

PERSONNEL SERVICES

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

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

Ref. EMS/6

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

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The Living Wage: Change to Grade 1 and Grade 1A 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 2017 to £8.75 per hour, the lowest point of the University's main salary and grading structure (applicable to both grade 1, point 4 and grade 1A, point 1) is now lower than the Living Wage. In order to remain compliant with the Living Wage, Personnel Committee has approved that the lowest pay point of the University's main salary and grading structure be taken out of use. This will be implemented with effect from 1 March 2018.

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 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 6 November 2017 the new Living Wage rate of £8.75 per hour was announced.¹ The previous Living Wage was £8.45 per hour; this increase of 3.5% 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. In 2015 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 for 2015. This point was uplifted again in 2016 and 2017 to remain compliant with the Living Wage. At present the grade 1 pay scale has three points, two of which are discretionary. As a result of this year's increase, the lowest pay point (point 4) of grade 1 is now 14p less than the current Living Wage. The hourly rate of grade 1,

¹ This is 24.1% greater than the current National Minimum Wage of £7.05 per hour and 16.6% more than the National Living Wage of £7.50.



point 5 (the first discretionary point of the grade) is currently £8.77, only 2p more per hour than the Living Wage.

Personnel Committee has therefore approved that the lowest pay point of the University's main salary and grading structure be taken out of use. This ensures the University remains compliant with the Living Wage and maintains reasonable salary progression between the points on the grade 1 pay scale, for example when increments are awarded under the annual Awards for Excellence exercise. Scale point 5, with a current FTE salary of £16,654 per annum, will become the lowest pay point on grade 1 and will no longer be a discretionary point. Grade 1 will continue to have a discretionary point at scale point 6.

The University grade for apprentices (grade 1A) mirrors grades 1 and 2 and therefore any changes to grade 1 also apply to grade 1A. Scale point 1 of the apprentice grade will therefore become equivalent to grade 1, scale point 5 ie both scales will have a starting salary of £16,654.

2. Action required of Departments

All staff on grade 1, point 4 will be moved to grade 1, point 5. Apprentices on grade 1A, point 1 will be moved to the revised point 1, which will be equivalent to grade 1, point 5. These changes will be implemented in the March payroll. Grade 1, point 4 is closed to new appointments with immediate effect.

Departments should inform their affected staff members of these changes.

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 £8.77 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

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

Mr Julian Duxfield