

# **Press release: LPC welcomes acceptance of its 2019 minimum wage rate recommendations**

*Updated:* Added link to Government response.

Future rates were announced by the Chancellor of the Exchequer in the Budget, in line with those recommended by the LPC. The National Living Wage (NLW), the statutory minimum for workers aged 25 and over, will increase by 4.9% to £8.21 per hour. Rates for younger workers will also increase above inflation and average earnings. They will apply from 1 April 2019.

Bryan Sanderson, Chair of the LPC, said:

I am pleased that the Government has again accepted in full the Low Pay Commission's recommendations for future minimum wage rates. The increase in the National Living Wage (NLW) to £8.21 in April 2019 will ensure a pay rise for the lowest-paid workers that exceeds both inflation and average earnings.

Over the past year, the labour market has continue to perform well and the economy, while subdued, has met the criteria of 'sustained growth' set out in our remit for the NLW. We therefore recommended an increase in line with a path to 60 per cent of median earnings by 2020. On current forecasts, we estimate that the NLW will reach this target at a rate of £8.62 in 2020.

We recommended real-terms increases to the National Minimum Wage (NMW) rates for younger workers and apprentices, as the labour market conditions for these groups remain strong. These rates will continue to rise faster than both inflation and average earnings. We opted for smaller increases than we recommended last year because of slightly weaker labour market conditions for young people, combined with insufficient evidence to fully understand the impact of the largest increases in a decade implemented in April of this year. However, next year's will still be some of the highest increases on record.

The 2019 Low Pay Commission Report, containing the underpinning analysis and evidence used to make these recommendations, will be published on 27 November.

**The LPC's rate recommendations comprised:**

	Current rate	Future rate (from April 2019)	Increase
NLW	£7.83	£8.21	4.9%
21-24 rate	£7.38	£7.70	4.3%
18-20 rate	£5.90	£6.15	4.2%
16-17 rate	£4.20	£4.35	3.6%
Apprentice rate	£3.70	£3.90	5.4%
Accommodation offset	£7.00	£7.55	7.9%

## Notes:

1. The rationale for each of our rate recommendations is set out in [a letter from the Chair of the LPC to the Secretary of State for Business, Energy and Industrial Strategy. The Government responded to the letter](#), accepting all of the LPC's recommendations.
2. The National Living Wage is the statutory minimum wage for workers aged 25 and over. It was introduced in April 2016 and has a target of 60 per cent of median earnings by 2020, subject to sustained economic growth.
3. Different rates apply to 21-24 year olds, 18-20 year olds, 16-17 year olds and apprentices aged under 19 or in the first year of an apprenticeship.
4. Rates for workers aged under 25, and apprentices, are lower than the NLW in reflection of lower average earnings and higher unemployment rates. International evidence also suggests that younger workers are more exposed to employment risks arising from the pay floor than older workers. Unlike the NLW (where the possibility of some consequences for employment have been accepted by the Government), the LPC's remit requires us to set the other rates as high as possible without causing damage to jobs and hours.
5. The accommodation offset is a an allowable deduction from wages for accommodation, applicable for each day of the week. [Further information is available here](#). It will increase to £7.55 per day.
6. Our 2019 Report, containing the underpinning analysis and evidence used to make these recommendations, will be published on 27 November. In previous years it has been published on the same day as the rates were announced, but the early budget means that this has not been possible this year.
7. The National Living Wage is different from the UK Living Wage and the London Living Wage. Differences include that: the UK Living Wage and the London Living Wage are voluntary pay benchmarks that employers can sign up to if they wish, not legally binding requirements; the hourly rate of the UK Living Wage and London Living Wage is based on an attempt to measure need, whereas the National Living Wage is based on a target relationship between its level and average pay; the UK Living Wage and London Living Wage apply to workers aged 18 and over, the National Living Wage to workers aged 25 and over. The Low Pay Commission has no role in the UK Living Wage or the London Living Wage.
8. The Low Pay Commission is an independent body made up of employers, trade unions and experts whose role is to advise the Government on the minimum wage. The rate recommendations were agreed unanimously by the Commission.

The nine Low Pay Commissioners are:

- Bryan Sanderson
- Professor Sarah Brown
- Professor Richard Dickens
- Kate Bell
- Kay Carberry
- Simon Sapper
- Neil Carberry
- Clare Chapman
- Martin McTague

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## **[News story: Budget 2018: 24 things you need to know](#)**

### **1. Public finances have reached a turning point**

Since 2009-2010 the deficit has fallen by four-fifths, from 9.9% to 1.9%. Public debt peaked in 2016-17 and is now falling. On average, spending on public services will grow 1.2% above inflation a year from next year until 2023-24.

### **2. Employment is at a near record high and the OBR forecasts it is set to**

## **keep growing**

The economy has grown every year since 2010, and is projected to continue growing in each year of the forecast. The unemployment rate is at its lowest for over 40 years, there are over 3.3 million more people in work since 2010 and the OBR forecasts 800,000 more jobs by 2022.

### **3. National Living Wage will increase to £8.21**

From April 2019 the National Living Wage will increase from £7.83 an hour to £8.21. This will benefit around 2.4 million workers, and is a £690 annual pay rise for a full-time worker.

### **4. The tax-free Personal Allowance will rise to £12,500**

The Personal Allowance – the amount you earn before you have to start paying income tax– will increase by a further £650 in April 2019 to £12,500.

This rise comes a year earlier than planned, and will be maintained in 2020. This means a basic rate taxpayer will pay £1,205 less tax in 2019-20 than in 2010-11.

### **5. The Higher Rate Threshold will increase from £46,350 to £50,000 in April 2019**

The amount people will have to earn before they pay tax at 40% will increase from £46,350 to £50,000 in April 2019.

This means that in 2019-20, there will be nearly 1 million fewer higher rate taxpayers than in 2015-16.

### **6. £1.7 billion to increase existing work allowances in Universal Credit**

Increases to work allowances will mean working parents and people with disabilities claiming Universal Credit will be £630 better off each year.

People will also receive extra help as they move from their existing benefits to Universal Credit and there will be targeted support for people repaying debts.

### **7. A new railcard for all young people aged 26 to 30, available nationally by the end of the year**

The first digital only railcard will offer up to a 1/3 off most rail travel.

### **8. Fuel duty will remain frozen for a ninth year**

In 2019, fuel duty will remain frozen for the ninth year in a row, saving the average driver £1,000 since 2010.

### **9. Short-haul rates of Air Passenger Duty will not rise**

Short-haul rates of Air Passenger Duty will not rise for the eighth year in a row, keeping costs down for 80% of passengers. Long-haul rates will rise in

line with inflation.

#### **10. Duty on beer, cider and spirits remains frozen**

The cost of a pint of beer will be 2p lower than if duty had risen by inflation.

#### **11. NHS funding will increase, including more spending for mental health**

The NHS is the public's number one priority and the government will increase its budget by £20.5 billion after inflation by 2023-24. Within this, the NHS will increase mental health spending by more than £2 billion a year by 2023-24.

#### **12. £650 million for social care next year**

Local authorities in England will receive a further £650 million in social care funding next year.

#### **13. Lifting the borrowing cap to allow local authorities to build more housing**

From today in England the government is lifting the cap on the amount of money local authorities are able to borrow to build housing. Local authorities fund housing through a separate Housing Revenue Account (HRA).

The Welsh Government is also taking immediate steps to lift the cap in Wales.

This will be £10,000 for the average primary school and £50,000 for the average secondary school.

#### **15. A commemorative 50p Brexit coin will be available to buy from Spring 2019**

The Royal Mint will create a new commemorative Brexit coin to mark the UK's exit from the European Union.

#### **16. Up to £19 million in commemoration of the Centenary of the WWI Armistice**

- Up to £8 million to help with the cost of repairs and alternations to village halls, Miners' welfare facilities and Armed Forces organisations' facilities.
- £10 million to support veterans with mental health needs through the Armed Forces Covenant Fund Trust.
- £1 million for First World War Battlefield visits for school students.

#### **17. £30 billion to improve roads**

A £28.8 billion National Roads Fund, paid for by road tax, includes £25.3

billion for the Strategic Road Network (motorways, trunk and A roads). The largest ever investment of this kind.

It will also help fund the new network of local roads (known as the Major Road Network), and larger local road projects.

Local authorities will receive £420 million to fix potholes on roads and renew bridges and tunnels, and there will be a £150 million to improve local traffic hotspots such as roundabouts.

## **18. More money for Scotland, Wales and Northern Ireland**

Scotland, Wales and Northern Ireland will all get more money to spend in devolved areas, including education, health and housing. This Budget means:

- over £950 million more for the Scottish Government through to 2020-21
- over £550 million more for the Welsh Government through to 2020-21
- over £320 million more for a Northern Ireland Executive through to 2020-21

There will also be £150 million for a Tay Cities Deal, £120 million for a North Wales Growth Deal, £350 million for a Belfast City Region Deal and opening negotiations on Derry/Londonderry and Strabane City Region Deal.

## **19. Over £1.5 billion to support the high street**

Small retail businesses will see their business rates bills cut by a third for two years from April 2019, saving them £900 million.

Local high streets will benefit from £675 million to improve transport links, re-develop empty shops as homes and offices and restore and re-use old and historic properties.

Public lavatories will receive 100% business rates relief.

This adds to previous reductions in business rates since Budget 2016 which will save firms over £12 billion over the next five years.

## **20. £1 billion more for defence over the next two years**

The Ministry of Defence will receive an extra £1 billion to help protect the UK against changing threats such as the rise in cyber-attacks and the resurgence of state-based threats.

This funding adds to the £800 million announced earlier this year.

## **21. Increasing funding to help departments to prepare for Brexit to over £4 billion**

The government is providing £500 million of additional funding for departments to prepare for Brexit for 2019-20. This is on top of the £1.5 billion already announced for that year.

## **22. The Annual Investment Allowance will increase to £1 million from 1 January 2019 to 31 December 2020**

The government will increase the Annual Investment Allowance five-fold from £200,000 to £1 million to help businesses to invest and grow.

Also, from October 2018, businesses will be able to deduct 2% of the cost of any new non-residential structures and buildings off their profits before they pay tax.

## **23. A 2% digital services tax on large digital firms**

From April 2020, large social media platforms, search engines and online marketplaces will pay a 2% tax on the revenues they earn which are linked to UK users.

## **24. Further changes to the apprenticeship levy to support employers**

From April, large businesses will be able to invest up to 25% of their apprenticeship levy to support apprentices in their supply chain.

Some employers will pay half of what they currently pay for apprenticeship training – from 10% to 5%. The government will pay the remaining 95%.

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## **[News story: UK Hydrographic Office shortlisted for STEM Inspiration Award](#)**

Recognised for its outstanding commitment to encouraging young people into science, technology, engineering and mathematics careers, the UKHO is nominated alongside companies including Just Eat, Airbus, Nissan, Amey and Legrand Electrical Ltd.

The winner will be announced on November 1 during a ceremony at the House of Lords, which will be attended by guests across industry, education and government.

Tamsin Hodge, the UKHO's STEM Ambassador Group coordinator, commented:

We are incredibly proud of this amazing achievement, which is a

reflection of a truly fantastic team effort, the dedication of our STEM Ambassador volunteers, support from all areas of UKHO and the collaborative partnerships we have developed with Code Club South West, Somerset County Council, Taunton Library, Glassbox, Skirting Science, Big Bang Fair, Soroptimist International, STEM Learning UK and the Digital Taunton, Tech Exeter and Women's Tech Hub communities.

We've now established the UKHO STEM Ambassador programme into the way we do things here and are leading the way in bringing STEM to life in our local community, across the South West and now on the national stage too.

Over the past year, the UKHO's STEM Ambassadors have worked with over 1,500 people aged 5-19 by partnering with 20 schools in the local area. This outreach work has included supporting weekly code clubs, attending science fairs and coordinating a local event in celebration of World Hydrography Day, attended by 400 members of the public.

The organisation has plans in place to work with a further 13,500 young people and 41,000 members of the public within their STEM Programme.

Amy Northern, Data Engineering Team Manager and STEM Ambassador at the UKHO, explains how we've helped young people into STEM careers over the past 18 months: [UKHO shortlisted for STEM Inspiration Award](#)

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## **Press release: Van crushed for Berkshire waste offences**

A van used to dump waste illegally in Berkshire has been seized and crushed by the Environment Agency.

The green Transit had been linked to waste crime across a network of illegal sites in London and surrounding counties. These sites were characterised by illegal entry, which involved the forcing or cutting of locks and chains, or the removal of fencing securing the sites.

The van was destroyed by a licenced scrapyard, under Environment Agency supervision, after it was seized by officers as part of an ongoing criminal investigation into the large-scale illegal dumping of commercial waste. Intensive unlawful waste-dumping involved several small trucks and the movement onto the sites of caravans to mask the waste-tipping. The sites were quickly trashed, with a hefty clean-up bill for the owner, usually in the tens of thousands of pounds.



It is clear from examination of the waste by environment officers that much of it came from small building operations, offices, shops and other small businesses. Under the law, small businesses generating waste are defined as waste “producers,” and when they get rid of their waste, have to comply with what is called their “duty of care.” This includes prescribed information about the waste, and checks on where it is going.

Failure of any business to comply with its duty of care leaves open the potential for very heavy fines – £5,000 in a magistrates’ court, or an unlimited fine if a case is referred to Crown court.

The Environment Agency urges producers of waste, in particular small businesses such as independent building companies, to take responsibility of their commercial rubbish.

Helen Hancock, an enforcement officer with the Environment Agency in Berkshire, said:

If you operate any form of business, you have a legal responsibility to safely contain and legally dispose of any waste produced. If you don’t, you can be taken to court as you are committing a serious offence.

When you transfer waste to another person, you must ensure that a written accurate description of the waste is agreed and signed by you and the next holder. Don’t give waste to someone who can’t prove they are a legitimate waste-carrier, as they are likely to dump your rubbish to avoid paying-waste disposal costs.

Always obtain a waste-transfer note as proof and, if in any doubt, call our incident hotline on 0800 80 70 60, Crimestoppers, anonymously, on 0800 555 111, or alternatively use the online form at [www.crimestoppers-uk.org](https://www.crimestoppers-uk.org).

Using illegal waste dealers may seem tempting in terms of cost, but it can help fund organised crime. All businesses have a responsibility for their commercial waste, and if your waste is found at an illegal site, you could be facing unlimited fines at court. We encourage firms to familiarise themselves with their duty of care: <https://www.gov.uk/managing-your-waste-an-overview>.

Waste crime drains the UK economy of £1 billion each year in clean-up costs and lost tax revenues. It has a devastating effect on the environment and local communities, with pest infestations and fires, which could lead to water and land contamination, plus air pollution from smoke.

The Environment Agency has closed two illegal waste sites a day on average in the past year, seizing a number of vehicles connected with waste crime across the UK. New waste powers mean tougher action can be taken to reduce criminal waste activity – making a real difference to communities.

The Environment Agency can crush seized vehicles under the powers granted by

the Control of Waste (Dealing with Seized Property) Regulations 2015.

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