



**Unite Submission to
The Low Pay Commission Consultation on
Increasing the Minimum Wage**

June 2024

Introduction

Unite remains very concerned about the rate of low pay in the UK. Each year in response to the LPC's NMW/NLW consultation Unite has and will, as necessary, continue to call for a significant increase to the NMW/NLW to truly lift the lowest paid workers out of in-work poverty.

In 2022 Unite commissioned independent research from Landman Economics to look at the economic impact of a bolder increase of the NMW/NLW. Howard Reed from Landman Economics also joined us in giving oral evidence to the Low Pay Commission.

The report from Landman Economics included an analysis of the economic impact of the introduction of a £15 per hour NMW/NLW using the data from the UK Family Resources Survey [FRS] to identify the numbers of people in the UK who would be directly affected by an increase in the current rates of the NMW and their characteristics. The Landman Economics report analysed three years of FRS data (2017/18, 2018/19 and 2019/20) pooled together; this enabled detailed analysis of the impact of increasing the NMW according to gender, ethnicity, industrial sector, migrant workers and temporary jobs.

The report from Landman Economics found that a £15 per hour increase to NMW/NLW as soon as possible would be distributionally progressive without impacting on jobs and the wider economy. Furthermore, this increase would significantly benefit women, BAEM, young and migrant workers, as well as those in temporary jobs where it would have a greater distributional impact across these households. Increasing the earning potential of these people would enable them to save more and invest money in training and progression which in turn would allow them greater competitiveness in the labour market.

In recent discussions with Howard Reed at Landman Economics he has confirmed that this analysis still holds and that there is still a powerful economic case for an increase in the National Living Wage to £15 per hour as soon as possible. In fact, he thought that an immediate increase to £15 per hour is a good idea given the last 18 months of high inflation.

Therefore, Unite continues to call for the NMW/NLW to be set at £15 per hour now.

Executive Summary and key points

Unite continues to support the Low Pay Commission's role in advising the Government on the rate of the National Minimum Wage/National Living Wage. In addition to submitting this written response, Unite has supported the LPC's evidence gathering sessions through organising workers in typically low paying sectors to participate in evidence sessions with Low Pay Commissioners.

Unite raises the following priorities as vital to addressing low pay:

- **Increasing the minimum wage:** In 2022 Unite commissioned a report from Landman Economics to ask if it would be economically viable to raise the NMW/NLW to £15 per hour. The findings of the report support a £15 per hour rate of NMW/NLW now, and at least an immediate increase to £13 per hour without loss of jobs and an increase to the Treasury through increased income tax and National Insurance Contributions receipts, increased receipts from expenditure tax (due to higher consumer spending by workers with higher net wages) and lower Universal Credit spending.

The NLW increase for April 2025 should be set above RPI to recover falls in real pay and to begin to compensate for being too low initially, in order to protect the living standards of those on minimum wage.

Based on this, as well feedback from our members and a range of stakeholders, this year Unite reaffirms its call for £15 per hour now. Unite maintains that low paid workers, should **not** suffer the burden of this cost-of-living crisis.

- **Closing the gender pay and pension gap:** Unite recognises that more women are in employment than ever before but is also aware that women (as well as BAEM and disabled workers) are more likely to be trapped in lower paid work and to suffer unequal pay gaps, poverty and income loss from austerity. It is commonly cited that women 'choose' these jobs because of flexibility which allows them to fulfil caring responsibilities that they just can't find in better paid roles. But women should not be financially penalised for having children, they should be supported so that they and their families can progress out of low pay. The report from Landman Economics which accompanied our 2022 submission found that a £15 increase as soon as possible would greatly benefit women and have a greater distributional impact in households with female workers and increase their earning potential to save more and invest money in training and progression which in turn would allow them greater competitiveness in the labour market.
- **Tackling the equality pay gap:** Unite is concerned about the patterns of wage inequality which disproportionately impact BAEM workers. Black and Asian ethnic minority workers are disproportionately represented in low paid and insecure work, they face higher levels of unemployment and racism at work. Unite recognises the positive role of the level of the NMW in addressing pay inequality

gaps, but remains concerned about the discrimination and lack of progression of BAEM workers and calls on the Government to legislate to tackle ethnic disparities in the workplace by introducing mandatory ethnicity pay gap reporting for all employers and a requirement to take action to close it. There is an issue around outsourcing where employers outsource lower-paid workers so that they are not included in the pay gap reporting which usually applies to directly employed workers. For this reason, employers should be required to include sub-contracted workers in their calculation.

- Unite is inspired by the results of the Landman Economics report which identified the distributional impacts of a £15 per hour rate of NLM/NMW by ethnicity are particularly progressive for Asian, black migrant workers as these groups currently have higher-than-average incidence of low pay¹.

Unite has also campaigned for and supported the TUC's action to highlight the disability pay gap which also requires equivalent reporting and action to close it².

- **An average wage families can live on:** Work should be a route out of poverty, yet in-work poverty has been increasing year on year, which particularly impacts minimum wage earners, BAEM workers and lone parents, who are mostly women working in elementary occupations³.

Absolute low income increased by 500,000 people before housing costs and 600,000 people after housing costs in the year to 2022/23. According to the Resolution Foundation absolute low income will continue to rise in the short run and absolute poverty will increase by 300,000, from 11.7 million in 2023/24 to 12.0 million in 2024/25⁴. Consequently, relative child poverty is set to return to its upward trend at the end of the cost-of-living crisis and reach its highest levels since 1998/88 in 2027/28⁵.

The rise of in-work poverty betrays the positive developments brought in by the NLW/NMW and increased levels of employment. Higher inflation for essential items disproportionately impacts those on minimum wage who spend a greater proportion of their income on essentials, meaning a much higher increase in the NLW is required to maintain living standards.

Unite believes increasing the minimum wage to £15 now will help to ensure that workers and their families are able to achieve the secure foundations needed to flourish.

- **A ban on zero hour contracts:** The proliferation of zero-hour contracts, bad jobs and economic insecurity has left a large segment of the population struggling,

¹ ONS: *Ethnicity pay gaps: 2019*. [Link](#).

² TUC: *Disability pay and employment gaps 2020*. [Link](#).

³ Joseph Rowntree Foundation: *UK Poverty report 2024*. [Link](#).

⁴ Resolution Foundation: *The Living Standards Outlook – Summer 2023 Update*. 6 September 2023. [Link](#).

⁵ *Ibid*.

living hand to mouth and not knowing if they will have enough money to pay their rent and utilities or even have food to eat. Furthermore, insecure employment, such as ‘agency work’ and ‘bogus self-employment’, leaves workers with little or no guaranteed work, no way of planning their finances and at the mercy of unscrupulous employers. Unite research showed that 87% of workers with zero-hours contracts want to be employed on different contracts⁶.

Unite calls for an end to the one-sided flexibility of zero hour contracts. All workers should have an employment contract that reflects an individual’s normal hours of work, a statutory minimum contract of at least 16 hours, and a day-one right to a written statement setting out pay and conditions. There should also be a right to reasonable notice of shifts, and payment if shifts are cancelled. This would make flexible working arrangements fairer and protect workers from one-sided and exploitative practices.

- **Ending wage inequality for younger workers:** Unite welcomes the Low Pay Commission’s recommendation to lower the age threshold, which lowered the NLW to 21. However we believe that the UK should move towards a position where workers are not discriminated against on the basis of age, but are paid the rate for the job. Unite calls for the rate of pay for all workers to be set at £15 per hour now. The Landman Economics report also looks at extending this rate to younger age groups (18-22), the report found increasing the NMW to £15 per hour or workers aged 18-22 would result in an average gain in net income per worker of just over £5,100 per year.
- **Quality apprenticeships and quality pay rates:** Unite supports apprenticeships as a positive route into employment. Unite calls for proper terms and conditions which include a minimum rate of pay in line with the NMW.

Unite welcomed the new apprenticeship funding rules which put a requirement on providers to have checked whether employers are complying with legislation on the National Minimum Wage for Apprentices. However, Unite is concerned that the apprenticeship scheme is still being used by some unscrupulous employers as a way to save on their wage bill rather than providing quality apprenticeships. Unite calls on the Government to end a loophole in the apprenticeship levy which has allowed some employment agencies and other unscrupulous operators to pass the levy onto its workforce. Many apprentices are being left with non-transferable qualifications. Unite strongly believes that as part of overall quality control and auditing of an apprenticeship, there should be a statutory obligation upon the Training Provider to check that apprentices are fully receiving at least remuneration to the statutory minimums. Unite again calls for the apprentice rate to be set at the NMW commensurate with their age as a bare minimum.

⁶ Unite Report: *Addressing the pay gap for BAEM workers.* July 2023

- **Rights of access for trade unions:** Trade unions are at forefront in the fight for better wages, parental rights, holidays, sickness pay and stopping discrimination. The latest ONS data on trade union membership in the UK reveals there 6.4 million members⁷. Trade unions are our largest voluntary and democratic organisations. Trade unions are on the frontline every day, fighting poverty, inequality and injustice, and negotiating a better deal for working people.
- The UK has the most restrictive trade union laws in Western Europe⁸. A barrage of anti-trade union legislation over the past decade has meant that workers have found their ability to organise and take industrial action to challenge these injustices greatly restricted. Both the law and the employment culture in this country place little emphasis on workplace protection and do little to support or respect it. In the hospitality sector our union representatives continue to be routinely thrown out of workplaces. This is a violation of Article 11 of the European Convention of Human Rights which provides that everyone has the right to form or to join a trade union for the protection of their interests. The current trade union laws allow employers to infringe workers' freedom of association. Unite demands that the Government take action to strengthen trade unions' access to workplaces. Unite calls for straightforward right of access for trade unions, and a simplified route to recognition and therefore the right to negotiate and we highlight the trade union hostility of many employers in the hospitality industry which we see correlating with high levels of low pay, poor working conditions and exploitative practices.
- **Sectorial collective bargaining:** It's no coincidence that while union strength and collective bargaining fell, inequality rose sharply. Unions are central to recalibrating our economy to ensure it delivers for the majority. Setting minimum pay rates is no replacement for collective bargaining. We see a union premium in all our pay deals. Unite members are using collective bargaining to go beyond the 'real living wage'. Recently outsourced airport facility workers organised by Unite secured a 10% pay increase from £11.00 to £12.10 an hour, plus an increase from £11.50 to £12.90 for night shifts. This came after a long running campaign to have basic pay levels sustained above the real living wage level⁹. Although Unite has been supportive of the role of the Low Pay Commission, we maintain that wages won and enforced through collective bargaining are the most effective way to eradicate poverty pay.

Workplaces with strong trade unions based on the power of the collective are safer, more equal workplaces. Furthermore, pay negotiations through collective

⁷ Department for Trade and Business: *Trade Union Membership, UK 1995-2023: Statistical Bulletin*. 24th May 2024. Link: [Link](#).

⁸ Unite press release: *Unite vows to confront head-on any further attacks on the right to strike*. 22 May 2022. [Link](#).

⁹ Unite the Union press release: *Unite secures 10 per cent pay rise for ABM workers at Glasgow Airport*. Wednesday 24 April 2024. [Link](#).

bargaining leads to more transparency and narrowing of the pay gap. In our experience in workplaces where we have collective bargaining there is greater commitment by employers to prevent and tackle the gender pay gap. For example, in the NHS, the Equality and Diversity forum which is a joint employer and staff side forum launched the Equal Pay toolkit to monitor gender equal pay among NHS employers.

Unite calls for sector wide collective bargaining along with proper employment protection to help address undercutting and exploitation in labour markets and the unfair treatment of migrant workers and agency workers. If we are to transition away from a low-wage, precarious economy, increasing the collective bargaining power of our workers is critical. Additionally, modern wages councils for low paid sectors should be part of the Government's Industrial Strategy (or whatever replaces it following the abolition of the Industrial Strategy Council) and the LPC should have a role in bringing sectors together.

- **Trade union facilities:** All workers should have access to a trade union and the right to full trade union representation at work. This access should be free from employer surveillance, and the fear of intimidation should not prevent workers from speaking to a union. Unite calls for a revision in the legislation for dealing with trade union facilities, so that trade union representatives in the workplace have the time, space, resources and powers to carry out their duties which Unite is calling to be extended to union equality representatives. The right of workers to be accompanied by a trade union representative must be enforced and maintained.
- **Collective grievances:** The law as it stands runs contrary to the fundamental right to Freedom of Association as it seems to suggest that workers can only effectively freely associate in order to pursue minimum wage or employment law matters directly with their employer if there is a collective bargaining agreement in place. Without this they are left in the vulnerable position of being forced to individualise every complaint. Unite would like to see a situation whereby a trade union can make a representative action on behalf of a group of workers to an employment tribunal. Unite believes this can be addressed by means of an amendment to the primary legislation and the accompanying ACAS Code of Practice to allow for collective grievances and representation to be recognised in law.
- **Enforcing the minimum wage:** Enforcing the minimum wage requires collaboration between the relevant enforcement bodies, HM Revenue & Customs (HMRC) and Gangmasters and Labour Abuse Authority (GLAA), and trade unions. Enforcement agencies alone cannot effectively 'police' against labour abuses. Improving trade union access to workplaces will ensure that unions will be able to inform individuals of their rights and, critically, ensure that those rights are enforced. Trade union representatives save both time and money by improving workplace relations and enforcing best practice. Unite calls for the reinstatement of the important tri-partite nature of the GLAA. Unite recommends reinstating trade union representatives on the governing body of GLAA and other

enforcement agencies to ensure a direct worker voice and good governance. Unite believes this would also restore the ability for workers to report concerns about compliance with NLW and NMW directly to other stakeholders and to the GLAA staff and managers responsible for enforcement and operations, and, as such, disrupt exploitative practices. In relation to the introduction of a single enforcement body Unite is concerned joint working between labour inspectorates and immigration enforcement will undermine the efficacy of UK labour market enforcement with regard to migrant workers, who are more vulnerable to being exploited at work.

- **Increasing the resources of enforcement agencies:** While Unite supports the coordinating role of the Director of Labour Market Enforcement (DLME), we oppose the creation of a single enforcement body made up of already under resourced GLAA, HMRC NMW enforcement, and the Employment Agency Standard Inspectorate. Unite is concerned the focus of the body will be diverted away from enforcing labour rights to the service of an anti-immigration agenda, with no firewall or ‘safe reporting’ mechanisms to prevent workers who report labour abuses from becoming criminalised due to their immigration status. Two years on from the proposal of changes to enforcement, there is no clear time frame to the implementation of the new system of enforcement. Neither has there been any announcement of extra funds to better resource enforcement. Unite recommends that the Government commits to making substantial increases to current funding for monitoring and enforcement of the NMW, especially needed if a single enforcement body is being introduced. Unite also recognises the urgency of enforcement in high-risk sectors such as hospitality, warehousing/logistics, cleaning, agriculture and food production industry.
- **Statutory sick pay:** The UK's legal minimum for sick pay is a measly £116.75 per week, one of the lowest rates in Europe, and many low-paid workers do not even qualify for this. Poor work can be a major cause of ill health; 1.8 million people suffered from a new or long-standing illness which they believed was caused or made worse by work last year¹⁰. Despite the prevalence of work-related illness and work-related injuries which number at the same level¹¹, many employers only pay Statutory Sick Pay (SSP), the legally required minimum that they have to pay to workers if they're too ill to work. As of April 2024, SSP has been increased slightly to £116.75 per week and is only payable for up to 28 weeks. To put that in perspective, average weekly earnings across Britain are £677. Even a person working full-time for the minimum wage gets paid nearly four times as much. Unite highlights the inadequacy of SSP and calls on the LPC to recommend improvements to the rate and that all workers are covered by SSP.
- **Extend the remit of LPC:** The gender pay gap reports have demonstrated the concentrations of women in lower paid areas. Unite again repeats its call for the LPC to have its remit widened beyond advising on the rate of the NMW and look at

¹⁰ HSE: Historical picture statistics in Great Britain, 2023 Trends in work-related ill health and workplace injury. Page 5. Data up to March 2023. [Link](#).

¹¹ Ibid page 13

the causes and consequences of low pay and making recommendations to the Government. Areas of investigation should include the impact of the NLW/NMW on closing the gender pay gap and other equality gaps. The remit of the LPC should be extended to include a long-term role – investigating the causes and consequences of low pay.

2.1 About you

Unite is the UK and Ireland's largest trade union with over 1.2 million members across all sectors of the economy including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, retail, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

Unite is pleased to submit evidence to the LPC on its further review of the 2025 rate of NMW (including NLW). Unite considers the establishment of the NMW to be one of the most important successes of the former Labour Government. Its introduction and subsequent increases have not had any adverse effects on the labour market, whilst it has benefited millions of low paid workers.

2.2 The National Living Wage

Q: What has been the impact of the NLW in the past year, particularly the most recent 9.8 per cent increase to £11.44 in April this year? Our critical interest is in its effects on employment, hours and earnings. We are also interested in the effect of the NLW on any of the areas listed below:

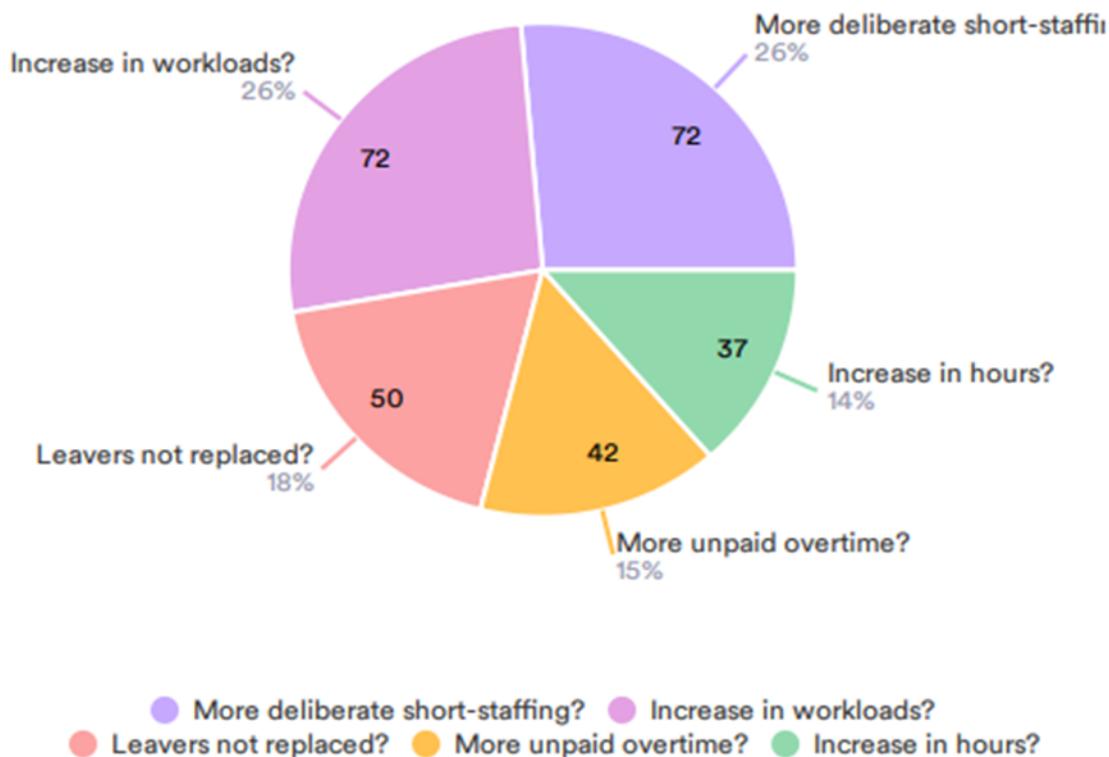
Pay structures and differentials

Unite has seen evidence of the NLW increase this past year raising the wage floor and we continue to negotiate with employers in low paying sectors to move away from NLW/NMW rates.

In May 2024 Unite carried out a survey of chefs' pay which received responses from our members who work as chefs across various grades. We asked whether their pay had gone up in line with this increase; 46% said 'yes', 38% said 'no' and 17% were unsure.

The survey also asked whether the NMW/NLW increase had impacted hours and working conditions;

- 26% reported their workload had increased and also saw deliberate short-staffing;
- 14% had seen their working hours increase;
- 15% experienced more unpaid overtime;
- 18% stated roles had not been replaced.



In Unite’s experience of organising workers in the hospitality sector, we often see employers seeking to maximise profits by squeezing pay, diminishing terms and conditions and increasing hours and workloads.

This has become typical ‘race to the bottom’ practice in a sector that is largely hostile to trade unions and betrays the fundamental principles of freedom of association with cases of union activists being targeted for disciplinaries and dismissals.

Thus the experiences captured in this survey should not be viewed as a natural consequence of increasing the NMW/NLW, as we see companies such as Whitbread, the UK’s largest hospitality employer which reported a 36% increase in profits to £561m this past financial year, forcing compulsory redundancies on 1500 workers, whose labour has largely contributed to the profits the company and its shareholders are enjoying (some of which are in tied accommodation and will be made homeless in August).

Unite has repeatedly appealed to Whitbread senior management to engage with the union to avoid compulsory redundancies and invest the £500m promised into retaining and redeploying the people that helped make the profit. The workers found out in May 2024, via a press release, that the company was planning redundancies. 90% of the workforce is on the NLW/NMW, while last year its CEO received a £5.6m pay award¹².

¹² High Pay Centre: UK Pay Database 2023. [Link](#)

Newly-released figures from the ONS shows that regular pay across the economy rose by 6.0% in January-March 2024 compared to the same period a year ago¹³. This is far quicker than pay growth before the Covid pandemic. The collective action of workers has driven this rise, with Unite members in the vanguard. Double-digit pay deals have pushed up the overall pay growth rate and inspired other workers to build their own workplace power. The impact Unite members' collective power and action has had on driving up wages demonstrates workers are demanding and winning above inflation pay deals necessary to lift workers out of poverty pay. Unite calls on the LPC to be bold in its recommendations to Government and endorse our call for £15 per hour NMW/NLW.

Profits & profiteering

Prices have risen by a lot more than wages since Spring 2021, meaning the equivalent of an annual pay cut of nearly £3,000 for the average worker¹⁴. Since inflation first exceeded the Government's target in Spring 2021, prices have risen more than 50% faster than wages. If wages had kept pace with inflation over this period, the average worker would be earning £2,921 more per year.

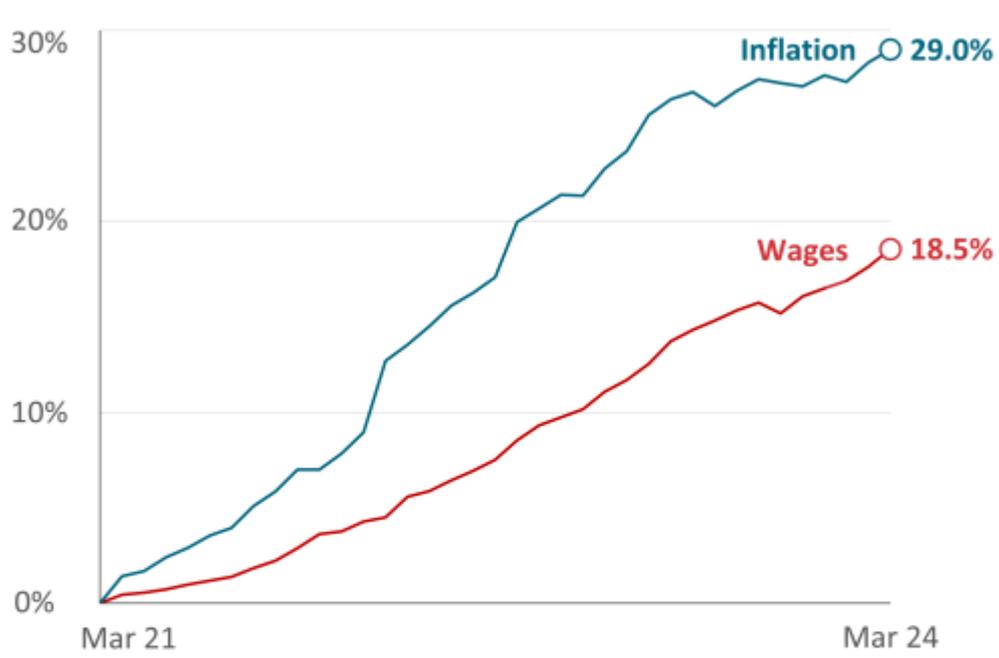


Figure 29 Inflation (in blue) has risen almost twice as fast as wages (in red) since inflation first exceeded the Government's target in Spring 2021. Monthly average weekly wage versus monthly RPI, indexed to March 2021. Source: RPI and AWE, ONS.

This betrays claims made by employers and politicians about a 'wage-price' spiral. In reality, workers need to fight to win back the earnings they've lost to inflation and profiteering by employers. Recent Unite research analysing the profit margins of 17,000

¹³ ONS: Average weekly earnings in Great Britain: April 2024. Release date 14th April 2024. [Link.](#)

¹⁴ Unite the Union: Facts and figures. May 2024. [Link.](#)

UK companies, the largest study of corporate profits since the pandemic, found that average profit margins have soared by 30% compared to the pre-pandemic period¹⁵.

Unite believes profits have spiralled out of control across the economy. Some of the worst offenders include the big banks, oil & gas, electricity generation, supermarkets, and shipping companies. For example, electricity generation companies almost trebled their profit margins, up by 185%, highlighting the need for energy nationalisation¹⁶. The 'big four' banks made £45 billion in 2022, up 75% on their pre-pandemic margins¹⁷. Workers and communities are hit with a cost of living crisis as wealth redistribution deviates from workers' wages to corporate profits. Our research shows how increased profits haven't gone into investment for future production and jobs – the UK lingers on the lowest investment rates of all advanced countries. Instead, they've been drained out into payments for investors. Shareholder payouts for the big FTSE 350 companies have jumped up 20% since the pandemic¹⁸. While corporations and their investors opt for short-term profits and large dividends over investing to rebuild our industries and public goods, jobs are lost, pay stagnates and working conditions diminish.

Unite argues the jump in profits has been at the expense of wages, which have fallen in real terms over the same period.

The UK economy is worth £2.7 trillion¹⁹ and is slowly growing, but workers' share of the pie is much smaller than it used to be. It is estimated to have grown by 0.4% in March 2024, following growth of 0.2% in February 2024, and growth of 0.3% in January 2024. Some employers may use the longer term stagnation of the UK economy to claim there is not enough money for pay rises. Unite believes there's clearly enough wealth to ensure workers are adequately paid - the UK is the sixth largest economy in the world.

Since 2010, the UK economy has grown at around 1.5% a year²⁰, but at the same time we have had falling real wages and declining public services. Forecasts only predict slow growth of less than 1% in 2024²¹ making redistribution more important than ever.

In addition to growth forecasts, a number of private sector surveys give an insight into the current confidence of consumers and businesses. These show that consumer and business confidence is not as low as employers might like to suggest, and that the economy is likely to perform positively over the next year.

Many analysts have consumer and business confidence at two-year highs:

- According to the Lloyds Business Barometer, business confidence was 42% in April 2024, the second highest level since 2017 and fourteen points above the

¹⁵ Unite the union: *Profit margins up 30% across the board*. Wednesday 15 May 2024. [Link](#).

¹⁶ Unite Investigates: *Profiteering is breaking the economy*. May 2024. [Link](#).

¹⁷ Unite Investigates: *Profiteering is breaking the economy*. May 2024. [Link](#).

¹⁸ Ibid.

¹⁹ Statista: *UK GDP - Statistics & Facts*. Mar 15, 2024. [Link](#).

²⁰ ONS: *Gross Domestic Product: chained volume measures: Seasonally adjusted £m*. Release date 10th May 2024. [Link](#).

²¹ Office for Budget Responsibility: *Economic and fiscal outlook – March 2024*. 6th March 2024. [Link](#).

long-term average²². This is the highest level since February 2022 – before the energy crisis which followed the outbreak of the war in Ukraine.

- March's composite Purchasing Managers' Index – a key barometer of companies' turnover and activity – showed "*UK service providers recorded a robust and accelerated upturn in business activity during April*"²³.
- GfK's Consumer Confidence indicators continue to show an improving picture compared with a year ago, with 4 out of 5 measures up²⁴.
- The latest Deloitte Consumer Tracker shows UK consumer confidence rose to -11% in Q1 2024, its highest level in two and a half years²⁵.

Jobs & Pay

Recent Unite pay data analysis which includes data published in Labour Research Department's Workplace Report, XpertHR Pay Awards and Incomes Data Research's Viewpoint blog and Pay Climate identified:

- private sector median has held steady at 5.0% and the upper quartile here has risen from 5.8% to 6.0%. This change has been influenced mainly by outcomes in private services where the interquartile range of awards has shifted upwards significantly from between 3.8% and 5.0% in the three months to January to between 4.0% and 5.9% in our latest analysis.
- The proportion of higher-end awards worth 5% or more in the private sector has grown and now represents almost three-fifths (59%) of the sample (up from around half, or 52%, in January). Meanwhile in manufacturing the upper quartile remains higher than in private services at 6.2%, although it has dipped since January when it was 6.4%.
- There has been a small fall in the proportion of increases worth 5% or more in manufacturing (62% of latest sample versus 65% last time). Some of the highest awards in the private sector – those worth 7% or more – have occurred in construction on the one hand and among employers in fast food, pubs and restaurants such as Greggs and KFC, on the other hand.

²² Lloyds Bank: Business Barometer COMMERCIAL BANKING By the side of business May 2024. [Link](#).

²³ S&P Global: UK Services PMI: Service sector output growth strongest since May 2023. 3rd May 2024. [Link](#).

²⁴ GfK: UK Consumer Confidence improves two points in April. 26th April 2024. [Link](#).

²⁵ Deloitte: The Deloitte Consumer Tracker Q1 2024. 30th April 2024. [Link](#).

Pay awards over the last 12 months

	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24
Lower quartile	4.0	5.0r	5.0r	5.0	4.5r	4.5r	4.5r	4.5r	4.0	3.3	4.0
Median	5.3r	6.0	6.0	6.0	5.0	5.0	5.1r	5.1r	5.0	5.0	5.0
Upper quartile	7.0	7.3r	7.7r	8.0r	7.0	6.8r	7.0	6.5	6.5	5.0	5.9
Average	6.0r	6.2r	6.2r	6.2r	5.7	5.6	5.7r	5.3r	5.2	4.4	5.0
Total*	179r	293r	299r	283r	65r	56r	62r	34r	29	15	63

* Total no. of pay awards recorded in 3-month period, r = revised.

Source: IDR *Pay Climate* quarterly report, Issue 36, March 2024.

At 4.3%, the unemployment rate remains historically low, boosting workers' wage bargaining position. The UK employment data for January to March 2024 from the ONS²⁶ shows that:

- The employment rate remains at 74.5%, which is relatively high by historical standards;
- The unemployment rate is slightly up to 4.3%, which is low by historical standards; and
- The economic inactivity rate is slightly down to 22.1%, which is relatively low by historical standards.

Over recent years, events such as exiting the European Union, the pandemic, and higher energy and commodity prices have led to supply chain disruption. These disruptions affect workers in terms of the prices they pay for goods, but they also affect workers who may lose hours if the lack of a key components stops or slows production or the delivery of services. Employers are often keen to use disruption as a negative context for offering less in pay negotiations. But supply chain disruption is now close to normal levels, according to the New York Fed's Global Supply Chain Pressure Index, which looks at delivery times, backlogs, and inventories from manufacturing purchasing managers' indices across the world²⁷.

Progression and job moves

In Unite's experience of organising workers who work in typically low paying sectors such as hospitality, food production and warehousing, these sectors do not offer its employees much scope for pay progression. It remains the case that employees in the accommodation sector barely earn more in their thirties and forties than they do in their twenties.

²⁶ ONS: Employment in the UK: May 2024. [Link](#).

²⁷ New York Fed: Global Supply Chain Pressure Index (GSCPI). May 2024. [Link](#).

Unite continues to raise concerns over the lack of progression available to low paid workers, including a high proportion of women and black and Asian ethnic minorities, particularly those in hospitality and outsourced cleaning, catering and facilities jobs.

Training

Unite reps and officers in the hospitality, food production and warehousing sectors, where low pay is prevalent, are challenging the lack of training and progression for workers that has been enabled by two-tier and even multi-tier systems where agency and contract workers have been working for an economic employer for a number of years without any training or progression. In our 2023 survey of officers, the lack of training and progression of workers in low paid jobs came up frequently as a matter of concern²⁸.

Recruitment

According to the most recent ONS dataset for workforce by industry, there is strong job growth in the agriculture, water & waste, finance, and health sectors, with the fastest job growth seen in the agriculture industry²⁹. Overall ONS reports positive job growth in all sectors over the past twelve months³⁰.

Q: To what extent has the NLW affected different groups of workers, particularly those with protected characteristics (for example women, ethnic minorities and those with disabilities) and migrant workers?

Low paid employees tend to be part-time, younger, more likely to be women, and more likely to work in industries such as hospitality:

- 48% of hospitality workers are earning below the real Living Wage. This is double the rate of the next two sectors with the highest rate of low pay; ‘arts, entertainment and recreation’ (24.7%) and ‘retail and wholesale’ (23.2%)³¹.
- 6 in 10 jobs that are paid below the real Living Wage are held by women. In total 2.2 million women earn below the real living wage compared to 1.5 million men³².
- women are 1.2 times more likely to be on zero-hours contracts than men.

Black and Asian Ethnic Minorities (BAEM)

Black and Asian Ethnic Minority workers are also over-represented in the low paid and under-valued occupations, a 2020 TUC report identified this is due to systemic racism

²⁸ Unite survey of Officers on NMW/NLW rate for 2024.

²⁹ ONS: DatasetJOBS02: Workforce jobs by industry. Released 12th March 2024. [Link](#).

³⁰ Ibid.

³¹ Living Wage Foundation: 3.7M jobs paid below the real living wage in first rise since 2020 0

³² Living Wage Foundation: Almost 2.2 million women in the UK are struggling to make ends meet in low paid jobs. March 2024. [Link](#).

faced by BAEM people at work³³. The report also reveals 3.9 million BAEM working people in the UK are far more likely to be in precarious jobs than white workers³⁴.

Black, African, Caribbean or Black British workers earn 6% less than white workers³⁵. This has been consistent since the ONS first started recording such data in 2012. Bangladeshi and Pakistani employees are also paid less than white British employees³⁶. Furthermore the industrial and political struggles of Black, Asian and Ethnic Minority (BAEM) workers over time have been crucial to addressing racism and inequality in our society. But we still have a long way to go to eradicate the root causes.

The figure below illustrates that Black, African, Caribbean or Black British workers (red) have consistently earned lower median hourly pay than white workers (blue) since data was recorded.

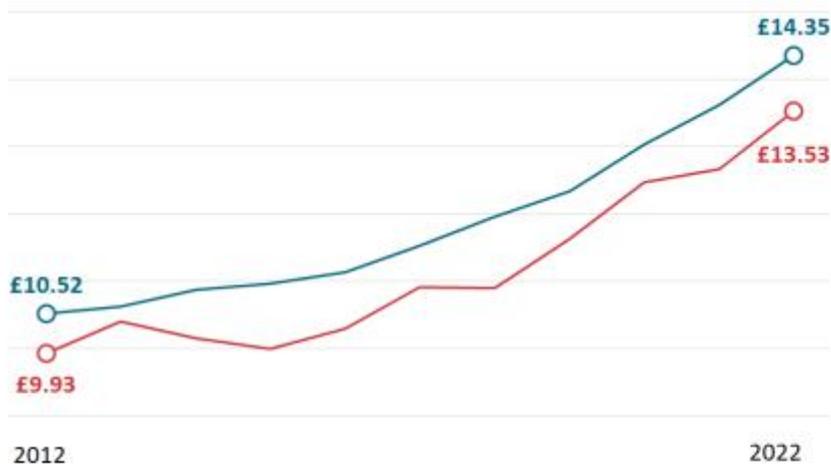


Figure 38 Black, African, Caribbean or Black British workers (red) have consistently earned lower median hourly pay than white workers (blue) since data was recorded. Source: ONS

Unite understands all workers have experienced substantial real-terms pay cuts over this period, as a result of earnings not keeping up with inflation, but BAEM workers are also losing out on pay due to racism and discrimination.

Unite is alarmed by recent TUC analysis which found³⁷:

³³ TUC: *Dying on the job Racism and risk at work*. July 2020. [Link](#).

³⁴ Ibid.

³⁵ TUC: Still rigged: racism in the UK labour market. 31ST August 2022. [Link](#).

³⁶ ONS: Ethnicity pay gaps, UK: 2012 to 2022. Released 29th November 2023. [Link](#).

³⁷ TUC: BME unemployment rate over twice as high as white workers – with gap widening through pandemic. 6th May 2022. [Link](#).

- BAEM workers face double the rate of unemployment than white workers (7.7%, compared to 3.5% for white workers);
- BAEM workers are more likely to be in insecure work than their white counterparts (14.1% of BAEM workers, compared to 10.7% of white workers);
- 2 in 5 BAEM workers have experienced racism at work in the last five years;
- Black workers are more likely to be disciplined, unfairly criticised, and suffer harassment, violence and bullying at work; and less likely to get access to training and development opportunities, or to be promoted.

The equality pay gap

Unite believes the pay gap for BAEM workers is a direct result of discrimination which places barriers for BAEM workers to enter the labour market and progress in the workplace. Main barriers are unfair pay, job segregation, unfair recruitment and selection, lack of progression and location. In 2018 it was estimated that the cost of race pay penalty amounts to £3.2 billion per year, a staggering amount of lost pay across the economy³⁸.

Unite has been challenging this inequality and has ensured employers in organised workplaces fulfil their responsibilities. We have been calling for mandatory reporting of BAEM workers' pay gap, for all employers with more than 50 employees to prevent and tackle this. It is important to ensure small employers publish their data and take action as they employ the biggest part of the workforce. Small and medium-sized businesses account for 99.9 per cent of the private sector³⁹. A Unite regional officer in the Food, drink and Agriculture (FDA) sector has told us;

“Racism remains fundamentally present in the areas in our region that are rurally more isolated - all aspects for employment, from recruitment,, to absence of parity or equity in contracts, pay, substantive contracts, sick pay, access to statutory leave etc resulting in structural inequity.” – Unite regional officer – FDA sector

Unite has developed a “Race Forward” campaign for tackling race discrimination in the workplace, which is overseen by Unite’s BAEM structures. It sets out clear practical action needed in ALL workplaces, including:

- Close the ethnic minority employment gap;
- Tackle the pay gap for black workers;
- Fight for equality of opportunity in promotion;
- Deal effectively with racial harassment, discrimination and bullying;
- Promote fairness for Black women workers;

³⁸ Resolution Foundation: *The £3.2bn pay penalty facing black and ethnic minority workers*. December 2018. [Link](#).

³⁹ Business population estimates for the UK and regions [Link](#).

- Negotiate for Union Equality representatives;
- Ensure fair treatment of migrant workers;
- Organise and recruit BAEM workers into the union;
- What to do if the employer will not monitor or conduct an audit.

Insecure work

The experience of insecure work differs between different ethnic groups, but the overall pattern is one in which BAEM workers are significantly disadvantaged resulting in many living on the margins of the labour market⁴⁰. Recent TUC analysis found that nearly one in six (15.7 per cent) of BAEM men and 12.4 per cent of BAEM women are likely to be in insecure work⁴¹.

Unite is alarmed by this TUC analysis which reports BAEM women are around twice as likely as white workers to be employed in insecure jobs with many of these roles being in vital front-line services like health and social care⁴². BAEM workers are not only disadvantaged in terms of the quantity of work they have access to, but also the quality of jobs. When in employment, one in three BAEM workers in insecure work had asked for a fixed-hours contract but only one in three of those were successful⁴³.

Another Unite regional officer in the FDA sector told us:

“Workers from black, Asian, mixed race and minority ethnic backgrounds earn 16 per cent less compared to their white comrades. Most don't say anything as they are just grateful they have a job and don't want to rock the boat. There is a lot of insecurity in their jobs.” – Unite regional officer – FDA sector

Unite has been calling on the Government to put an end to the current two-tier workforce and reform the rules on employment. Unite supports a new universal status of ‘worker’ to replace the current definitions which make workers who are not ‘employees’ eligible for fewer rights than ‘employees’. The onus should be on employers to prove a contractor is self-employed, rather than workers having to prove they are not self-employed.

Unite calls on the Government to outlaw zero-hours contracts and tackle the exploitation faced by all workers, and particularly BAEM workers in non-permanent work, by taking action to create decent jobs and stop the growth of insecure working that is consigning millions to in-work poverty and exploitation.

In work poverty

The 2024 Joseph Rowntree Foundation (JRF) UK Poverty report discusses ethnicity and poverty and as in previous years black, Asian and ethnic minorities (BAEM) were

⁴⁰ TUC: *Jobs and recovery monitor - Insecure work*. July 2021. [Link](#).

⁴¹ TUC: *Insecure work Special edition of the TUC's Jobs and recovery monitor*. July 2021. [Link](#).

⁴² TUC equality briefing : BME women and work. October 2020. [Link](#).

⁴³ Ibid.

significantly more likely as those in white households to be in poverty in the UK. Households headed by someone from black Caribbean backgrounds were 50% more likely to experience poverty than those in white households (28% versus 19%), while households headed by someone from an Asian background other than Indian, Pakistani, Bangladeshi or Chinese, or by someone from Black African backgrounds, were twice as likely as those in white households to be in poverty (39% and 42% respectively)⁴⁴.

According to statistical data highlighted in the JRF report, BAEM households have higher in-work poverty and higher child poverty rates because many BAEM workers, particularly Pakistani and Bangladeshi workers, are more likely to have the types of jobs (elementary jobs, service sector and or process and plants and machine operative jobs) and working patterns (precarious jobs) that are associated with in-work poverty⁴⁵.

The Unite-commissioned Landman Economic report argues that an increase in NMW/NLW to £15 per hour would reduce ethnic inequalities in gross earnings and that this rate would be distributionally progressive for BAEM households, more so than for white households, with especially large gains in the bottom half of the income distributions⁴⁶.

Unite will continue to call for:

- Mandatory reporting of the pay gap for BAEM workers including regular pay audits, and the findings made available, with a requirement that they are reviewed and monitored to address any disparities. Also, a standard method of calculating the data including employers in the supply chain. Trade unions must be fully consulted and involved throughout the process of reporting the pay gap for BAEM workers.
- Mandatory equality audits and equality impact assessments to ensure that discrimination and barriers that contribute to the pay gaps can be identified and agreed action implemented and monitored.
- Private and public sector employers to establish BAEM monitoring systems.
- An authority to enforce reporting of BAEM workers' pay gap and action plans as well as monitoring. There should be effective and meaningful sanctions for employers who have practices that encourage or lead to race discrimination and those who do not comply. EHRC should be given powers to issue fines to those who fail to comply with a notice and it should be provided with adequate funding to carry out these duties.

⁴⁴ JRF: UK Poverty 2024; *The essential guide to understanding poverty in the UK*. 23rd January 2024. [Link](#).

⁴⁵ Ibid.

⁴⁶ Landman Economics: *The economic impact of increasing the National Minimum Wage and National Living Wage to £15 per hour*. June 2022

- An end to casualisation, zero-hours contracts, precarious work, and long hours' culture which impact on the BAEM pay gap.
- Strong collective bargaining. Evidence has shown that workplaces with a recognised trade union and collective bargaining have lower pay gaps, more pay transparency and fairer practices regarding pay, terms and conditions. Government and employers should recognise that collective bargaining is an effective route to narrowing the pay gap for BAEM workers in all workplaces.
- Statutory rights for union equality reps, including specific requirements on race equality and action to support the progression of black and Asian ethnic minority people at work.

Disabled workers and low pay

According to the latest government data, there were 16 million disabled people in the UK, equating to 1 in 4 people (24%) – and just over a third of all families contained at least one disabled person⁴⁷. The current poverty rate for disabled people is 31%, 12 percentage points higher than the rate for people who were not disabled⁴⁸. The disability pay gap is bigger than a decade ago⁴⁹. Recent analysis by the TUC found that the pay gap between non-disabled and disabled workers is now 14.6%⁵⁰ – higher than it was a decade ago. Disabled people are also more likely to be excluded from the job market and are facing an unemployment rate of 6.7% compared to 3.3% for non-disabled workers. The situation is worse for BAEM disabled workers – where 1 in 10 BAEM disabled workers are unemployed, compared to nearly 1 in 40 white non-disabled workers⁵¹. Disabled women face a bigger pay penalty of 30%, equivalent to £6,780 a year⁵².

The latest ONS figures on disability pay gaps in the UK which reveal disabled workers earn on average £1.93 per hour less than non-disabled employees⁵³. This is of added concern when you consider the latest JRF UK Poverty report identifies significant barriers to accessing work for disabled people, these include childcare costs, accessibility issues and working patterns as well as regional inequalities in the availability of work and access to transport⁵⁴. As with last year, this year's JRF report continues to record higher

⁴⁷ House of Commons Research briefing: UK disability statistics: Prevalence and life experiences. 23rd August 2023. [Link](#).

⁴⁸ JRF: UK Poverty 2024; *The essential guide to understanding poverty in the UK*. 23rd January 2024. [Link](#).

⁴⁹ Ibid.

⁵⁰ TUC: *TUC slams "zero progress" on disability pay gap in last decade*. 13th November 2023. [Link](#).

⁵¹ Ibid.

⁵² Ibid.

⁵³ ONS: *Disability pay gaps in the UK: 2021*. [Link](#); [Link](#).

⁵⁴ JRF UK Poverty Report 2024: *The essential guide to understanding poverty in the UK*. 26th January 2024. [Link](#).

⁵⁴ Ibid.

poverty for disabled people in comparison to non-disabled people with a greater difference for working-age adults whereby disabled working-age adults are almost twice as likely to live in poverty compared with those who are not (35 per cent and 18 per cent respectively)⁵⁵.

“Many disabled workers are part time workers and suffer a lot to make ends meet. They mainly don't say anything as they feel it will be hard for them to find another job that will be as accommodating.” – Unite regional officer – FDA sector

Unite represents many disabled workers in workplaces throughout industry and opposes discrimination against disabled people and supports practical action for disability equality.

Unite and the TUC call on the Government to bring in mandatory disability pay gap reporting for all employers with more than 50 employees. The legislation should be accompanied by a duty on employers to produce targeted action plans identifying the steps they will take to address any gaps identified, including ensuring disabled workers with invisible impairments feel confident in completing workplace equality monitoring. Unite will work with employers to review disability monitoring policies and practices to ensure any barriers to disabled workers confidently sharing information in equality monitoring exercises are identified and removed. Unite calls for decent work and income and full support for disabled people in work and when unable to work - fit the job to the worker, not the worker to the job.

According to new analysis of official statistics published by the TUC, 69% of disabled employees earn less than £15 an hour and are much more likely to be paid less than that amount per hour than non-disabled peers⁵⁶.

Unite supports the calls from the TUC report on disabled workers for the Government to deliver⁵⁷;

- *An emergency budget to boost pay, pensions and universal credit, and cut energy bills through a windfall tax on energy company profits.*
- *Mandatory disability pay gap reporting for all employers with more than 50 employees. This should be accompanied by a duty on employers to produce targeted action plans identifying the steps they will take to address any gaps identified.*
- **Enforcement of reasonable adjustments:** *The Equality and Human Rights Commission (EHRC) should get specific funding to enforce disabled workers' rights to reasonable adjustments and should update their statutory code of practice to*

⁵⁵ Ibid.

⁵⁶ TUC – *disabled workers face “living standards emergency”*. April 2022. [Link](#).

⁵⁷ TUC – *disabled workers face “living standards emergency”*. April 2022. [Link](#).

include more examples of reasonable adjustments, to help disabled workers get the adjustments they need quickly and effectively. This will help lawyers, advisers, union reps and human resources departments apply the law properly.

LGBT+ workers and low pay

Although this consultation does not seek views on the experiences of LGBT+ workers on low pay, Unite will take the opportunity to raise concerns that on average LGBT+ workers are paid 16% less than their peers which translates to LGBT+ workers being paid £6,703 less per year⁵⁸. With respect to trans workers, 60% earn less than £20,000 per year, and are much more likely to be unemployed⁵⁹. According to a recent TUC poll only 1 in 8 of the workplaces polled by the TUC currently monitor the pay gap between LGBT workers' pay and non-LGBT workers' pay⁶⁰.

Unite calls on the LPC to recommend that the Government introduce a statutory requirement for large employers to report on their LGBT+ pay gaps with a code of practice detailing how employers should address these inequalities. Unite further calls on the Government to consult with unions on a strategy to make sure workplaces are safe for all LGBT+ people.

Q: At what level should the NLW be set from April 2025?

Unite strongly believes the LPC can be bolder in its recommendation and reset the course for a significant increase to the minimum wage to restore its value and lift the lowest paid out of in work poverty.

In 2022 Unite commissioned independent research from Landman Economics to analyse the economic impact of a bolder increase of the NMW/NLW. Howard Reed from Landman Economics also joined us in giving oral evidence to the Low Pay Commission.

The report from Landman Economics included an analysis of the economic impact of the introduction of a £15 per hour NMW/NLW using the data from the UK Family Resources Survey [FRS] to identify the numbers of people in the UK who would be directly affected by an increase in the current rates of the NMW and their characteristics. The Landman Economics report analysed three years of FRS data (2017/18, 2018/19 and 2019/20) pooled together; this enabled detailed analysis of the impact of increasing the NMW according to gender, ethnicity, industrial sector, migrant workers and temporary jobs.

⁵⁸ Pink News: *LGBT employees paid £6,700 less a year than straight colleagues*. 2nd July 2019. [Link](#).

⁵⁹ UK Government Equalities Office: *National LGBT survey 2019*. Published 4th January 2022. [Link](#).

⁶⁰ TUC: *1 in 5 workplaces do not have any policies to support LGBT staff – TUC poll*. Issue date 30th June 2022. [Link](#).

The report from Landman Economics found that a £15 per hour increase to NMW/NLW as soon as possible would be distributionally progressive without impacting on jobs and the wider economy. Furthermore, this increase would significantly benefit women, BAEM, young and migrant workers as well as those in temporary jobs where it would have a greater distributional impact across these households. Increasing the earning potential of these people would enable them to save more and invest money in training and progression which in turn would allow them greater competitiveness in the labour market.

In recent discussions with Howard Reed at Landman Economics he has confirmed that this analysis still holds and that there is still a powerful economic case for an increase in the National Living Wage to £15 per hour as soon as possible. In fact, he thought that an immediate increase to £15 per hour is a good idea given the last 18 months of high inflation.

Unite strongly believes the lowest paid workers should not suffer the burden of the current economic crisis, it is our firm view that workers should not be paid less than the minimum rate needed for them and their families to avoid a life of hardship. **Unite believes the NLW/NMW should increase to £15 an hour now.** The rates are distributionally progressive and would benefit the economy as well as improving the living standards of low paid workers. These rates are crucial to economic recovery and the increase would also improve worker productivity and reduce employee turnover and absenteeism⁶¹. This would improve the public finances and has the potential to create jobs through stimulating the economy.

The Landman Economics report found:

- An immediate increase in the National Minimum Wage to £15 per hour would result in an average gain in net income per worker of over £3,600 per year for around 13 million workers aged 23 and over;
- A £15 per hour NLW would improve public finances by around £19.3 billion (receipts minus expenditure) if applied only to those aged 23 and over only, if this is extended to 18–22-year-olds public finances would improve by an additional £3.5 billion;
- £15 per hour (minimum wage rate) would increase the net incomes for low-paid workers by around £47.3 billion, if the increase applies only to individuals aged 23 and over. If extended to employees aged 18 to 22, net incomes for low-paid workers would increase by an additional £8.8 billion, resulting in a total increase of net income of £56.1 billion across all age groups;
- Extending this rate (£15 per hour) to workers aged 18 to 22 would cover an additional £1.7 million workers;
- While the effects of this rate will be progressive for all workers, the report drills down on the impact for low paid workers across protected characteristics

⁶¹ Landman Economics: *The economic impact of increasing the National Minimum Wage and National Living Wage to £15 per hour.* June 2022

(women and men), finding that at the rate of £13 per hour women workers' net income increases by around £24.5 billion, an increase in net income for male workers of just under £23 billion. Thus increasing the minimum wage to either £13 or £15 would significantly reduce the gender pay gap⁶². The report also identifies a reduction in ethnic inequalities in gross earnings from the increase totalling 14 per cent of gross earnings for BAEM workers⁶³. Migrant worker wages would be boosted by around £17.4 billion where a £15 rate is applied⁶⁴;

- The distributional effect of increasing the NLW/NMW to £15 per hour would be more progressive than the effect of income tax and National Insurance contributions;
- In relation to the impact on profits, while this rate cause a relatively minor reduction in profits for shareholders, there would be a considerable time lag between the dividends being paid and the accumulated pension funds being used by the relevant policyholder to purchase an annuity. Additionally a substantial proportion of UK company shares are held by institutions or individuals who are not based in the UK, therefore the report finds the short-run impact of reduced profits on consumer demand would be zero.
- Existing evidence suggests the employment effects of increasing the NLW to £15 per hour are unlikely to be negative and rather by incorporating multiplier and stimulus effects the overall effects on employment could well be positive.

Women

As per our 2022 submission to the LPC, we continue to see the benefits of having more women in employment are being outweighed by the poor quality and low pay of the jobs they largely ⁶⁵occupy. Indeed, according to a 2018 comparative study between the UK and Ireland by the Institute of Labour Economics which looked at the impact of NMW on the gender pay gap, a “*significant reduction of the gender gap at low wages is observed after the introduction of the minimum wage in Ireland while there is hardly any change in the UK*” which it found attributable to gender differences in non-compliance with the minimum wage legislation in the UK⁶⁶.

Though the gender pay gap has been declining slowly over time, it was still 14.3% for all workers in 2023. The gender pay gap means that on average, women effectively work the first two months of the year unpaid⁶⁷. At the current pace, the gender pay gap won't close until 2051, so whilst the gender pay gap has been closing over the last twenty-five years, the pace is slow.

⁶² See table 2 of the appended Landman Economics report. [Link](#).

⁶³ See table 4 of the appended Landman Economics report [Link](#).

⁶⁴ See table 5 of the appended Landman Economics report. [Link](#).

⁶⁵ HR Magazine, 22 March 2024. [Link](#)

⁶⁶ IZA Institute of Labour Economics: *Minimum Wages and the Gender Gap in Pay: New Evidence from the UK and Ireland*. IZA DP No. 11502. April 2018. [Link](#)

⁶⁷ TUC: Gender pay gap means women work first two months of the year unpaid. 21st February 2024. [Link](#).

Women are much more likely to be in part-time work, which has lower pay than full-time work. Approximately 40% of women employees are in part-time roles, compared to only 15% of men⁶⁸.

The reality of outsourced work, which dominates many low paying roles in the services industries (for example, cleaning and catering roles), is that it is lower paid, with worse terms and conditions than directly-employed jobs. What's more, it disproportionately affects women and BAEM workers.

Women continue to face higher levels of insecurity at work and are therefore less able to assert their rights at work, and experience poorer terms and conditions generally⁶⁹. These are workers who have regularly been denigrated as 'low skilled' and who are told they need to '*work their way out of poverty*' yet are the ones that society is most reliant upon. This should provide a wake-up call and a recalibration of the jobs we value as a society to ensure that all workers are treated with dignity, respect, security and receive a secure and real living wage.

Unite continues to hear from women members across our low paying sectors about the distinct lack of training provision and job progression and how they are feeling trapped in poverty wages.

Unite remains concerned about the high levels of sex discrimination and sexual harassment being reported in the hospitality sector where Unite research has found a disproportionate prevalence of sexual harassment and gender-based violence experienced by women working in the hospitality sector⁷⁰. Additionally, Unite officers have raised issues such as;

“Fundamentally, sexism is embedded in pay rates, hours of work, inflexible working demands by employers, employers who simply do not understand essential legal requirements and as with disabled workers, women are more likely to experience sexist discrimination [at work] both direct and indirect than take the risk of challenging it - or they leave - facing serious financial insecurity which affects their families. Rural areas in particular have lower wages, inflexible work, and insecure seasonal work, creating cycles of poverty, which is why discrimination is tolerated where it should not be.” – Unite regional officer – FDA sector

Summary and recommendations:

- Unite is calling for a £15 per hour rate of the NMW, a ban on zero hour contracts, an end for one-sided flexibility, better training and progression in low paying jobs and the continued monitoring of the gender pay gap.

⁶⁸ House of Commons Library: Research briefing; Women and the UK economy. 4th March 2024. [Link](#).

⁶⁹ Unite response to the Women's & Equality enquiry. June 2020

⁷⁰ Unite: Not on the Menu survey 2021.; [Link](#).

- Flexible working is crucial for access to jobs, particularly for women with caring responsibilities. Unite campaigns and negotiates for jobs to be advertised with flexible work as a default position.
- The report from Landman Economics cited throughout this response, and submitted in full in Unite's 2022 evidence to the LPC, found that an increase to £15 per hour would greatly benefit women and have a greater distributional impact in households with female workers and increase their earning potential to save more and invest money in training and progression which in turn would allow them greater competitiveness in the in the labour market⁷¹.

2.3 Experience of those on low pay over the past year

Q: What has happened to quality of work recently? For example, have workers experienced changes in contract types, flexibility, workplace harassment and work intensification (e.g. greater expectations for workers to work more flexibly, with greater effort, to a higher standard etc).

Despite the rates for 2023 NMW/NLW uplift being the largest increase since it was introduced in 2016, there are concerns for the quality of work for those earning the NMW/NLW. Unite's chefs' survey, discussed in section 2.1 of this submission, identified issues of work intensification experienced by workers, including those who earn more than the NMW/NLW, following the increase in NMW/NLW. This has also been echoed by Unite officers and demonstrated in our 2023 submission to the LPC consultation where our survey of officers, supporting members in the low paid sectors revealed that as a consequence of the uplift in NMW/NLW, some employers were restricting the pay for other differentials and attacking the quality of work for NMW/NLW workers.

Unite welcomes the increase but we are also concerned that bad employers are using this to claw back other worker's terms and conditions and increasing insecure work contracts. The lowest paid workers in our economy are being unfairly burdened by bad bosses. Unite firmly believes this should not hinder a more ambitious recommendation from the LPC for £15 per hour NMW/NLW for 2024.

Unite repeats its call for a ban on zero hours contracts in order to prevent employers from undermining the benefits of uplifting pay for the lowest pay workers by trapping this group, who are often the most marginalised groups in our society, who are in insecure work with little prospect of progression.

⁷¹ Landman Economics Report; *The economic impact of increasing the National Minimum Wage and National Living Wage to £15 per hour*. June 2022.

Q: What has been workers' experience of the wider benefits available to workers (including premium pay and non-pay benefits across the workforce)?

Unite's survey of hospitality workers (2024) earning the NLWM/NLW reveals mixed outcomes in relation to the impact of the recent NMW/NLW increase on premium pay and non-pay benefits.

According to the survey results, while some workers are seeing a decrease in premium pay, others who responded to the survey, also believe the uplift in NMW/NLW has not affected premium pay. With respect to non-pay related benefits, a significant minority believe the uplift has increased non-pay related benefits..

This suggests a subjective reaction among employers which may be linked to labour shortages. Unite is aware post Brexit and post Covid labour shortages have had a significant impact in the hospitality, food production, road transport, warehousing, distribution and agricultural sectors, driving up pay while creating challenges for working conditions.

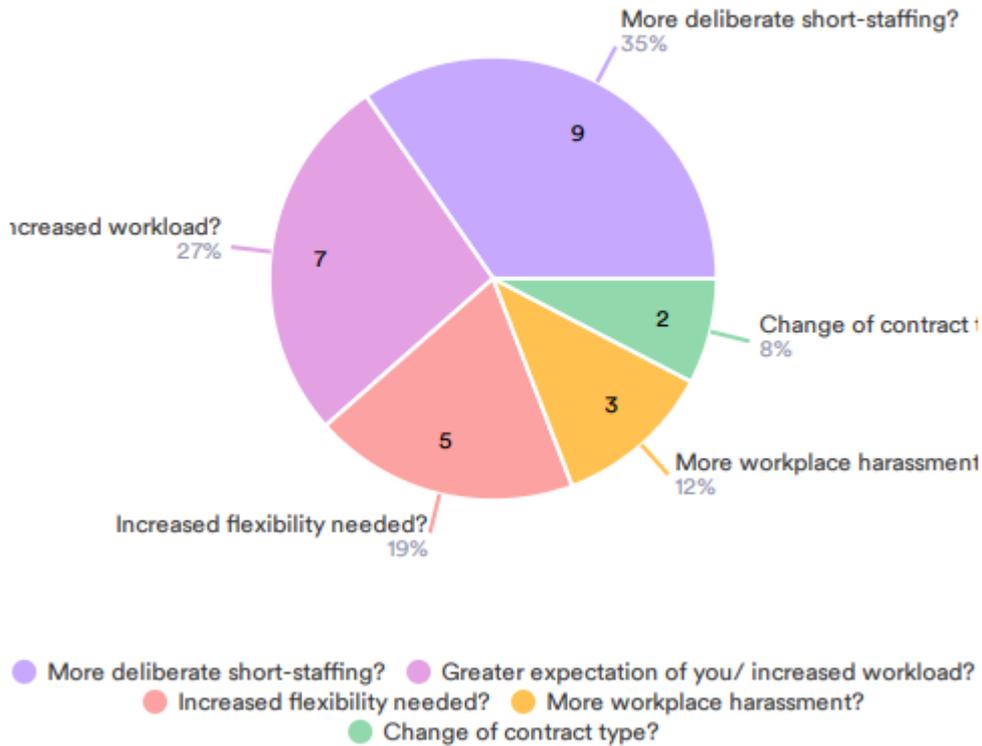
Q: What has happened to quality of work recently? For example, have workers experienced changes in contract types, flexibility, workplace harassment and work intensification (e.g. greater expectations for workers to work more flexibly, with greater effort, to higher standard etc).

Unite members in the hospitality sector have raised concerns for the quality of work. Our 2024 survey of hospitality workers earning the minimum wage reveals concerns over work intensification resulting from deliberate short-staffing. Work intensification is also an issue commonly cited by our officers with some reporting that with each increase (in NMW/NLW) they are seeing less staff being recruited leading to additional pressures at work for existing workers.

“Workers across all grades and industries are being put under more pressure to work more additional hours. Roles that have been traditional day shifts are being changed to longer shifts with split unpaid breaks or we are seeing more 24 hour 7 days a week 3 shift patterns being introduced to cover those industries that have traditionally worked weekdays and normal daytime 8 to 4, 9 to 5 hours.” – Unite regional officer

2. What has happened to your quality of work recently? Have you experienced one or more of the following?

26 Responses- 1 Empty



Initial analysis of our 2024 survey suggests that as a consequence of the uplift, some employers are restricting the pay for other differentials and attacking the quality of work for NMW/NLW workers.

Unite welcomes the increase but we are also concerned that bad employers are using this to claw back other worker’s terms and conditions and increasing insecure work contracts. The lowest paid workers in our economy are being unfairly burdened by bad bosses.

Unite firmly believes this should not hinder a more ambitious recommendation from the LPC for £15 per hour NMW/NLW for 2024.

Unite repeats its call for a ban on zero hours contracts in order to prevent employers from undermining the benefits of uplifting pay for the lowest pay workers by trapping this group, who are often the most marginalised groups in our society, who are in insecure work with little prospect of progression.

Q: What has been workers' experience of the Universal Credit system and how the minimum wage interacts with it? Has these influenced workers approach to how many hours they work and whether they move to another better paying job?

Unite believes is part of a system that subsidises poverty wages, and insecure work, and in Unite's experience Universal Credit has put even more power into the hands of unscrupulous employers. The Government introduced Universal Credit as a system that *would make work pay*, yet there is substantial and growing evidence that it is doing the opposite. Causing tens of thousands of people to fall into debt, rent arrears, and to become reliant on food banks, while causing real hardship, misery and even deaths. Analysis from the Resolution Foundation estimated UC will make working families an average of £625 a year worse off compared to the working tax credit system, particularly for lone parents⁷².

Following a Unite survey the Union called on the Government to scrap and replace UC with a system that is fair and humane and provides a proper safety net for people who need financial support to live their lives⁷³. The survey findings were a damning indictment of a broken system which punishes those it is meant to provide essential support for. Key findings include:

- 75% stated their experience of claiming Universal Credit was overwhelmingly bad, and many claimants believe they are not getting the money they are entitled to.
- Sanctions in particular are cruel and unfair and make the impact of Universal Credit worse.
- Universal Credit is causing food poverty and driving the use of food banks. In some cases it has forced claimants into prostitution and illegal activity such as theft in order to survive.
- Universal Credit is pushing claimants into debt, including into the arms of pay day loan

companies and loan sharks.

⁷² Resolution Foundation: Universal Remedy Ensuring Universal Credit is fit for purpose. 2017 [Link](#)

⁷³ Unite Research: Universal Credit Not fit for purpose. 2019. [Link](#)

- Universal Credit is having a detrimental impact on claimants' mental health which is increasing the risk of suicide.
- The application process is unfair, complicated and difficult to access. It is also rigid and unresponsive, for example most respondents would prefer to be paid fortnightly.
- Universal Credit is causing serious problems with housing, including rent arrears and homelessness.
- Universal Credit is discriminatory, disproportionately impacting on disabled people, carers and parents.
- Parents struggle to pay for school trips, school uniforms and feeding their kids, particularly during school holiday, birthdays and Christmas Families and friends having to fill the State's role in providing a social safety net.
- Legacy benefit claimants overwhelmingly fear being moved onto Universal Credit.

Universal Credit is an industrial issue that impacts on working people. It is particularly unfair to part-time, low-paid, zero hours and agency workers as well as the self-employed.

As of April 2016 the new UC system effected cuts to in work benefits, limiting child tax credits and Universal Credit to two children for new claims, thus removing the family element in tax credits as well as capping benefit rates. This particularly disadvantaged lone parents, with childcare costs making it hard for them to find work, failing to consider the severe shortage of affordable childcare, particularly for pre-school children⁷⁴.

For working parents UC has meant a loss of free school meals, adding between £30 and £40 a week to parents' outgoings, placing severe financial strain on families and causing many children to lack basic necessities for school and to go hungry over school holidays⁷⁵. Of the 500 Unite survey responses from claimants with children; over 80% of parents identified birthdays, Christmas and other family events as times when it is particularly difficult to make ends meet; 69% of parents had skipped meals; 55% could not afford school uniforms or school equipment, 52% said they couldn't afford school trips, and over four fifths (79%) stated they found it hard to make ends meet during the school holidays.

⁷⁴ The Money Advice Service: *Average childcare costs 2021*. [Link](#)

⁷⁵ Unite Research: *Universal Credit Not fit for purpose*. 2019. [Link](#)

“The moment I started working more than 1 day a week, UC stopped. So you can't actually work part time, you either work full time or 1 day a week and no in between. You can't get UC to help with rent if you live at home. But you can't get it to help with rent if you want to move out, so you're stuck.” – Unite Hospitality sector worker

The UC system further discriminates those from protected characteristics which include BAEM who are disproportionately represented among workless households or in low and insecure employment; and disabled people in work are likely to be about £40 per week worse off under UC as it removes essential financial support such as Severe and Enhanced Disability Premium placing a barrier for them to engage in paid work⁷⁶ and migrants (both working and non-working migrant) as hostile environment policies which are constantly evolving place many in the category of NRPF (no recourse to public funds).

Contributory benefits are meant to provide support when income is disrupted, but many precarious workers, for example workers on zero hour contracts, are often excluded from social security because they haven't earned enough to pay National Insurance (NI) contributions or the precarity of their work means they are often in and out of employment and aren't able to amass sufficient NI contributions. For those who fall through these 'cracks' the social security system must include other support provisions.

Unite recommends the following;

- **The savings rules in Universal Credit must be scrapped so more people can access this.**
- **The vast majority of successful benefit appeals demonstrate the serious flaws in the system which causes unnecessary stress as well as unjustified financial hardship. There must be an overhaul of the system so that it is fair and accessible.**
- **Unite calls for an above inflation increase to the level of Universal Credit and legacy benefits to lift people out of poverty. This must be raised to at least 80% of the national living wage (£260 per week).**
- **Means-testing benefits was developed to reduce social security expenditure to the detriment of the applicant. Means testing support for people on low incomes with high living costs can create divisions and misunderstandings and this must be scrapped.**

⁷⁶ Citizens Advice Bureau: Holes in the safety net: The impact of Universal Credit on disabled people and their families. 2012. [Link](#)

- The No Recourse to Public Funds restriction is putting lives at risk and must also be scrapped.
- The single family payment of UC encourages dependency and can exacerbate domestic violence. Unite calls for an automatic split payment system to remove the onus on domestic abuse victims to request split payments which may put them at risk of further familial abuse.

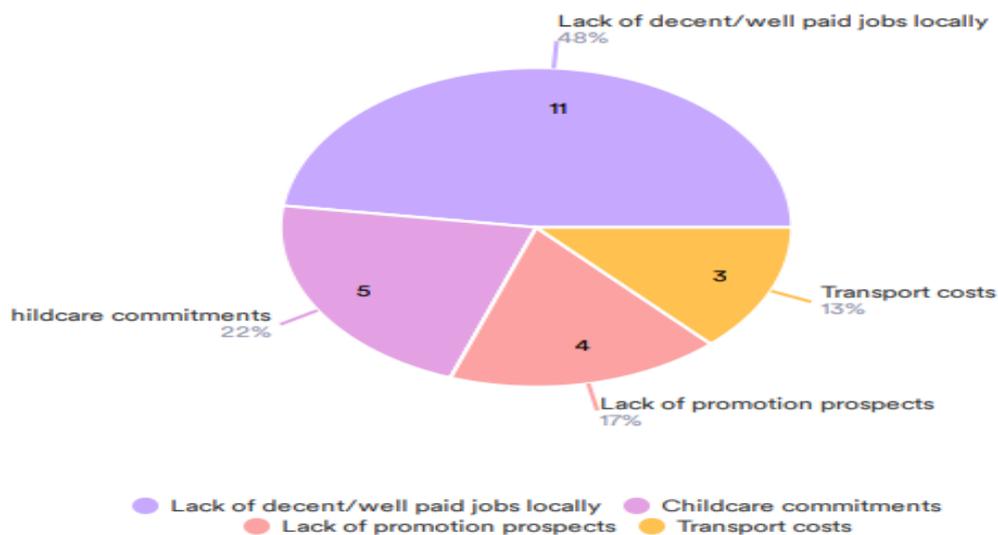
Q: What are the barriers preventing workers from moving to a new job, particularly one that is better paid?

With respect to barriers preventing workers from progressing to better paid jobs, this year Unite surveyed hospitality workers to find out their experiences relating to working conditions, pay and progression. In response to the barriers preventing workers from progressing to better paid roles, the following factors were identified as barriers :

- Access and cost of childcare;
- Transport poverty - lack of accessible public transport and rising transport costs;
- Universal Credit affecting how much people can earn and how many hours they can work;
- Lack of progression or promotion opportunities in low-paid jobs.

4. What are the barriers to you/your colleagues ability to move into better paid work?

23 Responses- 1 Empty



To quote a Unite regional officer in the hospitality sector;

“Minimum wage has now become an actual maximum wage for many, with this I have noticed an apathy among low paid workers that this is their 'lot' so to speak, no chance of progression or development will keep them at this level throughout life.”

– Unite regional officer – Hospitality sector

Q: How has the rising cost of living affected workers on or close to the NMW and NLW and how, if at all, has this affected worker needs and expectations from their employment and pay?

Low paid workers are increasingly unable to afford to pay bills. Low paid workers are having to endure poor terms and conditions at work in order to maintain an income. If they are in a low paid job but have agreed hours and over two years' service, they are more likely stay in the job rather than risk moving to insecure work with zero hours and no employment rights.

“Members having to increase hours/work longer, where they can, to pay bills, heat homes and feed their families. Childcare and affordable childcare is a particular issue, predominantly for female workers.” – Unite regional officer – FDA sector

“There are limited opportunities and huge of cost-of-living issues within the South West, and Cornwall is in a particularly difficult situation with 25% of those working full time in some form of difficulties relying on additional support such as multiple jobs and food banks.” – Unite regional officer – Hospitality sector

“We are all paid £12, but all of our workload has increased dramatically and is not reflected in the wage increase, and there has been short-staffing due to 'running costs.’” – Unite Hospitality sector worker

2.4 Young people

Q: What has been the effect of changes in the minimum wages for young people on their employment prospects?

Unite maintains its opposition to age rates in the NMW, which we firmly believe has had a systemically negative impact on young people both in terms of their living standards and their right to equal treatment. In Unite’s experience in the hospitality sector the effect of age differentials in NMW has seen employers moving to recruit younger and less experienced workers so they can pay a lower rate of NLW/NMW. Where this happens Unite is noticing a reduction in output and increasing pressure on older workers who are having to supervise groups of younger workers.

Case study – Wage rates particularly affect the gender pay gap
--

In June 2024 Unite successfully challenged a 4-star UK hotel chain on the issue of age rates which the union found also impacted the gender pay gap. This involved a F&B (food and beverage) workers at a Glasgow hotel which is part of a 33-unit chain. All workers under the age of 21 were paid £8.60 - the legal minimum but 25% less for doing exactly the same job with the same title and responsibilities.

Following a collective grievance and Unite fair pay campaign on-site, all young workers have not only won a 20% uplift to £10.42, £1.82 above the minimum wage but this has also been back dated till 2021, with some workers winning more than £1500. At appeal, the workers also managed to convince the company to cover all tax and NI, meaning that some workers received a further £665 as bonus to cover tax. Workers will now be pushing for equal pay and the real living wage across this site which will then be used as an organising campaign at several others.

In those areas where youth rates have been abolished via negotiation there is no evidence that this has led to a decrease in employment. Many companies are prepared to abolish youth rates because it aids recruitment, retention, motivation and productivity. Where Unite is organised, part of our bargaining strategy is for the abolition of youth rates where they apply.

Q: How do the youth minimum wage rates influence employers' decisions about hiring and young people's decisions about employment?

Unite continues to see examples of employers in the hospitality sector targeting workers in the adult rate of NMW for redundancy. Unite can only assume this is with the intention to reduce wage bills.

“Retail are keen to recruit this age group for temporary positions as they are cheaper”- Unite regional officer – Food retail sector

Unite is also aware of many cases where younger workers who have worked for the same employer for a number of years on a younger wage rate being progressed to a supervisory role but on the age rate of NMW, for example a worker turns 21 and suddenly is promoted to a supervisor given additional duties and a pay uplift at the NMW rate for 21-22 year olds.

Q: At what level should these rates be set from April 2025?

Unite continues to hear of the experiences of our low paid younger workers who work excessively long hours to make enough to 'get by'. Paying workers substantially less for the exact same job based entirely on their age is neither fair nor justifiable.

Unite maintains that the LPC can be bolder. As per the findings in the Landman Economics report (cited throughout this submission), Unite is confident that increasing the NMW to £15 per hour for workers aged between 18 and 22 would result in an increase in gross wages of almost £12.4 billion in total. The estimated improvement in the public finances from increasing the NMW to £15 per hour for these younger workers is just over £3.5 billion at £15 per hour.

Increasing the NLW and NMW to £15 per hour is a progressive policy in distributional terms, with the largest percentage increases in net household income for households in the poorest decile, especially households with low-paid workers aged under 23.

2.5 Apprentices

Q: What is the outlook for the recruitment and employment of apprentices?

Unite is particularly concerned over the skills and labour shortages in the construction sector which has a knock-on effect for the wider economy and the housing crisis. The construction industry needs to be attractive to retain and develop its existing skilled workforce, as well as attract new talent and prospective apprentices in a tight UK labour market.

The labour market intelligence clearly shows us we need immediate action to increase training more of apprentices. Unite is on several Construction Leadership Council (CLC) groups and has campaigned to ensure that the skills plan adopted by CLC addresses solving skills needs, shortages and gaps through high-quality training, apprenticeships.

Unite submitted a response to the ILO regarding a global framework for quality apprenticeships. The union is campaigning for a framework delivering high quality apprenticeships and traineeships across all sectors of the economy. [Unite call for robust intervention in procurement to increase the number and quality of apprenticeships.](#)

Q: How widely used is the Apprentice Rate (including pay rates above the Apprentice Rate but below the relevant age-related minimum wage rate)? What kind of

apprenticeships are paid this rate? What kind of jobs do these apprenticeships (paid at or just above the Apprentice Rate) lead to?

The 2024 uplift in the NMW has had a positive impact for some apprentices, particularly younger apprentices and those at the earlier stages of an apprenticeship. For instance, those working under national collectively bargained agreements have seen base rates being uplifted to align and comply with new NMW rates due to the inflationary spiral in the economy taking place since original wage negotiations took place for longer term collective agreements (it should be noted that such apprentices do also receive additional allowances for travel, and overtime premiums etc.). The union is now in ongoing discussions, or actual negotiations, with relevant employer groups regarding review of apprentice pay to establish and maintain differentials over and above the NMW baseline minimums.

Q: Our advice to the Government on the future of the NMW recommended lowering the threshold for the NLW over time to 18 if the evidence allows. We welcome any comments on these recommendations.

Unite strongly believes the low wages suffered by many apprentices is tantamount to exploitation, and we have raised these concerns in our previous submissions to the LPC. Good employers, who rightly invest in apprenticeships and training and pay a fair wage to their apprentices, are being undercut by unscrupulous bosses who are exploiting the apprenticeship system and failing to pay the statutory minimum.

Unite believes the apprentice rate should be abolished altogether, £6.40 is not even good enough for a 16 year old let alone an older apprentice. As such Unite is of the view that all apprenticeship rates should be at least set to the age rates of NLW/NMW with our continued call for abolition of age differentials.

2.6 Compliance and enforcement

Q: What issues are there with compliance with the minimum wage and what could be done to address these?

Underpayment and unpaid overtime

Unite is alarmed by reports that that more than a quarter of a million workers faced being paid less than the minimum wage in April 2024 as the new rate came into force. TUC research which looked at online adverts for salaried jobs found many employers were

advertising salaried roles which paid below the incoming minimum wage⁷⁷. According to TUC analysis for an employer to be minimum wage compliant as of 1 April:

- Workers doing 35 hours per week will have to be paid at least £20,821 a year
- Workers doing 37.5 hours per week will have to be paid at least £22,308 a year
- Workers doing 40 hours per week will have to be paid at least £23,795 a year.
- Workers doing 42.5 hours per week will have to be paid at least £25,282 a year.

For salaried workers earning the NMW, there is a significant risk of underpayment as many will work unpaid overtime which the TUC calculates being on average 7 hours per week of overtime⁷⁸. Following this analysis it estimates UK employers claimed £26billion of free labour last year due to unpaid overtime⁷⁹.

ASHE Data from 2022 suggests that over half a million jobs are still not paying even this low level of remuneration⁸⁰. Younger workers and part-time workers are most likely to be affected with 28% of 21-22 year olds and apprentices earning below the minimum wage⁸¹.

In February 2024, the Government reported that over 500 companies had paid staff below the minimum wage that year. The report named large employers including Greggs, Morrisons, Currys, and easyJet⁸². Unite believes such breaches made by large employers with sophisticated payroll systems are inexcusable and oftentimes deliberate. Unite calls for better regulation and enforcement of unpaid overtime.

Bogus self-employment

Unite is alarmed by recent TUC findings that more than half of those in self-employment who are not entitled to the NMW or NLW, were earning less than the minimum wage⁸³. Unite is aware many workers are wrongly classed as self-employed so that their de facto employer can avoid paying the NMW, sick pay and holiday pay⁸⁴. For example, 52% of platform workers in food delivery, private hire and data entry have reported earning less than the minimum wage⁸⁵. Legally mandated minimum pay rates are too low and poorly enforced and more must be done to address bogus self-employment. Unite believe trade union access and sectorial collective bargaining can tackle these issues.

⁷⁷ TUC: *Office workers at risk of being "cheated" out of minimum wage as new rate comes into force, TUC warns.* Issue date 29 Mar 2024. [Link.](#)

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Annual Survey of Hours Earnings 2022.

⁸¹ House of Commons library: National Minimum Wage statistics. 7th March 2024. [Link.](#)

⁸² Department for Business and Trade Press release: *Over 500 companies named for not paying minimum wage.* Published 20th February 2024. [Link.](#)

⁸³ TUC: *Almost half the self-employed are on poverty pay.* Published 12th August 2019. [Link.](#)

⁸⁴ Ibid.

⁸⁵ The Guardian newspaper: *Half of UK gig economy workers earn below minimum wage, study reveals.* 11th May 2023. [Link.](#)

Unite has put forward a number of proposals in submissions to the DLME calls for evidence, the Taylor Review, and to previous LPC consultations to improve compliance and enforcement in relation to NMW/NLW.

Unite notes the interplay between a range of factors behind effective enforcement. These include:

- Trade union access to unrecognised workplaces;
- Fully resourced and strengthened labour market enforcement bodies, and regular monitoring;
- Labour rights compliance under public procurement rules;
- Statutory collective bargaining across sectors, and the reinstatement of statutory pay-setting for agriculture in England, including the reinstatement of statutory rights to holiday pay and sick pay as under the former Agricultural Wage Boards.

Supply chains

Fragmentation of employment relationships (outsourcing, franchising, use of labour market intermediaries) has made it even more difficult for many workers to enforce their rights. Workers can struggle to identify their employer due to complex supply chains. Economic employers are using a range of strategies to transfer accountability to other parties, meaning they have little legal responsibility for the people who work for them. **Unite advocates the strengthening of the Modern Slavery Act to include tougher enforcement and accountability in supply chains.**

Union access

Enforcement of the minimum wage would be greatly improved were trade unions to have access to workplaces. Improved access would allow unions to inform workers of their rights and critically encourage efforts to ensure the enforcement of those rights. Trade union representatives save both time and money by improving workplace relations and enforcing best practice. An important step forward for the role of trade unions would be the reinstatement of trade union representatives on the GLAA Board.

Unite has long campaigned for fair tips legislation and for this to include a statutory code to provide access to remedy for workers who believe tronc decisions are being unfairly manipulated to the benefit of their employer. Unite welcomes the Employment (Allocation of Tips) Bill which received Royal Assent in May 2023. This promises to put £200 million a year back into the pockets of hospitality staff, making it unlawful for businesses to hold back service charges from their workers and requiring businesses to fairly allocate the tips between their workers.

This new regulation will require tips to be allocated to staff without any deductions and the distribution between staff must be fair. Employers must have regard to a statutory Code of Practice, which is being developed, when complying with their obligation to

allocate tips fairly. As the Code of Practice has not yet been published, the precise requirements of “fair allocation” are currently unknown.

Done correctly this statutory instrument is set to benefit more than **2 million UK workers** across the hospitality, leisure and services sectors. But, as with everything, the devil will be in the detail and as ever trade union access to hospitality workplaces will ensure workers are properly organised and informed to challenge unscrupulous employers who may attempt to thwart the law.

A cursory look at the Round 19 list of employers named and shamed by the Department for Business and Trade for failing to pay their lowest paid staff the minimum wage, reveals most businesses named are in the services sector with a large proportion being Hospitality sector employers⁸⁶. Of the 202 employers named on the list, 39% had deducted pay from workers’ wages⁸⁷. Arguably this level of breach is more likely to occur in unorganised workplaces where workers are unlikely to know or feel empowered to challenge employers on pay and conditions.

The role of the public sector

Unite seeks the return of social care to the public sector and as part of this, the social care workforce to be brought under a national collective bargaining agreement.

Better resourcing of enforcement bodies

We need better funding of the state-led enforcement system. Long-term, sustained funding would allow enforcement bodies to recruit and train proper workplace inspectors, inspect more workplaces, and prosecute unscrupulous employers. Currently the UK has insufficient inspectors; there are roughly 40,000 employment agencies operating in the UK, but we only have 19 EAS inspectors.

⁸⁶ Department for Business and Trade Press Release: *More than 200 companies named for not paying staff minimum wage*. 21 June 2023. [Link](#).

⁸⁷ Ibid.