

## **LPC CONSULTATION**

No 1

My views are mainly to do with the very low rates for apprentices. How does this rate give encouragement?

Secondly if the minimum rate is to be legislated then we should be given a minimum range e.g., 6.19 to 6.35 in order that even within the low pay bracket employers can reward the more competent element of their staff allowing all concerned that better performance can enhance pay; instead of it just being a 'right'?

No 2

UK economy for 2014/15 still has very poor growth and wherever possible goods will be made abroad at cheaper costs. In London over 60s cannot afford to stop work so younger people will find it harder to find work.

We employ people with different abilities whilst doing the same job some are quicker or better than others and NMW stops payment differentiation where people of less ability will not be given work as the pressure to perform and profit margins must be maintained. Small firms are usually local and their spending is put back in the local community, they employ local people and put back far more than blue chip companies.

It is expensive to employ younger staff and older employees seem to be more flexible, at current NMW, the young will be lower down the job list.

Apprentice rate helps a bit but it is only suitable where training is in place and enough staff have time to look after apprentices. That's where the big costs are hidden.

The small companies of this country have by and large all been really hit hard by the recession and many employers have taken pay cuts to keep their business afloat, to rub salt into the wounds we are having to give pay rises above inflation each year and an increase again in the NMW is not one of the best ideas at the present time

No. 3

1. Dire
2. This has meant a pay review for our lower paid staff to retain differential between them & NMW. To retain the differential each 1p increase in NMW would cost my company an additional £550.00p.a to retain the differential on our non-salaried staff.
3. Minimal/negligible in London – cannot comment on the provinces
4. Demoralising to have a rate for apprentices that is below NMW for same age employees
5. Not applicable
6. Not personally aware of anyone not paying NMW – that any who are should be pursued to the courts & named & shamed.
7. In the current economic there should be no change to NMW, however it does seem morally wrong that there should be no change to NMW but unemployment benefits show an increase, on that basis maybe a 1% increase but 0% on unemployment benefit.
8. As stated in Number 2. *“To retain the differential each 1p increase in NMW would cost my company an additional £550.00p.a to retain the differential on our non-salaried staff”*

No. 4

Any increase in the NMW has an enormous effect on an industry like ours because it is generally quite a low paid industry and very labour intensive, therefore labour is a very large percentage of our costs. Any increase however small eats into our very tight margins and on top of all the other increased costs we are facing, this makes the future look bleak. As a small business owner I would be very reluctant to take on extra staff in this challenging environment knowing that every year the NMW rises at a much higher level than we could afford. I sincerely believe that the high rate of the NMW wage is already at an unrealistic level without any increase to it and it definitely has a detrimental effect on job creation.

No.5

- UK Economy making a slow recovery, mainly due to quantitative easing and low interest rates. If interest rates rise, we may fall back into recession. How help to buy houses from the Government is fine, but may only push up house prices.
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- The number of people in work will continue to rise in 2014 – 2015 but people will increasingly have more than one job – probably part time.
- The NMW has increased the lowest pay levels, but due to that being inflexible, most of our staff seem to be on or just above it.

Due to the mandatory annual increases together with other things like increase in holidays, SSP, SMP etc., the rates of pay for higher earners like Bakers and Supervisors have not increased by the same percentage. So eroding the differential. Also we now look more closely at the number of hours worked and cut down to compensate.

- The rates for young people start too low and do not offer the change of a small rise each year.
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- Do not use apprentice rates.
- At these rates to us it is irrelevant
- No knowledge of non-compliance. Suggest it is in mainly foreign catering establishments usually on the “black market”.
- Every year 16 – 21
- Varies hugely by area, depending on local employment market.  
What is of most importance to people, especially single mothers is the amount or number of hours in a job, which qualifies them for various benefits.