

## PERSONNEL SERVICES

University Offices, Wellington Square, Oxford OX1 2JD  
 Director of Human Resources



To: heads of departments and institutions, faculty board chairs,  
 departmental administrators and faculty board secretaries

Ref.

21 January 2015

cc. heads of division, divisional secretaries, Dr Gambles, Mr Shaw,  
 Director of Conference of Colleges Secretariat

### The University of Oxford's accreditation with the Living Wage Foundation

*It has been decided that the University of Oxford will become an accredited Living Wage employer, taking the 'phased accreditation' implementation route, by May 2015. This means committing to pay both employees and the staff of contractors and sub-contractors who work regularly on University premises at least the Living Wage of £7.85 per hour.*

*The 'phased accreditation' route means that contracts will be moved to a Living Wage basis when they are re-tendered or renewed, over a period of approximately two years.*

*This decision will be communicated on the University website and to the local press tomorrow, 22 January 2015.*

#### 1. Background

The Living Wage is calculated according to the basic cost of living. It is intended to allow people to provide for themselves and their families. It is reviewed annually, and currently stands at £7.85 per hour, c. 21% more than the National Minimum Wage of £6.50 per hour.

For many years, the University has ensured that all its employees are paid the Living Wage. In each of the past three years, the Personnel Committee decided to remove the lowest paypoint on the University's payscale in order to ensure that this is the case.

In March 2014, the Personnel Committee recommended to Council that the University accredit with the Living Wage Foundation as a Living Wage employer, following the 'phased accreditation' route. The Planning and Resources Allocation Committee (PRAC) endorsed this proposal and, in July 2014, Council approved it.

It was decided that accreditation was the right thing to do in the light of the high cost of living in Oxford in comparison to salaries, the University's aims in respect of engagement with the local community, from which most lowly paid staff are drawn, and the advantages that would be expected to accrue to the University in terms of reputation and greater employee engagement and retention.

'Phased accreditation' means that the University is making a commitment to pay all employees at or above the Living Wage immediately. It is also committing to ensuring that all employers of contractors who work regularly on our premises are paid the Living Wage within c. two years.

More information about the Living Wage can be found at: <http://www.livingwage.org.uk/>.



## **2. Action for Departments**

### *University employees*

The University currently pays the Living Wage as the minimum rate of pay to all its employees. Therefore, there is no action required in respect of University employees' pay.

Point 3 (National Pay Spine point 4) of grade 1 is currently the lowest payscale point. The University will ensure that it stays compliant with the national Living Wage rate of pay so that all employees continue to be paid the Living Wage as the minimum rate of pay in the future.

### *Those employed by contractors to work on University premises*

To become an accredited employer, the University must commit to an action plan with milestones. Each milestone relates to a contract under which the contractor's employees work regularly (ie two hours or more over eight consecutive weeks within a year) on University premises, but are not yet paid the Living Wage. Contracts can relate to cleaning, catering or any other services. All such contracts should be moved to a Living Wage basis when they come up for renewal or, for contracts of more than two years, at the first opportunity to review the terms.

The University's preferred suppliers have been briefed on this decision and quotes will be provided on a Living Wage basis in future. All other new contracts should also be agreed on a Living Wage basis.

Members of Personnel Services or of Purchasing will be in contact with individual departments shortly to confirm whether their contracts are currently on a Living Wage basis or, where they are not, to discuss the appropriate time to move them over to the Living Wage.

## **3. Further information**

For more information on how to migrate a contract to a preferred supplier, please contact Claire Seeley: 01865 616104 or [Claire.seeley@admin.ox.ac.uk](mailto:Claire.seeley@admin.ox.ac.uk).

If you would like to discuss the University's phased accreditation implementation approach further, please contact [sarah.thonemann@admin.ox.ac.uk](mailto:sarah.thonemann@admin.ox.ac.uk).

MR J DUXFIELD

Director of Human Resources