

Steve Deakin

From: Earnings <Earnings@ons.gov.uk>
Sent: 18 October 2023 10:55
To: Steve Deakin
Subject: RE: KAD8 Index

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Hi Steve,

Thank you for your email. As noted in the [September](#) bulletin In June 2023, the [NHS pay deal in England](#) was announced. This set out that NHS workers were to be given a pay award for 2023 to 2024 and two one-off non-consolidated bonus pay awards. In addition, the [civil service announced a one-off non-consolidated pay award](#) for 2023 to 2024, which was mainly paid out in July 2023.

This, alongside the NHS pay deal in June 2023, will account for a large bonus being present in total pay in June 2023 for the health and social industry and the public sector, and in July 2023 for the public administration industry and the public sector. These all show a spike in bonus payments, which has never been seen before. The 2023 to 2024 NHS pay award arrears are also collected but our headline estimates exclude arrears payments.

AWE estimates for the latest month are published on a provisional basis and finalised the following month, as we receive more or updated survey returns from businesses (referred to as revisions). June 2023 saw slightly larger than usual revisions for the public sector, because of receiving updated or late data after the provisional publication and this reflects the pay deals for the NHS being implemented. This is also likely to occur for July 2023, because of the pay deals for the majority of the civil service being implemented. See the Measuring the data section for further details.

Please also see the [QMI](#) for more details about revisions. I hope this helps,

Emily

From: Steve Deakin <steve.deakin@somerset.gov.uk>
Sent: 17 October 2023 15:30

To: Earnings <Earnings@ons.gov.uk>

Subject: KAD8 Index

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Good afternoon,

I note from the KAD8 data there is a spike in June 2023 (704) from May 2023 (622) which then reduces to 652 in July 2023.

For reference we use this index for calculating the increase in the value of a contract where the level of pay is the major component.

The significant increase in June has resulted in an indexation figure that is significantly above what we were expecting based on the ongoing trend for pay.

The obvious question to ask, is the June index figure correct?

It would be helpful to understand what has caused the increase in June 2023 which has then reduced. Do you have any data or papers to help with the understanding so that I can brief colleagues and Members?

I look forward to hearing from you.

Kind regards

Steve Deakin

Service Manager

Parking Services

Somerset Council

+44 1823 355 137 / +44 797 669 1767



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