

QUESTIONS FOR LOW PAY COMMISSION CONSULTATION – 2015 REPORT

- What are your views on the outlook for the UK economy, including employment and unemployment levels, from now through to September 2016? **We consider that employment levels will increase, provided confidence is maintained in the economy**
- What has been your experience of wage growth in the UK during the last year and what do you forecast for the next twelve to eighteen months? **Our experience is that we have increased wages by around 5%, and expect to increase wages again to a similar percentage over the next 15 months.**
- What has been the impact of the National Minimum Wage (NMW), (for example, on employment, hours and profits), in particular over the last twelve months? Has this impact varied (for example, by sector, type and size of business or groups of workers (including women, ethnic minorities, migrant workers, disabled people, older workers, and those who are unqualified)), and if so how? **The impact of a the NMW has been minimal for ourselves, as we have sought to empower staff by their productivity, and as we have become more productive, any increases are manageable. Our desire is to elevate our staff. We support Living Wage rather than minimum wage, as we consider the excess spending capacity will help employees, benefit the economy, and therefore indirectly ourselves in due course.. We also support a rise in Pensions for similar reasons.**
- What do you estimate will be the impact of the 3 per cent increase in the adult rate of the NMW and 2 per cent increase in the youth and apprentice rates in October 2014? **Appreciated by recipients, but minimal from both perspectives, and insufficient. Morale and loyalty is not improved with these nominal increases.**
- In our 2014 Report, we made an additional assessment of the future path of the NMW. This looked at what economic and business conditions needed to be in place to allow a faster increase in the minimum wage rates taking into account the implications on employment. Do you have any comments on that assessment? What economic and business conditions do you think need to be in place for faster increases in the NMW? **We have not seen these assessments, but efficiency and productivity is key to all increases. Cash availability is a constraint, as are National Insurance rates which consider should ultimately be abolished from the employer perspective, or should be capped at a minimum. This is a tax on employment, which does not encourage employers to take on extra staff or increase wages when business is difficult. The extra revenue for the Exchequer should be obtained through Business taxation, personal taxation and VAT all of which will increase as productivity and wages rise, whilst assisting employers to recruit and employ. This will minimise the cost to employers, encouraging them to take on staff, and ultimately maximise return to the Revenue.**
- What has been the impact of the minimum wage on young people and what effect do you think it has on their employment prospects? **This has given added confidence to employees, and assisted in making them feel needed and valued appropriately, and generally increased confidence and loyalty. As they act responsibly, their self worth and efficiency will increase, and make them a more valuable asset to employers. However, this is a minimal increase and ways should be found to reward productivity.**
- What has been the impact of the Apprentice Rate on pay, provision, take up and completion? **No experience - Cannot comment.**
- Do you think the structure of the Apprentice Rate should change? Could it be made simpler to help improve compliance? Do you think the Apprentice Rate should apply to all levels of apprenticeships? **No experience Cannot comment**

- What do you think might help employers to comply with paying the right pay rate for apprentices? **Reduction in employer NI contributions, and short term and trial fixed contract periods.**
- Do you have any further comments on apprentice pay? **No comment, no experience**
- What issues are there for compliance with the NMW? Do particular groups experience problems with NMW compliance (for example, apprentices, or interns and others undertaking work experience)? Does this non-compliance have implications for the level of the NMW rates, the quality and accessibility of official guidance on the NMW, or for the enforcement work of HMRC? **Issues relate to under performing staff, staff who are in training and non-productive, or who play the system, where employment disciplines are time consuming and difficult to monitor in the 'don't want to learn, don't want make an effort, won't improve, the world owes me a living' employee. We can only pay from profits the company produces and from productivity.**