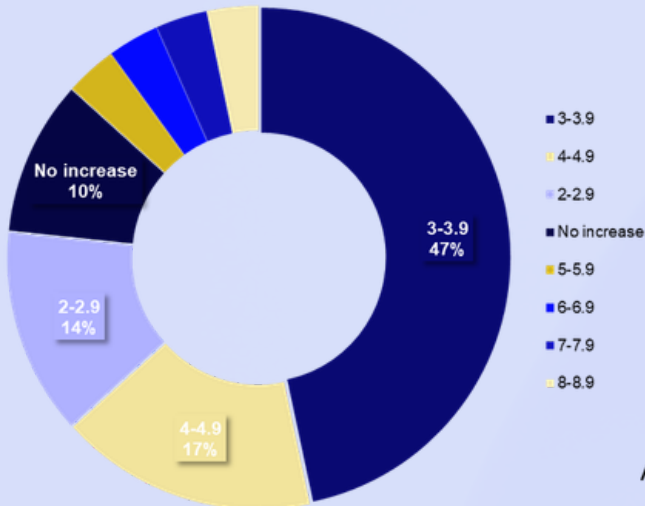


# Executive Insights: 2026 Salary Review and Workforce Planning

The results from our recent survey show that the overarching theme is caution: most organisations are planning inflationary pay rises, limiting headcount growth to mainly backfilling roles, and expressing only moderate confidence in retaining key employees. London stands out as the highest-risk geography for workforce reductions, while charities face the greatest budget pressure by sector.

Find the key results of the poll below:

Average % increase across all respondents

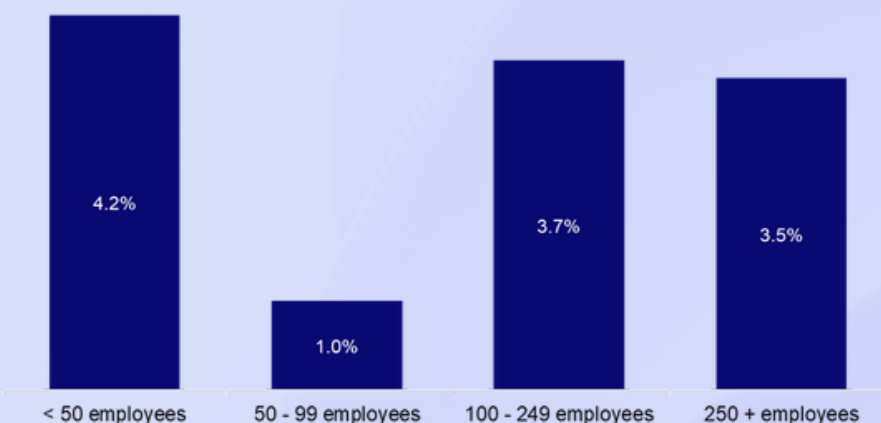


Pay rises are clustering firmly in the 3-4% band, with 47% of respondents landing there. Only 12% are proposing to offer a 5% or higher increase.

Average % increase by location

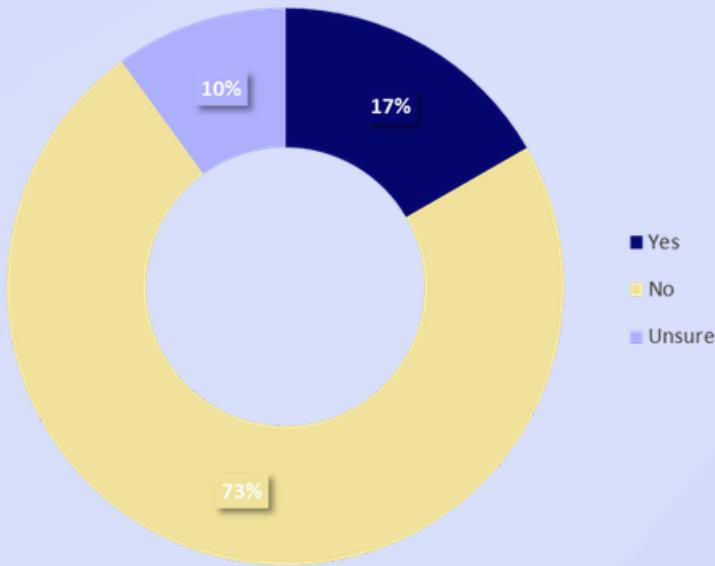


Average % increase by organisation size



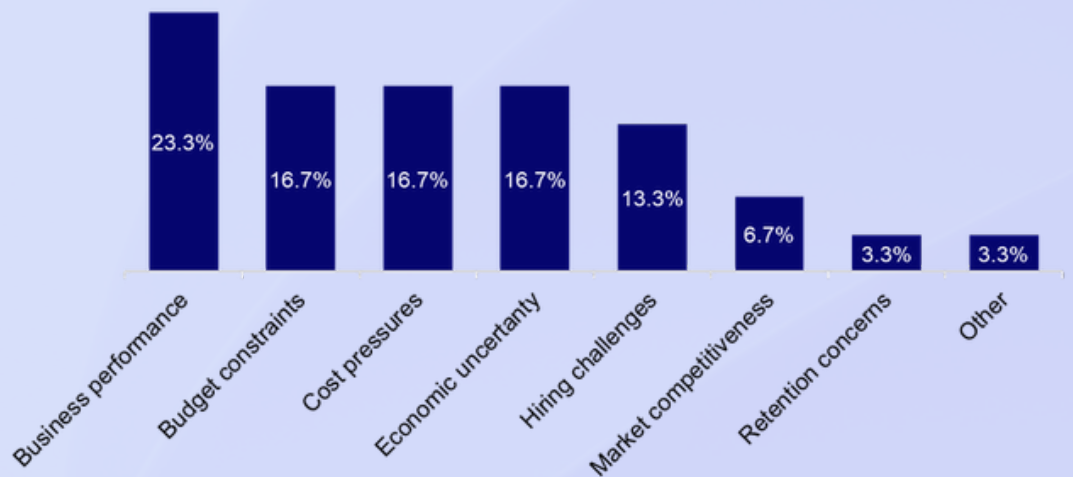
The smallest organisations are proposing to award the highest increase, with the largest size proposing the second-lowest; this could correlate to increased employer costs per employee such as National Minimum Wage and SSP changes.

## Are you offering cost of living payments in 2026?

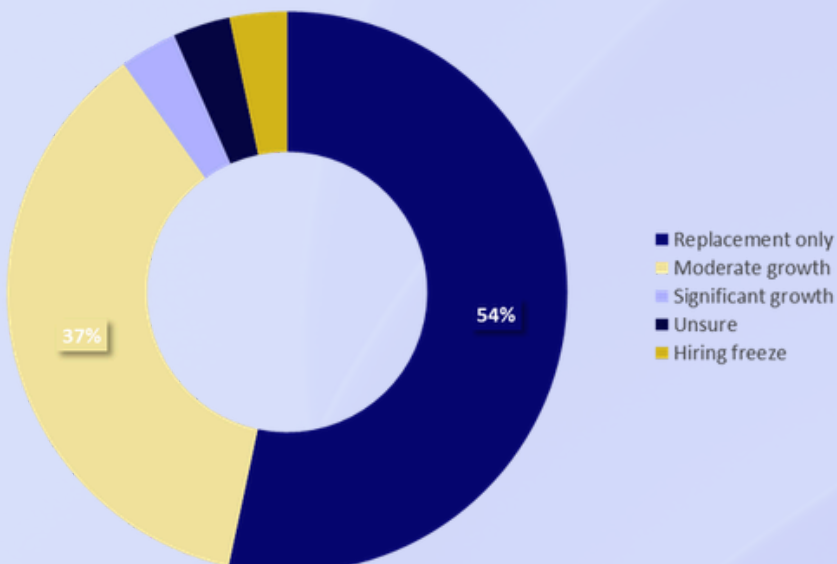


Cost of living payments are niche - and although 3 in 4 organisations are not planning them in 2026, interestingly, 17% are.

## Workforce planning and pay decision influences

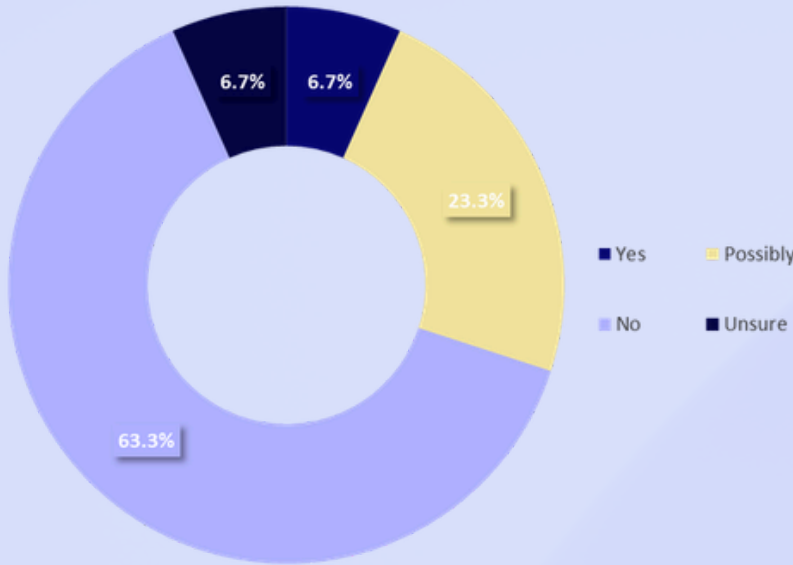


## Hiring plans for the next 12 months



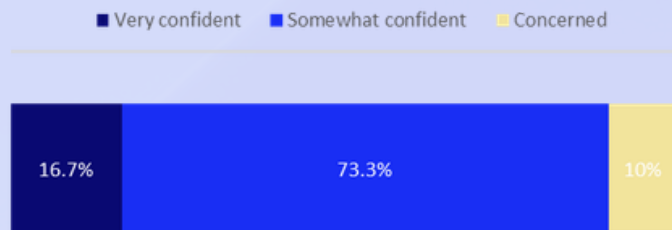
Headcount growth is restrained. The most common plan is replacement hiring only (53%), followed by moderate growth (37%).

## Anticipating workforce reductions or restructures?



While outright redundancy plans are rare, over a third of respondents cannot rule out workforce reductions in the next 12 months.

## Confidence in retaining top talent



## Key Sector Insights

The largest sector group - charities/not-for-profit - faces the greatest budget pressure but  $\frac{1}{3}$  plan to give cost-of-living payments, and  $\frac{1}{3}$  are anticipating workforce reductions. 100% of them are hiring for replacement only.

In Manufacturing and Engineering,  $\frac{2}{3}$  are concerned about retention (the highest across all sectors), which could reflect tight talent conditions in skilled trades.

Proposed salary increases in the Technology sector show the widest spread (2% to 8%+), mostly driven by cost pressures or retention concerns.

## Key Geographic Insights

The most represented region, South East, shows varied pay increases with over 80% reporting no anticipated workforce reductions, making it the most stable region.

London has the highest restructuring risk (more than 70% in this area cannot rule it out).

100% of respondents in East Anglia cite budget constraints as their primary workforce decision driver.

With ongoing Employment Rights Act changes and cost increases coming into force, we know it's an uncertain time for many employers. If you'd like any support in workforce management, wider organisational planning, cost-saving strategies or anything else in 2026, reach out to your HR contact to discuss how we can help.