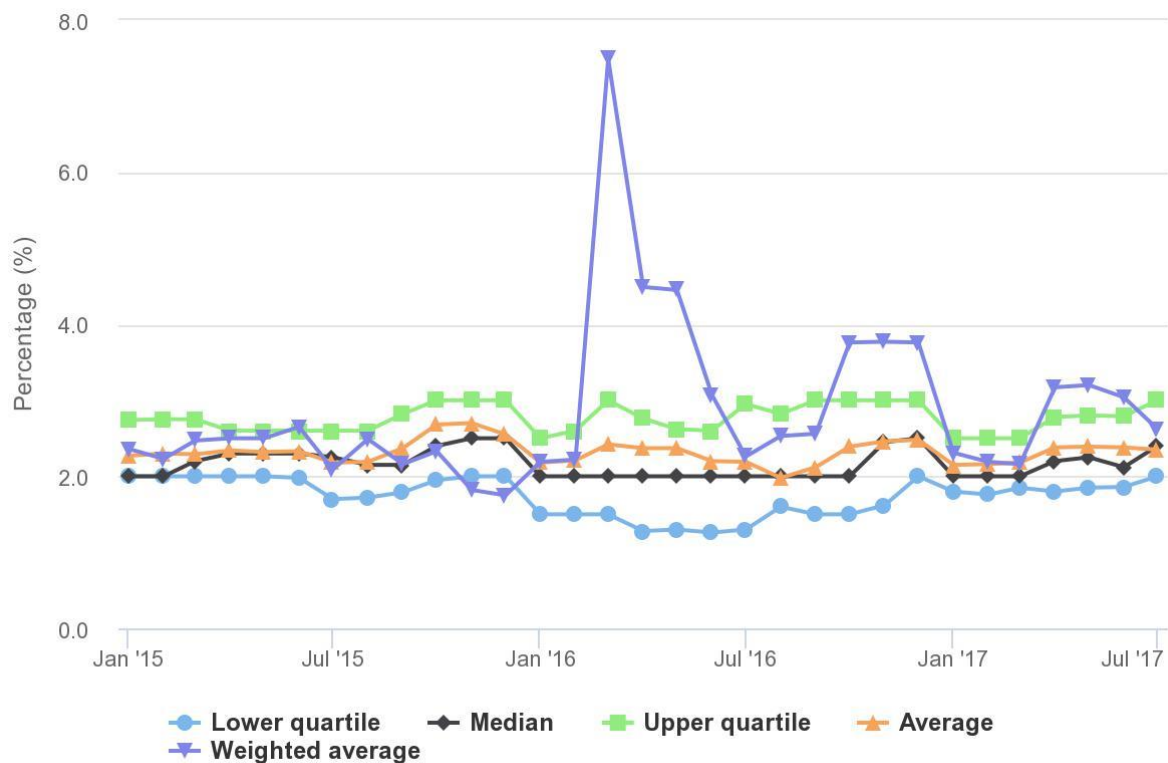
**TABLE 3 PRIVATE SECTOR PAY AWARD LEVELS, JANUARY 2015 TO JULY 2017**

Three months ending	Lower quartile	Median	Upper quartile	Average	Weighted average
2015 JAN	2.0	2.0	2.7	2.3	2.4
2015 FEB	2.0	2.0	2.8	2.3	2.2
2015 MAR	2.0	2.2	2.8	2.3	2.5
2015 APR	2.0	2.3	2.6	2.3	2.5
2015 MAY	2.0	2.3	2.6	2.3	2.5
2015 JUN	2.0	2.3	2.6	2.3	2.7
2015 JUL	1.7	2.3	2.6	2.2	2.1
2015 AUG	1.7	2.2	2.6	2.2	2.5
2015 SEP	1.8	2.2	2.8	2.4	2.2
2015 OCT	2.0	2.4	3.0	2.7	2.3
2015 NOV	2.0	2.5	3.0	2.7	1.8
2015 DEC	2.0	2.5	3.0	2.6	1.8
2016 JAN	1.5	2.0	2.5	2.2	2.2
2016 FEB	1.5	2.0	2.6	2.2	2.2
2016 MAR	1.5	2.0	3.0	2.4	7.5
2016 APR	1.3	2.0	2.8	2.4	4.5
2016 MAY	1.3	2.0	2.6	2.4	4.5
2016 JUN	1.3	2.0	2.6	2.2	3.1
2016 JUL	1.3	2.0	3.0	2.2	2.3
2016 AUG	1.6	2.0	2.8	2.0	2.5
2016 SEP	1.5	2.0	3.0	2.1	2.6
2016 OCT	1.5	2.0	3.0	2.4	3.8
2016 NOV	1.6	2.5	3.0	2.5	3.8
2016 DEC	2.0	2.5	3.0	2.5	3.8
2017 JAN	1.8	2.0	2.5	2.2	2.3
2017 FEB	1.8	2.0	2.5	2.2	2.2
2017 MAR	1.8	2.0	2.5	2.2	2.2
2017 APR	1.8	2.2	2.8	2.4	3.2
2017 MAY	1.9	2.3	2.8	2.4	3.2
2017 JUN	1.9	2.1	2.8	2.4	3.0
2017 JUL	2.0	2.4	3.0	2.4	2.6

Source: IDR.



**FIGURE 2 PRIVATE SECTOR PAY SETTLEMENT LEVELS, JANUARY 2015 TO JULY 2017**



Source: IDR

Low-paying sector pay awards had been running at 2.0% for much of 2015 and 2016, with upticks around the October NMW uplifts. Notably there was no uptick in the median around the implementation of the NLW but the influence is seen in the weighted average. The weighted average figure for March 2016 has been affected by a pay increase of 20% for 85,000 staff at Morrisons as part of a long-term deal, which also saw a number of changes to terms and conditions. Wilko was another firm that applied a high increase (13.6%) that month, which again because of the numbers of staff covered (19,000) has had an impact on the weighted average figure. This impact can also be seen in the whole economy and private sector figures for March 2016. Similarly, the April and May figures have also been affected by high awards implemented at a small number of firms in reaction to the NLW. For example, B&Q’s April 2016 review resulted in increases to pay rates of between 5% and 14%.

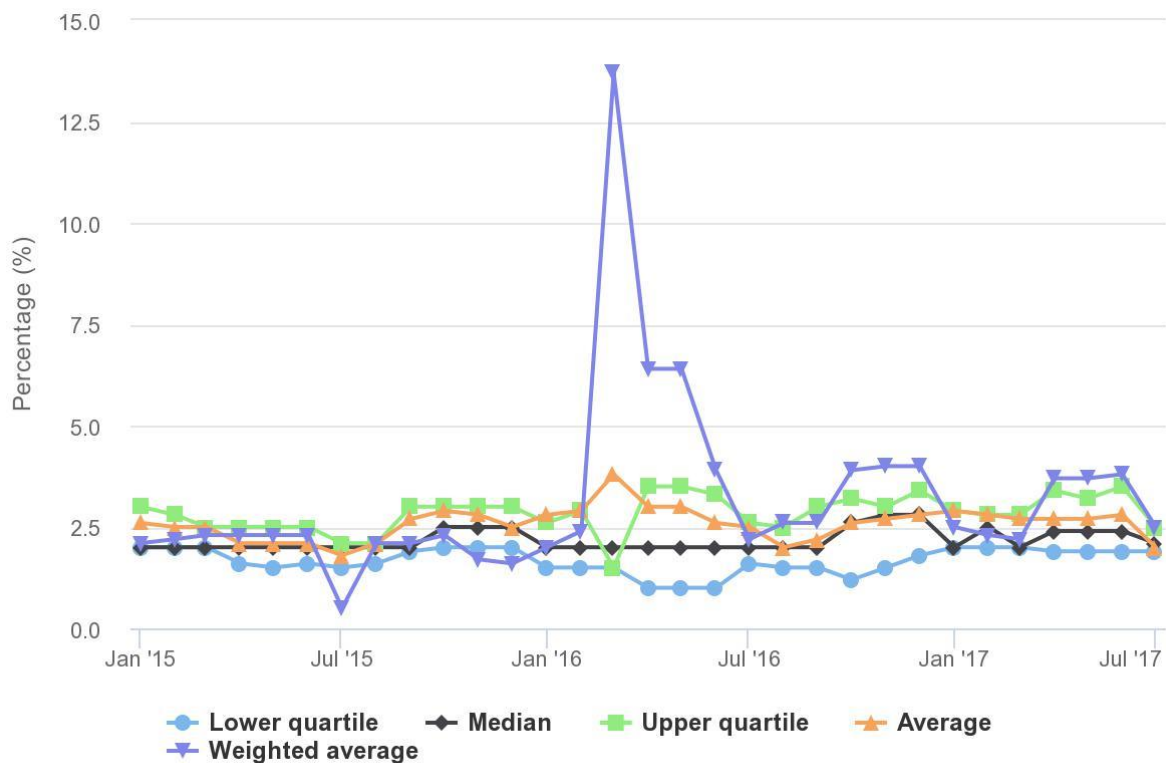
Since the start of 2017 low-paying sector pay awards have been running at a higher level, at around 2.5%. This is higher than for the economy as a whole and for the whole of the private sector (ie all sectors excluding the public sector).

**TABLE 4 LOW-PAYING SECTOR PAY AWARD LEVELS, JANUARY 2015 TO JULY 2017**

Three months ending	Lower quartile	Median	Upper quartile	Average	Weighted average
2015 JAN	2.0	2.0	3.0	2.6	2.1
2015 FEB	2.0	2.0	2.8	2.5	2.2
2015 MAR	2.0	2.0	2.5	2.5	2.3
2015 APR	1.6	2.0	2.5	2.1	2.3
2015 MAY	1.5	2.0	2.5	2.1	2.3
2015 JUN	1.6	2.0	2.5	2.1	2.3
2015 JUL	1.5	2.0	2.1	1.8	0.5
2015 AUG	1.6	2.0	2.1	2.1	2.1
2015 SEP	1.9	2.0	3.0	2.7	2.1
2015 OCT	2.0	2.5	3.0	2.9	2.3
2015 NOV	2.0	2.5	3.0	2.8	1.7
2015 DEC	2.0	2.5	3.0	2.5	1.6
2016 JAN	1.5	2.0	2.6	2.8	2.0
2016 FEB	1.5	2.0	2.9	2.9	2.4
2016 MAR	1.5	2.0	1.5	3.8	13.7
2016 APR	1.0	2.0	3.5	3.0	6.4
2016 MAY	1.0	2.0	3.5	3.0	6.2
2016 JUN	1.0	2.0	3.3	2.6	3.9
2016 JUL	1.6	2.0	2.6	2.5	2.2
2016 AUG	1.5	2.0	2.5	2.0	2.6
2016 SEP	1.5	2.0	3.0	2.2	2.6
2016 OCT	1.2	2.6	3.2	2.6	3.9
2016 NOV	1.5	2.8	3.0	2.7	4.0
2016 DEC	1.8	2.8	3.4	2.8	4.0
2017 JAN	2.0	2.0	2.9	2.9	2.5
2017 FEB	2.0	2.5	2.8	2.8	2.3
2017 MAR	2.0	2.0	2.8	2.7	2.2
2017 APR	1.9	2.4	3.4	2.7	3.7
2017 MAY	1.9	2.4	3.2	2.7	3.7
2017 JUN	1.9	2.4	3.5	2.8	3.8
2017 JUL	1.9	2.1	2.5	2.0	2.5

Source: IDR.

**FIGURE 3 LOW-PAYING SECTOR PAY AWARDS LEVELS, JANUARY 2015 TO JULY 2017**



Source: IDR

## 2.2. Low-paying sectors

A closer look at settlement levels within specific low-paying sectors shows that in 2015, the year before the introduction of the NLW, median settlement levels in specific low-paying sectors ranged between 2% (retail, housing and social care) and either 2.4% (leisure, childcare) or 2.5% (fast food, pubs and restaurants).

In the following year, when the NLW was introduced, pay review outcomes were more varied, with falls in the median award in housing and social care on the one hand (to 1%), and leisure (to 1.5%) on the other. The main reason for this is that in a context of severe constraints on funding, particularly in social care, organisations paid for the implementation of the new higher minimum for some staff by bearing down on the level of the general award for the bulk of employees. Examples include Triangle Housing Association where pay rates were increased by between 1% and 6% depending on grade.

Meanwhile the median settlement in childcare rose sharply, to 3%, 0.5% higher than the median for retail, for example. The reason for this was that in the childcare sector, many more employees

than in social care were paid at exactly the level of the minimum wage, and therefore the introduction of the NLW meant that more employers here had to raise pay significantly for most or all of their employees.

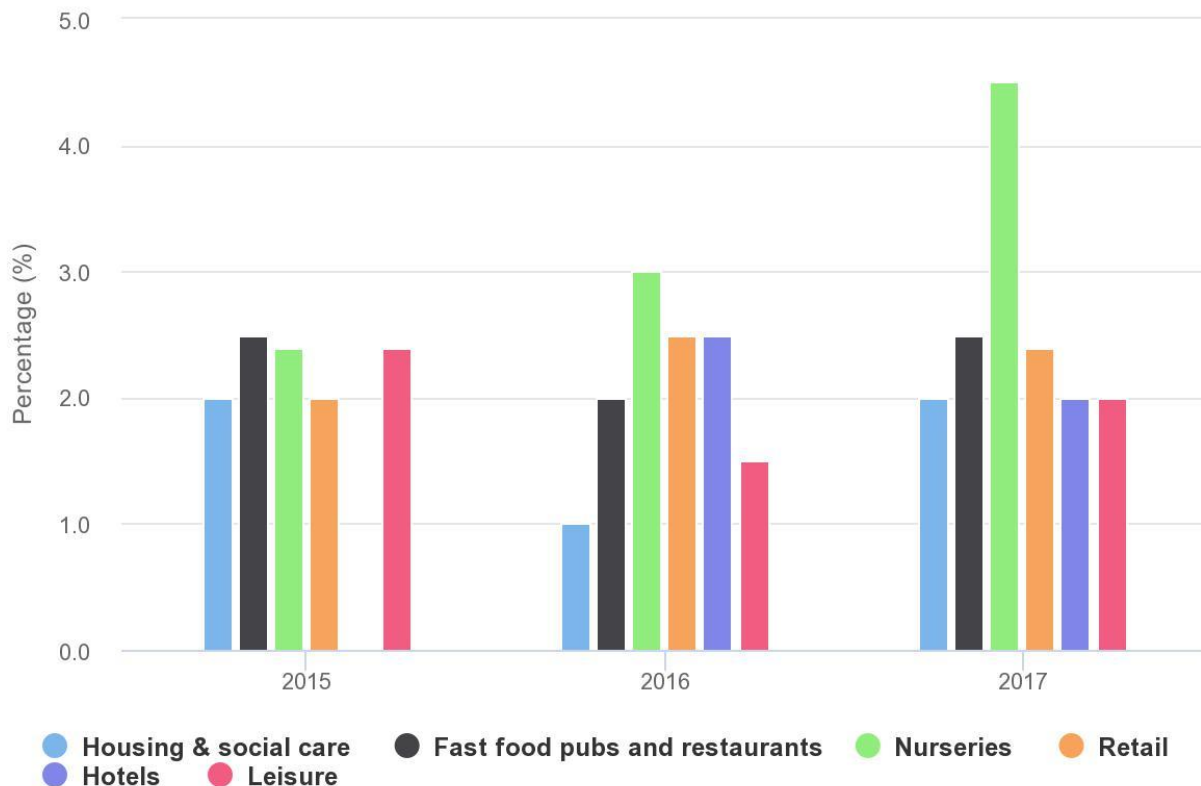
Indeed in 2017 this trend was accentuated, with the median award in childcare rising to 4.5%, while the figures for the other low-paying sectors remained mostly subdued, indicating that most employers in these areas have been able to manage the 4.2% uplift in the NLW at the same time as ensuring the overall values of their annual pay settlements are lower.

**TABLE 5 LOW-PAYING SECTOR PAY AWARD LEVELS BY SECTOR, 2015 TO 2017**

Sector	Count	Lower quartile	Median	Upper quartile	Average	Weighted average
<b>2015</b>						
Social care & housing	45	1.0	2.0	2.5	2.0	1.5
Fast food, pubs and restaurants	22	2.0	2.5	2.9	2.5	3.0
Childcare	5	-	2.4	-	5.6	3.8
Retail	42	2.0	2.0	2.5	2.3	1.8
Hotels	1	-	-	-	-	-
Leisure	17	2.0	2.4	2.5	2.2	2.3
<b>2016</b>						
Social care & housing	50	0.8	1.0	2.0	1.9	1.3
Fast food, pubs and restaurants	15	1.8	2.0	2.8	2.3	2.7
Childcare	10	3.0	3.0	5.0	5.0	4.2
Retail	54	2.0	2.5	3.4	3.5	4.5
Hotels	2	-	2.5	-	2.5	2.5
Leisure	4	-	1.5	-	2.0	1.7
<b>2017 (partial year)</b>						
Social care & housing	32	1.4	2.0	3.0	2.3	2.2
Fast food, pubs and restaurants	20	2.2	2.5	2.8	2.7	2.7
Childcare	4	-	4.5	-	4.0	3.5
Retail	31	1.8	2.4	3.9	2.9	4.3
Hotels	3	-	2.0	-	2.2	2.1
Leisure	11	1.9	2.0	3.4	3.1	4.4
<b>Note:</b> IDR only recorded one settlement in hotels in 2015.						

Source: IDR.

**FIGURE 4 MEDIAN PAY AWARD LEVELS BY SECTOR, 2015 TO 2017**



Source: IDR

Note: IDR only recorded one settlement in hotels in 2015.

### 2.3. Distribution of awards

Table 6 shows the distribution of pay awards in both the whole economy (excluding the low-paying sectors) and the low-paying sectors for each of the three months to the end of April 2015, October 2015, April 2016, October 2016 and April 2017. We have chosen these dates because while April is now the date on which all the statutory minimum rates are updated, following the introduction of the NLW in April 2016, the NMW had previously been updated every October, and indeed was updated in October 2016, with the increases only aligned in April 2017. Before this, as a result of the NMW uprating taking place at this time of year, October was an important month for pay reviews in the low-paying sectors, but April was the most important month for pay-setting across the rest of the economy. So comparing April and October in each year, for each of the sectors so defined, allows us to indicate the likely impact of the increases to the statutory floor(s) on pay settlements more broadly.

In April 2015 the distribution of pay awards in the low-paying sectors broadly mirrored those across the rest of the economy, albeit with a slightly larger proportion of awards in the latter worth between 2% and 2.99%. The picture for October in the same year is very different, with greater proportions of higher-level awards in the low-paying sectors than in the rest of the economy, under the influence of the 3% increase in the NMW.

The following year, in 2016, the NLW came into effect in April and this had a significant impact on the distribution of pay awards in the low-paying sectors. As figure 7 shows, low-paying sector pay awards in the three months to the end of April show something of a tri-modal distribution, with similar-size peaks for awards worth 0.1-1.99% and 2.0-2.99% (as well as another smaller peak for awards worth 4% and more). In contrast, the distribution of whole-economy awards was skewed leftwards, with the largest proportion of awards worth between 1% and 1.99% rather than 2-2.99% as had been the case a year earlier. (This is partly a reflection of the preponderance of public sector award as well as some comparatively lower private sector increases.)

The picture for pay settlements in October 2016 (figure 8) awards broadly mirrors that which came to light in April 2016 for low-paying sectors and the tri-modal distribution continues, although there are fewer settlements worth 4%-plus. Across the rest of the economy the proportion of awards worth 2% and more has fallen back, although it is important to note that the overall picture for whole-economy awards at this time of year is heavily influenced by central government awards which typically take effect from 1 August.

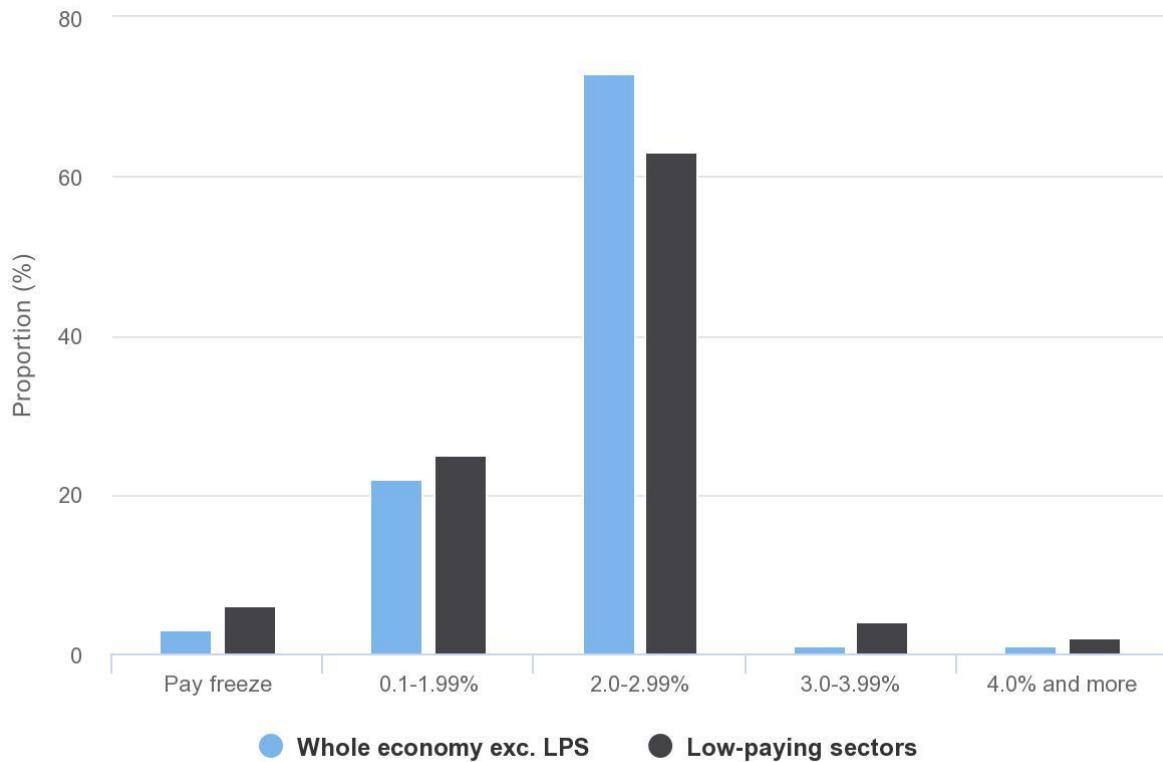
In the period to the end of April 2017 (figure 9) whole-economy pay awards look to have recovered with the largest proportion worth 2-2.99% (closely followed by 0.1-1.99% under the continued influence of the public sector pay cap). Low-paying sector pay awards follow a similar pattern, although with one important distinction – a greater proportion of awards worth 4% and more as employers continue to develop their approaches to the NLW.

**TABLE 6 DISTRIBUTION OF PAY AWARDS AT POINT OF NMW AND NLW RISES, APRIL 2015 TO APRIL 2017**

Three months ending	Sector	Pay freeze	0.1-1.99%	2.0-2.99%	3.0-3.99%	4.0% +
		Proportion of pay awards				
2015 APR	Whole economy exc. LPS	3	22	73	1	1
2015 APR	Low-paying sectors (LPS)	6	25	63	4	2
2015 OCT	Whole economy exc. LPS	6	47	27	16	4
2015 OCT	Low-paying sectors (LPS)	2	16	36	32	14
2016 APR	Whole economy exc. LPS	3	50	39	5	3
2016 APR	Low-paying sectors (LPS)	14	25	23	15	23
2016 OCT	Whole economy exc. LPS	7	61	20	10	2
2016 OCT	Low-paying sectors (LPS)	0	33	25	25	17
2017 APR	Whole economy exc. LPS	3	38	47	9	3
2017 APR	Low-paying sectors (LPS)	3	25	42	9	21

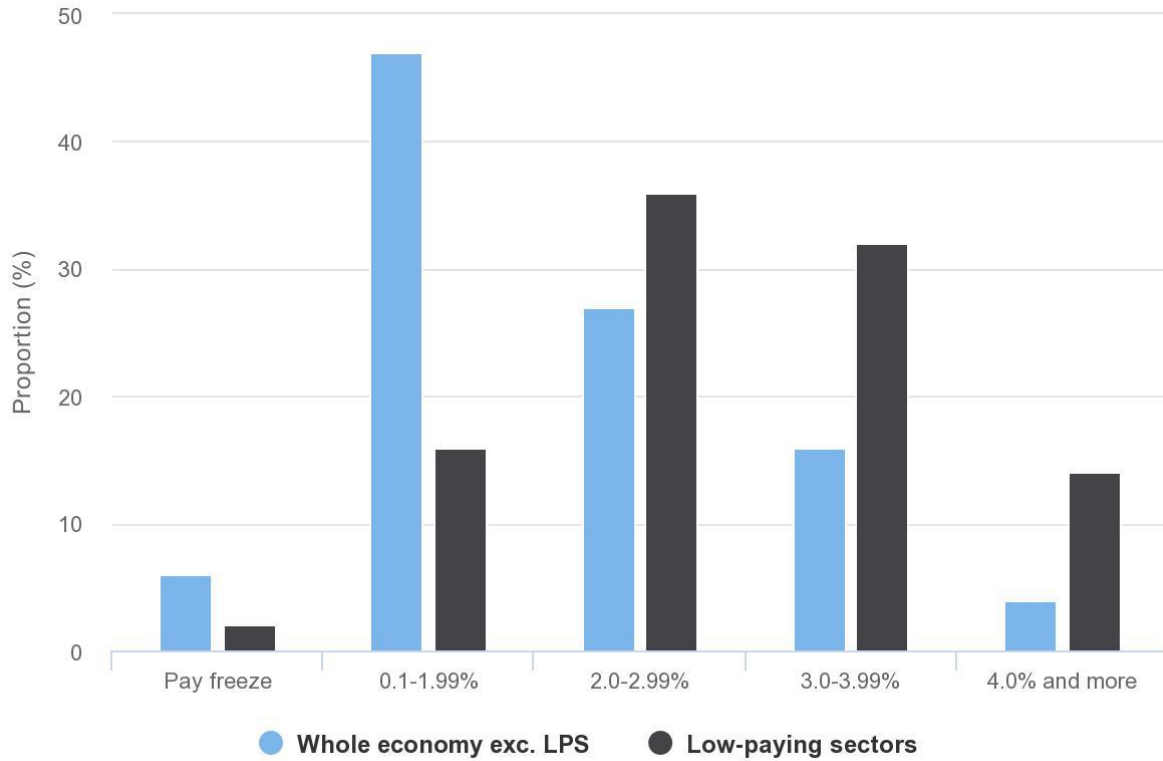
Source: IDR.

**FIGURE 5 DISTRIBUTION OF PAY AWARDS WHOLE ECONOMY VERSUS LOW-PAYING SECTORS, APRIL 2015**



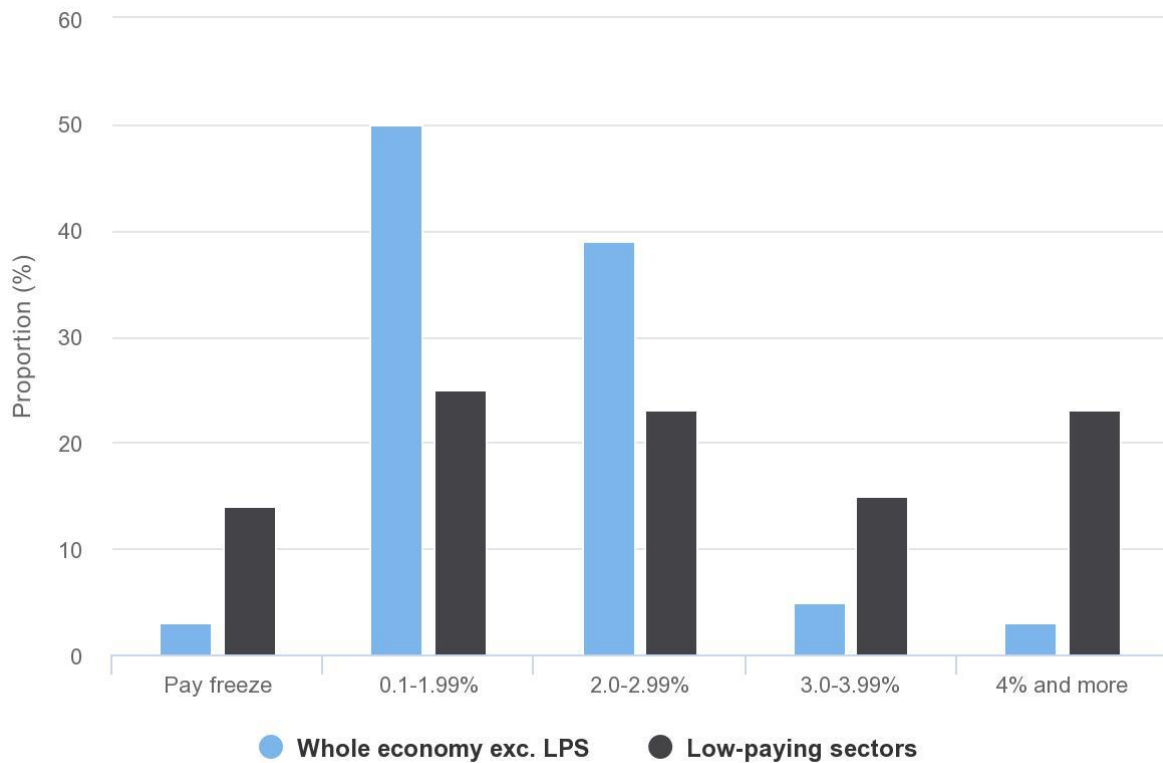
Source: IDS

**FIGURE 6 DISTRIBUTION OF PAY AWARDS WHOLE ECONOMY VERSUS LOW-PAYING SECTORS, OCTOBER 2015**



Source: IDS

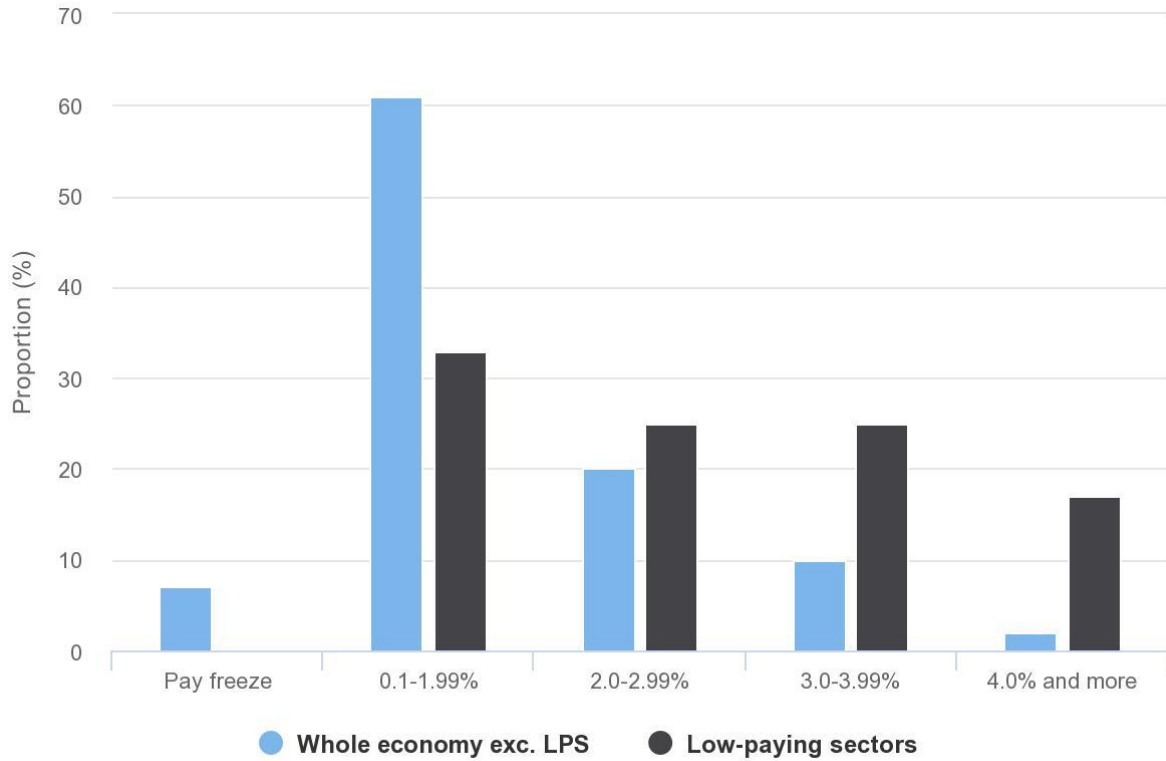
**FIGURE 7 DISTRIBUTION OF PAY AWARDS WHOLE ECONOMY VERSUS LOW-PAYING SECTORS, APRIL 2016**



Source: IDR

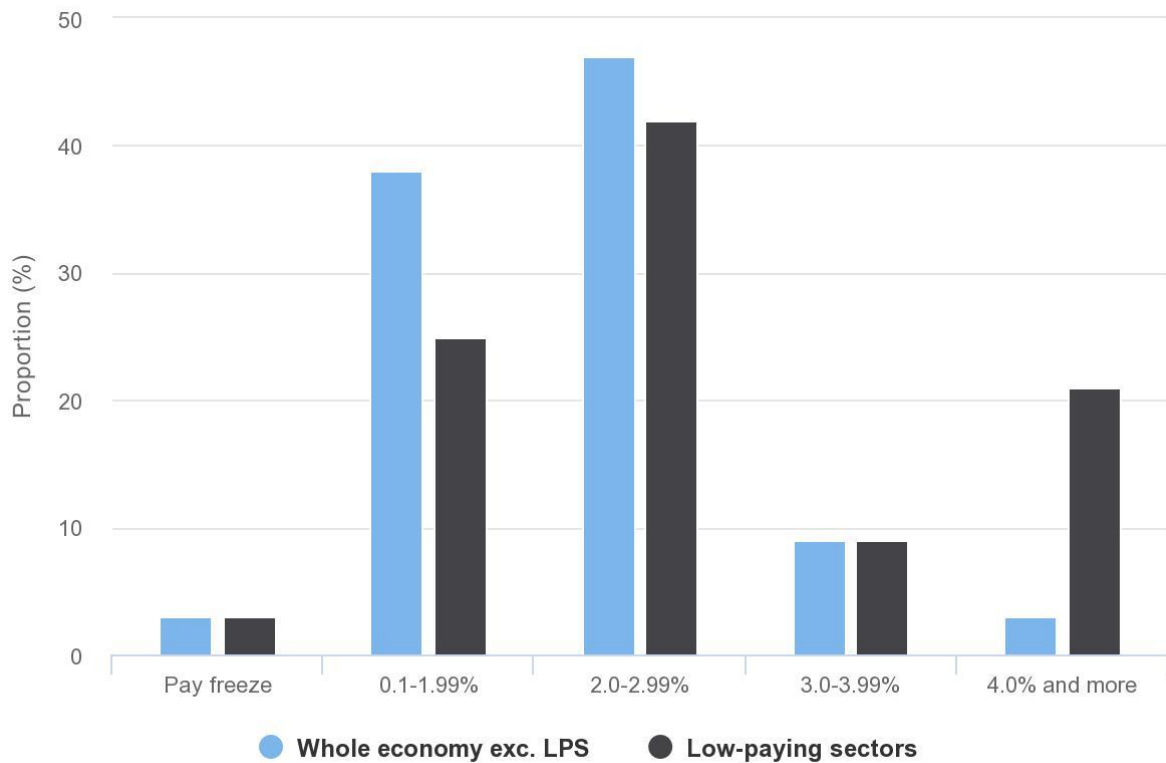


**FIGURE 8 DISTRIBUTION OF PAY AWARDS WHOLE ECONOMY VERSUS LOW-PAYING SECTORS, OCTOBER 2016**



Source: IDS

**FIGURE 9 DISTRIBUTION OF PAY AWARDS WHOLE ECONOMY VERSUS LOW-PAYING SECTORS, APRIL 2017**



Source: IDS

## 2.4. Influence of the NLW on pay awards

A comparison of median pay awards in the low-paying sectors with those in other parts of the economy at the time of increases in the statutory minimum wages shows a higher median award in the low-paying sectors at each time-point. If we account for the ‘public sector effect’ by comparing low-paying sector awards with just those in the private sector (as opposed to the whole economy) the difference is less marked but still evident. For example, at the point at which the NLW came into effect (April 2016) pay awards in the low-paying sectors were showing a median of 2.7%, compared with 2.0% across the rest of the economy and 2.2% in the private sector.

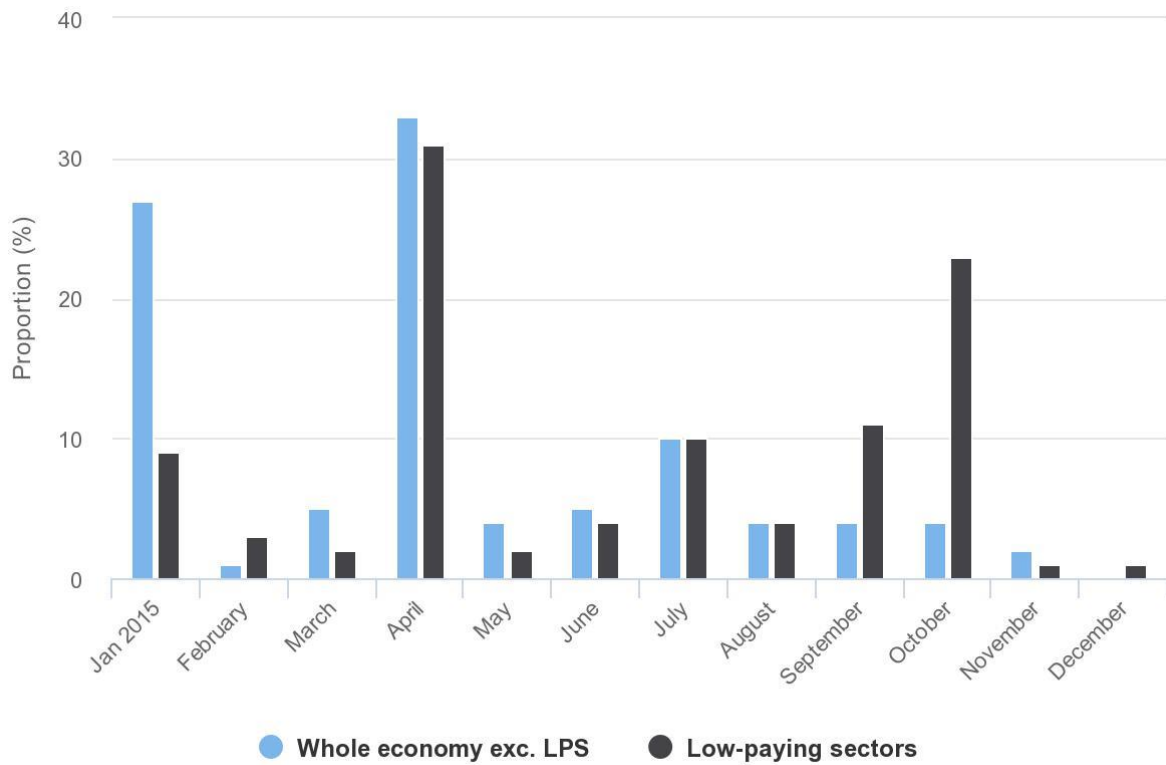
**TABLE 7 MEDIAN PAY SETTLEMENT LEVELS AT POINT OF NMW/NLW RISES, APRIL 2015 TO APRIL 2017**

Three months ending	Whole economy exc. LPS	Private sector	Low-paying sectors
2015 APR	1.9	2.0	2.7
2015 OCT	2.0	2.0	2.7
2016 APR	2.0	2.2	2.7
2016 OCT	1.8	2.2	2.5
2017 APR	1.8	2.2	2.5

Source: IDR.

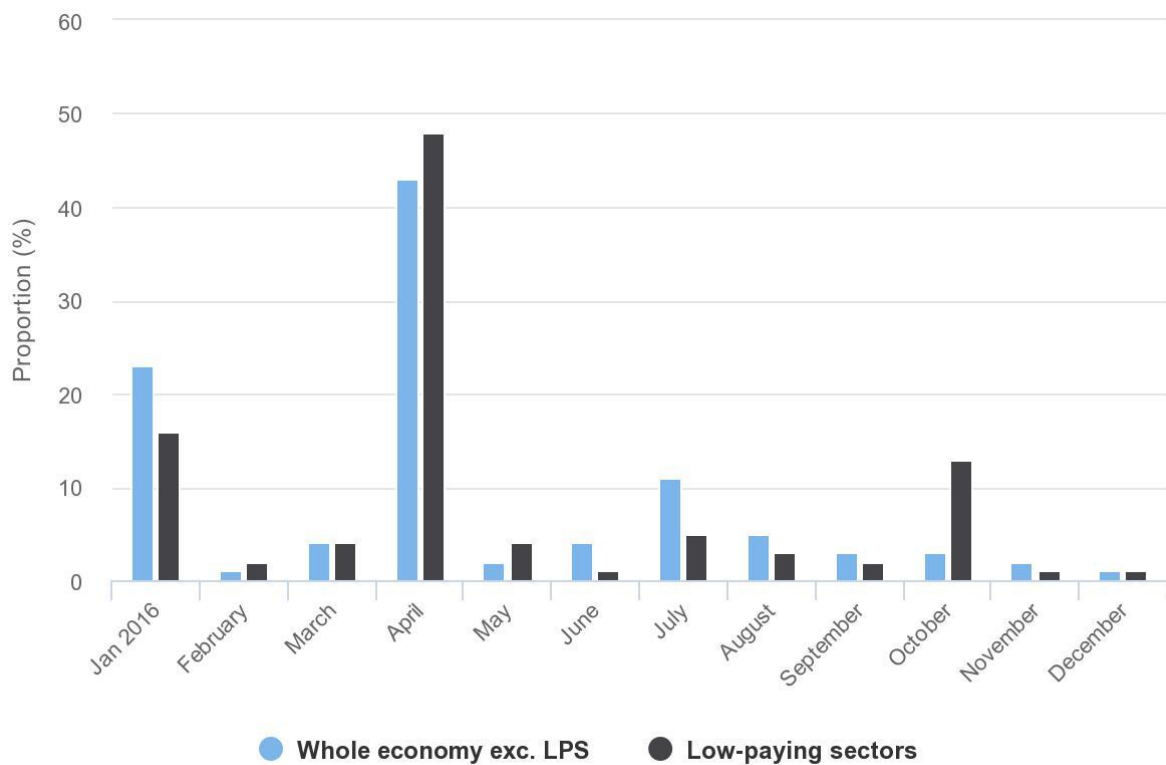
The introduction of the NLW and aligning of increases in the statutory minimum wages to April each year has had a significant effect on the timing of pay reviews in the low-paying sectors. As the figures 10 and 11 show, the proportion of low-paying sector pay reviews taking effect in October declined significantly, from 23% of pay reviews in 2015 to 13% in 2016. At the same time the proportion of low-paying sector pay reviews taking effect in April increased from 31% in 2015 to 48% in 2016.

**FIGURE 10 DISTRIBUTION OF PAY AWARDS BY EFFECTIVE MONTH, 2015**



Source: IDR

**FIGURE 11 DISTRIBUTION OF PAY AWARDS BY EFFECTIVE MONTH, 2016**



Source: IDR

Another impact of the NLW on pay reviews has been the strengthening of the trend to apply differentiated pay increases, with more employers adopting this approach since the advent of the NLW.

A number of companies (particularly in the retail sector) award differentiated rises depending on employee group or position in the pay structure. So, for instance, in the event of relatively high rises to the minimum wage (and indeed introduction of the NLW), some retailers responded by applying higher increases to their lowest rates of pay – effectively ‘bottom-loading’ pay settlements – while applying a lower or sometimes no across-the-board increase to all other rates. For example, retailer Land’s End only increased pay for new starters (by 4%) to bring them above the National Living Wage, other retail staff were covered by a pay freeze.

### **2.5. Inflation and pay settlements**

After having been low for most of the period following the deep recession of 2008/09, the all-items Retail Prices Index (RPI) began to outstrip median pay awards at the start of this year. The figures for July show the RPI at 3.6% compared to a median pay award in the private sector of 2.4%. However the figures for the Government’s preferred measure of inflation, the CPI, and those for the ONS’ preferred measure, the CPIH, are lower, and media foregrounding of the former, may play an unacknowledged role in explaining why pay settlement levels have not risen significantly in response to higher levels of inflation (see charts below).

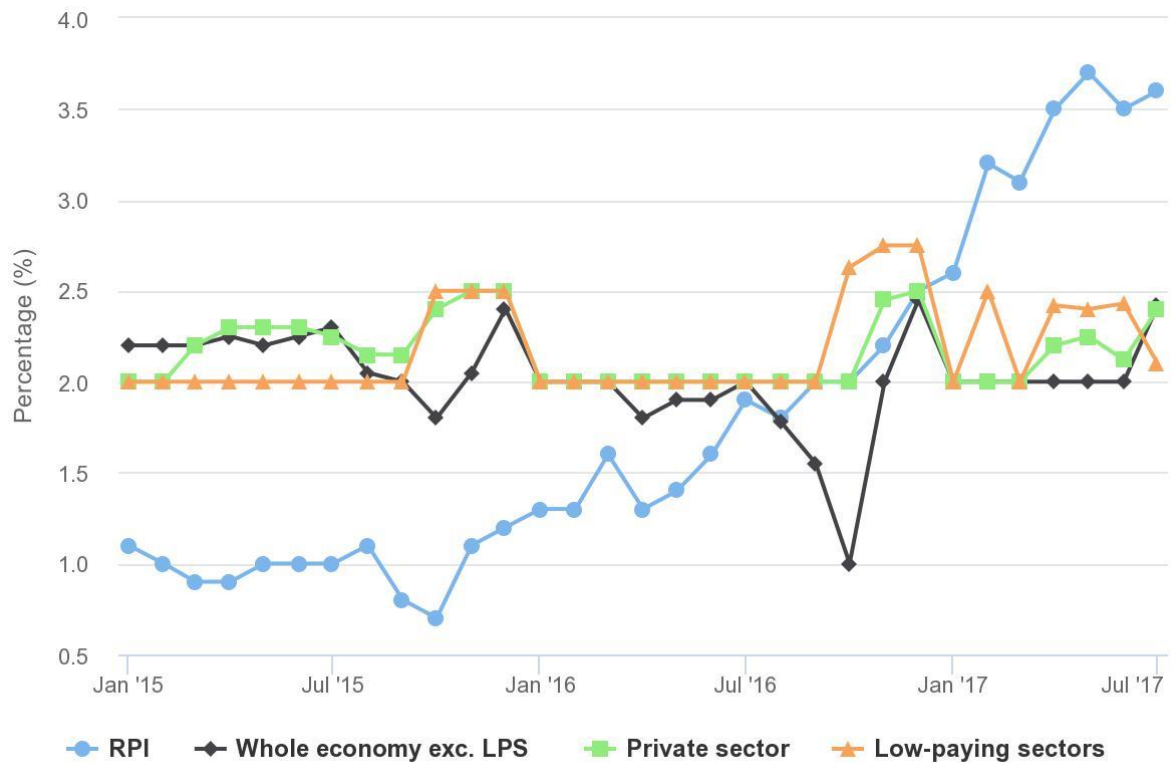
The relationship between inflation and pay awards is retrospective, with the general level of awards taking a little time to adjust to higher levels of inflation. Inflation began to rise in Q3 2016 but private sector pay awards have been fairly static at 2% since the start of 2016. Pay awards rose temporarily at the end of 2016, but fell back to 2% at the median in January 2017. In the most recent period, since March 2017, private sector pay awards have fluctuated above the 2% level which could indicate a rising trend following the recent path of inflation. But given that the main period for pay setting is at the beginning of each year (in either January or April), we will have to wait until the first four months 2018 to make a fuller assessment of the impact of inflation on pay awards. And much depends on whether, by then, inflation has begun to slowly come down, as most analysts think it will, with the recovery of sterling on foreign exchange markets.

**TABLE 8 MEDIAN PAY SETTLEMENT LEVELS VERSUS INFLATION, JANUARY 2015 TO JULY 2017**

	RPI	CPI	CPIH	Whole economy exc. LPS	Private sector	Low-paying sectors
2015 JAN	1.1	0.3	0.5	2.2	2.0	2.0
2015 FEB	1.0	0.0	0.4	2.2	2.0	2.0
2015 MAR	0.9	0.0	0.3	2.2	2.2	2.0
2015 APR	0.9	-0.1	0.3	2.3	2.3	2.0
2015 MAY	1.0	0.1	0.4	2.2	2.3	2.0
2015 JUN	1.0	0.0	0.3	2.3	2.3	2.0
2015 JUL	1.0	0.1	0.5	2.3	2.3	2.0
2015 AUG	1.1	0.0	0.4	2.1	2.2	2.0
2015 SEP	0.8	-0.1	0.2	2.0	2.2	2.0
2015 OCT	0.7	-0.1	0.2	1.8	2.4	2.5
2015 NOV	1.1	0.1	0.4	2.1	2.5	2.5
2015 DEC	1.2	0.2	0.5	2.4	2.5	2.5
2016 JAN	1.3	0.3	0.6	2.0	2.0	2.0
2016 FEB	1.3	0.3	0.6	2.0	2.0	2.0
2016 MAR	1.6	0.5	0.8	2.0	2.0	2.0
2016 APR	1.3	0.3	0.7	1.8	2.0	2.0
2016 MAY	1.4	0.3	0.7	1.9	2.0	2.0
2016 JUN	1.6	0.5	0.8	1.9	2.0	2.0
2016 JUL	1.9	0.6	0.9	2.0	2.0	2.0
2016 AUG	1.8	0.6	1.0	1.8	2.0	2.0
2016 SEP	2.0	1.0	1.3	1.6	2.0	2.0
2016 OCT	2.0	0.9	1.3	1.0	2.0	2.6
2016 NOV	2.2	1.2	1.5	2.0	2.5	2.8
2016 DEC	2.5	1.6	1.8	2.5	2.5	2.8
2017 JAN	2.6	1.8	1.9	2.0	2.0	2.0
2017 FEB	3.2	2.3	2.3	2.0	2.0	2.5
2017 MAR	3.1	2.3	2.3	2.0	2.0	2.0
2017 APR	3.5	2.7	2.6	2.0	2.2	2.4
2017 MAY	3.7	2.9	2.7	2.0	2.3	2.4
2017 JUN	3.5	2.6	2.6	2.0	2.1	2.4
2017 JUL	3.6	2.6	2.6	2.4	2.4	2.1

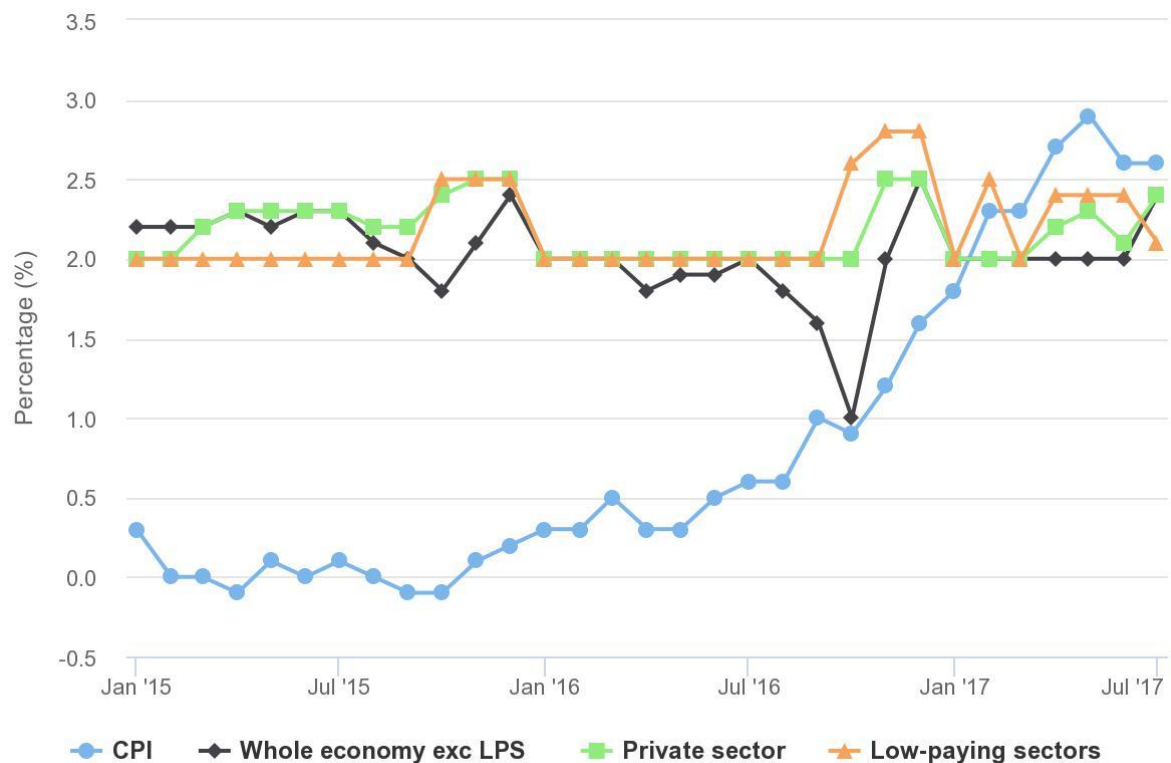
Source: IDR.

**FIGURE 12 MEDIAN PAY SETTLEMENT LEVELS VERSUS RPI INFLATION, JANUARY 2015 TO JULY 2017**



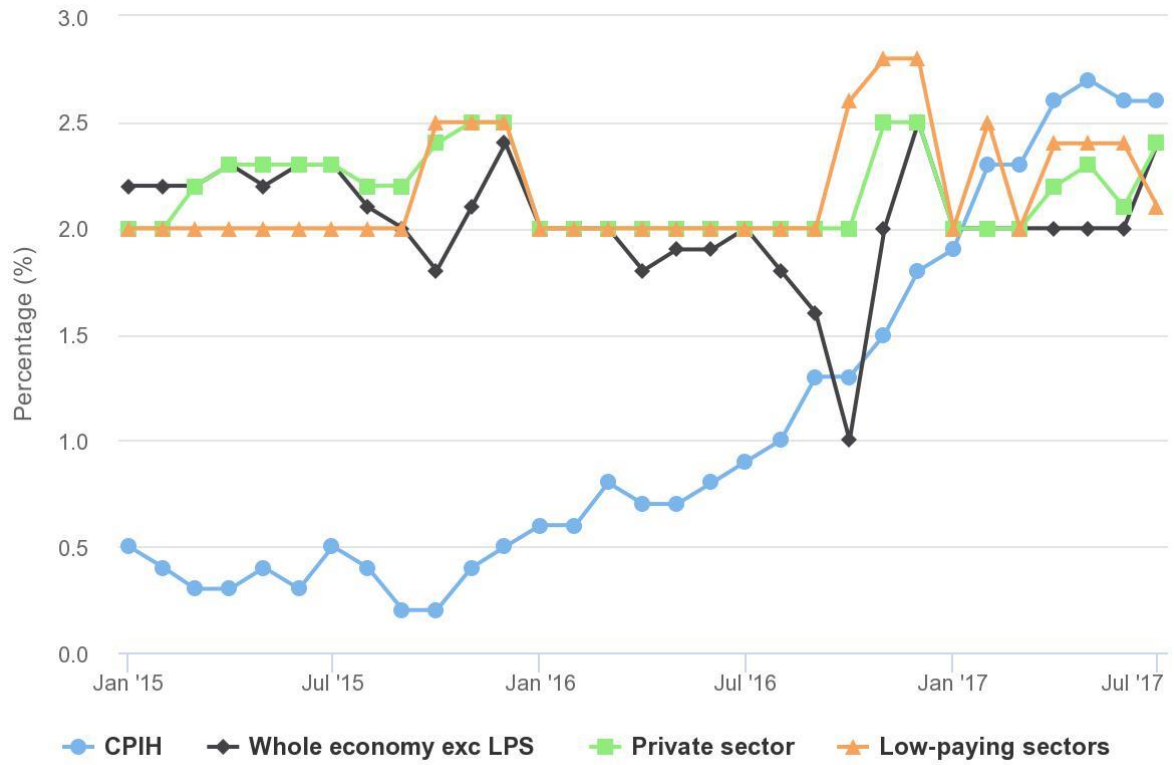
Source: IDR

**FIGURE 13 MEDIAN PAY SETTLEMENT LEVELS VERSUS CPI INFLATION, JANUARY 2015 TO JULY 2017**



Source: IDR

**FIGURE 14 MEDIAN PAY SETTLEMENT LEVELS VERSUS CPIH INFLATION, JANUARY 2015 TO JULY 2017**



Source: IDR