

## Communication to all employees and trade union members covered by the Energy Services Agreement.

This message is to inform you of the agreed increase to the Energy Services Agreement (ESA) base rates for 2026. This adjustment follows the terms outlined in the ESA and is calculated using the Rate Adjustment Mechanism (RAM), as detailed in Appendix 4 of the Agreement.

The RAM is the method agreed by all ESA signatories (Employers and Trade Unions) to review and adjust base rates annually. It combines two factors:

- The average Consumer Price Index (CPI%) between August and July
- The Commodity Price Adjustment (CPA%) for oil and gas prices over the same period

For the 2024–2025 review period, the RAM calculation is as follows:

- **CPI%:** 2.83%
- **CPA%:** 0.70%
- **Total RAM:** 3.53%

In accordance with the RAM terms, the ESA Base Rate is adjusted annually based on the average CPI% from 1st August to 31st July the following year and the CPA% is paid only for the year it applies to. For 2026 this results in a 3.53% increase to ESA Base Rate / equating to approx. 3.3% increase to the ESA Paid Rate.

The table below shows the updated hourly, daily, and annual salary rates compared to 2025:

	2025 Paid Hourly Rate	2026 Paid Hourly Rate	2025 Paid Day Rate	2026 Paid Day Rate	2025 Salary Paid (189 Paid)	2026 Paid Salary (189 Paid)
Grade 1	£29.76	<b>£30.73</b>	£357.00	<b>£368.76</b>	£67,473.00	<b>£69,695.64</b>
Grade 2	£28.54	<b>£29.48</b>	£342.48	<b>£353.76</b>	£64,728.72	<b>£66,860.64</b>
Grade 3	£27.67	<b>£28.57</b>	£332.04	<b>£342.84</b>	£62,755.56	<b>£64,796.76</b>
Grade 4	£26.27	<b>£27.13</b>	£315.24	<b>£325.56</b>	£59,580.36	<b>£61,530.84</b>
Grade 5	£18.44	<b>£19.05</b>	£221.16	<b>£228.60</b>	£41,799.24	<b>£43,205.40</b>

Please note that the RAM includes a cap: the combined CPI% and CPA% cannot exceed 4% in any one year. Any CPA% contribution is applicable only for the relevant year.

The RAM is reviewed every three years, with the next review to be finalised by August 2026. Work on this review has commenced and does include a full rereview of allowances. The result of the review will be shared once it is complete and approved by the ESA signatories.

For more information about the Rate Adjustment Mechanism, please visit the [Energy Services Agreement](#) section on the OEUK website.

If you have any questions regarding this update, please contact Alison Young, Senior HR Manager at [alison.young@woodplc.com](mailto:alison.young@woodplc.com) or your trade union contact.