

No 022/24

16<sup>th</sup> January 2024

Dear Colleague

## **CAPITA GROUP: COMMITMENT TO BE A REAL LIVING WAGE EMPLOYER ABANDONED**

Capita Group has today announced it will no longer be a Real Living Wage (RLW) employer. This is a disgraceful decision which will have a significant and detrimental impact upon many of our members working on the TV Licensing (BBC), VMO2 and Tesco Mobile contracts. Capita's announcement by the outgoing CEO Jon Lewis included the following statement:

***"Unfortunately, the proposed 2024 Real Living Wage Foundation increase of 10.1% is not affordable or one that we can realistically pass on to all our clients."***

Capita has been a RLW employer since 2020 and its lowest paid employees currently earn the Living Wage Foundation's recommended wage of £10.90 per hour (outside of London); which was due to increase to £12 per hour from 1<sup>st</sup> April 2024 (+10.1%) in line with the Living Wage Foundation's recommended annual increase.

Jon Lewis has confirmed that Capita Group will instead make the following increase to the lowest paid workers from 1<sup>st</sup> April:

***"...from 1 April 2024, we will pay a minimum hourly rate of £11.56, which is higher than the UK National Living Wage of £11.44. Colleagues currently earning the Real Living Wage of £10.90 will receive a pay rise to at least £11.56. This equates to a minimum increase of just over 6% which is higher than the current rate of inflation at 3.9%."***

Capita's attempt to justify this callous decision by comparing its new minimum hourly pay rate with the UK National Living Wage is appalling. In 2019, Capita announced its association with the Living Wage Foundation with great fanfare in a move to distance itself from bargain basement low wage employers; and that's exactly what it will become again. Capita's decision to renege on the RLW increase will be met with dismay by our members, many of whom are already facing hardship, especially as they were expecting to receive at least £12 per hour from 1<sup>st</sup> April.

With pay negotiations for the TVL, VMO2 and Tesco Mobile contracts due to commence in the near future, this development will obviously have a material impact upon pay bargaining. In this regard, we will be consulting with our Senior Capita Representatives to jointly determine next steps, which will be reported in due course.

Yours sincerely

Andy Furey  
Assistant Secretary

Tracey Fussey  
Assistant Secretary