

PERSONNEL SERVICES

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

PERS(16)09



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

Ref. EMS/6

cc. Mr Morgan, Ms Killick, Mrs Kinahan, Ms Zaccheo, Ms Mitchell, HR
Business Partners

19 December 2016

The Living Wage: Change to Grade 1 of the salary and grading structure

The University of Oxford accredited as a Living Wage employer in May 2015, committing to pay both employees and the staff of contractors and sub-contractors who work regularly on University premises at least the Living Wage.

As a result of an increase to the Living Wage in November 2016 to £8.45 per hour, the lowest point of grade 1 (ie grade 1, point 4) is now lower than the Living Wage. The hourly rate of grade 1, point 4 is currently £8.42. Personnel Committee has approved an uplift in the lowest point of grade 1 to the Living Wage rate (an increase of 3p per hour) from 1 January 2017.

1. Background

The University became an accredited Living Wage employer in May 2015. Adopting the Living Wage demonstrates commitment to all our employees, particularly those who are among the most diverse, and who find life most difficult in an expensive city, such as Oxford. Accreditation means that the University has committed to pay both employees and the staff of contractors and sub-contractors who work regularly on University premises at least the Living Wage, which is a rate above the National Minimum Wage (and the new National Living Wage for over 25s that came into effect from April 2016). More information about the Living Wage can be found at: www.livingwage.org.uk.

The Living Wage is reviewed annually. On 31 October 2016 the new Living Wage rate of £8.45 per hour was announced.¹ The previous Living Wage was £8.25 per hour; this increase of 2.4% percent is slightly lower than the estimate used in 2014 to predict the cost of accrediting as a Living Wage employer.

Before accrediting in 2015, the University voluntarily paid the Living Wage equivalent. This had meant the removal of the two lowest points on the payspine in 2013 and 2014. Last year it was agreed that point 3 would also be removed, whilst the second lowest point would be uplifted by 1p to be compliant with the Living Wage rate of pay for 2015. The grade 1 pay scale now only has three points, two of which are discretionary.

¹ This is 21.2% greater than the current National Minimum Wage of £6.95 per hour and 17.4% more than the National Living Wage of £7.20.



2. Action required of Departments

Standard grade 1, point 4 will be uplifted to the Living Wage (£8.45 per hour) with effect from 1 January 2017. Departments should inform their affected staff members of this change.

A revised copy of the Salary and Grading Structure is attached to this circular as Annexe A.

The Casual Pay Spine for casual worker engagements has been updated and the lowest point is now £8.45 per hour. The revised Pay Spine is available in full from the Personnel Services website at: www.admin.ox.ac.uk/personnel/recruit/non_empl/casual.

3. Further information

If you would like more information on how to migrate a cleaning contract to a preferred supplier, please contact the Purchasing department: 01865 (2)88572.

For all other queries about the Living Wage please contact sarah.thonemann@admin.ox.ac.uk.

MR J DUXFIELD

Director of Human Resources.