

News story: Ending low pay top of Chancellor's agenda in meeting with unions and industry

The talks are part of the government's ongoing engagement with some of the UK's biggest trade bodies and unions on the future of the National Living Wage.

Representatives from the Confederation of British Industry (CBI), the Federation of Small Business (FSB), Unison and other industry and union bodies will join the Secretary of State for Business, Energy and Industrial Strategy, Greg Clark, for talks hosted by the Chancellor. Top of the agenda will be how the lowest paid continue to see their wages increase.

The introduction of the National Living Wage in 2016 gave the lowest earners the fastest pay rise in decades. In April 2019 it was increased again, meaning a full-time worker on the National Living Wage is set to earn around £690 more over the coming year.

Chancellor of the Exchequer, Philip Hammond said:

Last month we increased the National Living Wage, giving a pay rise to 1.8 million people. By 2020 the National Living Wage will be set at 60% of median earnings. But now we want to go further, with the ultimate ambition to end low wages altogether. I'm meeting the leaders of the major trade bodies and unions to discuss how to go further on tackling low pay, while also protecting the jobs of the lowest paid.

Business Secretary Greg Clark said:

We are committed to ending low pay and making sure that UK workers get paid fairly for the work they do.

Our minimum wage rates are among the highest in the world and today's roundtable is an example of how, through our modern Industrial Strategy, we are working closely with businesses and unions to boost the earning power of people across the country.

Later this year the government will announce a new remit for the Low Pay Commission – the independent body that advises government about the National Living Wage and the National Minimum Wage – for 2020 onwards. Today's meeting, which includes the Low Pay Commission, is just one of many conversations that the government is planning to have with employers and unions over the coming months on this issue.

In the Spring Statement, the Chancellor also announced that world-leading academic, Professor Arindrajit Dube, will lead a review of the impact of minimum wages internationally, providing evidence for future government changes.

Further information

National Living Wage changes since introduction

Date NLW rate applied from NLW rate (age 25+)

April 2016 (introduction)	£7.20
April 2017	£7.50
April 2018	£7.83
April 2019	£8.21

- The National Living Wage (NLW) for workers aged 25+ came into effect in April 2016. Its introduction delivered the fastest pay rise for the lowest earners in 20 years.
- On 1 April 2019 it increased by 4.9% to £8.21 an hour.
- This represents an increase to a full-time minimum wage worker's annual earnings of over £690, equivalent to a total increase in annual earnings of over £2750 since April 2016.
- Young people and apprentices also saw above inflation increases in the National Minimum Wage rates.
- Over 2.1 million people are expected to benefit from April's increases to the National Living and Minimum Wage rates.
- A higher proportion of women than men are expected to benefit from the increases in the NMW/NLW rates.
- Supported by the NLW, the lowest paid (full-time workers at the fifth percentile) have seen their wages grow by 8% above inflation between April 2015 and April 2018.