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Wednesday 1 April 2026

Dear Sir or Madam,

LOW PAY COMMISSION CONSULTATION

DEADLINE FOR SUBMISSIONS: 26 JUNE 2026

The Low Pay Commission (LPC) is the independent body that advises the Government on the level of the minimum wage. Later this year, we will recommend the National Minimum Wage (NMW) and National Living Wage (NLW) rates to apply from April 2027. I am writing to invite you to submit evidence to our consultation by Friday 26 June 2026. We do not expect respondents to answer all questions unless they are able to; they should focus on the areas which are of most concern to them and where they can provide the most comprehensive evidence. Shortened versions of this consultation, designed specifically for individual employers and workers, are available on [our online consultation platform](#).

Our remit from the Government was published on 16 March 2026 and is available to view [here](#).

National Living Wage

On 1 April 2026, the NLW increased to £12.71 for all workers aged 21 and over. We expect this increase will ensure low-paid workers will receive a real-terms increase in their hourly pay, throughout the period to March 2027.

Our remit asks us to use the benchmark of two-thirds of median earnings as “the key reference point” for future rates. We estimate that to maintain the NLW at two-thirds of median earnings, a rate between £13.02 and £13.34 (or an increase of between 2.4 and 5.0 per cent) would be required in April 2027, with a central estimate of £13.18 (3.7 per cent).

These projected figures above are indicative only. The final recommended rate will be subject to the LPC’s deliberations later in the year, which must also take account of the state of economy, labour market and living costs. **The projected figures are also subject to changes in data sources and forecasts** between now and the time we make our recommendations. This uncertainty is even more apparent than usual given the current conflict in the Middle East.

National Minimum Wage for younger workers and apprentices

In our remit, the Government restates its commitment to “removing the discriminatory age bands for adults and aligning the 18- to 20-year-old National Minimum Wage with the National Living Wage.” But it

makes clear that the LPC has full flexibility to recommend the ultimate timing of that change and that we should give priority to the employment prospects of young workers. We are seeking views on the state of the youth labour market, the effects of our most recent recommendations for young workers and the impacts of extending the NLW to 18-20 year olds

Our remit asks us to recommend the 16-17 Year Old Rate and Apprentice Rate at a rate which supports the employment prospects of each group. For each of these groups, we are seeking views on the effects of recent increases and the scope for future increases.

What we would like evidence on

We are seeking evidence on the broad economic and labour market conditions that workers and businesses are facing, as well as the specific impacts of the rates themselves.

We are particularly interested in evidence on the following:

- The affordability and effects of an increase in April 2027 to an NLW rate within the range of £13.02 to £13.34 (or an increase of between 2.4 and 4.9 per cent), with a central estimate of £13.18 (3.7 per cent). These projected figures are indicative only. The final recommended rate will be subject to the LPC's deliberations later in the year, which must also take account of the state of economy, labour market and living costs. The projected figures are also subject to changes in data sources and forecasts between now and the time we make our recommendations.
- The impact so far of increases in the NLW in April 2026 on workers, employers, the labour market and economy.
- The effect of recent minimum wage increases for younger workers on their employment prospects.

Who we would like evidence from

We would like evidence from the widest possible range of contributors, from all parts of the UK: employers, workers, representatives, experts and the public. We are interested in all sectors affected by the minimum wage: those accounting for a lot of minimum wage workers (e.g. retail and hospitality); those where a high proportion of workers are on the minimum wage (e.g. social care); and those not traditionally considered low-paying but where rising rates nonetheless have an effect (e.g. education and public services). The impacts of the minimum wage in different parts of the UK, and on different groups of workers, particularly those with protected characteristics, continue to be central to our work.

How to submit evidence

You can submit written evidence by e-mail to lpc@lowpay.gov.uk.

[Our online consultation platform](#) hosts shortened versions of this consultation, intended to be accessible for individual workers and employers. If you are responding in a different capacity (for example, as an organisation representing employers or workers), or you wish to respond to the full range of questions, we invite you to send your response directly to us at lpc@lowpay.gov.uk. If you are unsure which response route to use, please get in touch.

As part of our consultation, we meet people and organisations across the UK to hear first-hand evidence on these questions. We are in the process of running in-person regional visits and will continue to hold meetings and discussions online alongside these. If you are interested in meeting with us to provide first-hand evidence, please contact us via lpc@lowpay.gov.uk.

Our practice is to quote consultation responses in our annual report and to list the names of respondents unless they request otherwise. We will seek clearance from respondents before quoting or referencing their evidence in published documents. We intend to publish consultation responses alongside our annual report. If you do not wish your response to be made public, then please make that clear in your submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Philippa Stroud', written over a horizontal line.

Baroness Philippa Stroud, Chair of the Low Pay Commission

Consultation questions

About you

1 Please provide information about yourself or your organisation. If possible, include details about your location, the type of job or business (occupation and/or sector) you are involved in, your workforce if you are an employer (including number of minimum wage workers), and anything else you think is relevant.

The National Living Wage

2 What has been the impact of the NLW in the past year, particularly the most recent 4.1 per cent increase to £12.71 in April this year? We are interested in the effect of the NLW on any of the areas listed below:

- | | |
|-------------------------------------|------------------------------|
| a. Employment | h. Other employee benefits |
| b. Hours | i. Progression and job moves |
| c. Earnings | j. Training |
| d. Profits | k. Investment |
| e. Prices | l. Recruitment |
| f. Productivity | m. Job quality and security |
| g. Pay structures and differentials | n. Demand in the economy |

3 At what level should the NLW be set from April 2027? Please explain your response.

Experience of those on low pay over the past year

4 Recent increases in the NLW have exceeded increases in average prices. Has this made it easier for workers at or close to NLW/NMW to meet their living costs?

5 What has happened to the quality of work recently? For example, have workers experienced changes in contract types, flexibility, treatment within the workplace and work intensification (e.g. greater expectations for workers to work more flexibly, with greater effort, to higher standard etc)? What are the drivers of these changes?

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

7 How have access and cost of childcare and transport affected workers' ability to move into work or to a better paying job?

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

Young people

- 9** What is the outlook for the recruitment and employment of workers aged under 21? What is driving employers' decisions on this?
- 10** How have recent changes in the minimum wages for young people affected their employment prospects? You may wish to consider both employers' decisions about hiring and pay, and young people's decisions about employment.
- 11** What approach should we take to recommending 18-20 Year Old and 16-17 Year Old Rates for April 2027? For example, should we consider extending the NLW to 20 year olds?
- 12** The Government remains committed to aligning the 18 to 20 Year Old Rate with the NLW. The LPC has full flexibility to recommend the pace and timing of that alignment. When do you think this should happen?

Apprentices

- 13** What are your views on the effectiveness and operation of the Apprentice Rate?
- 14** What is the outlook for the recruitment and employment of apprentices? What are the drivers of employers' decisions on this?
- 15** What do you expect the effects of the latest increase in the Apprentice Rate to be?
- 16** What approach should we take to recommending the Apprentice Rate for April 2027?

Compliance and enforcement

- 17** What issues are there with compliance with the minimum wage and what could be done to address these?
- 18** What comments do you have on the enforcement work done by HMRC, and on the operation of the new Fair Work Agency?

Accommodation Offset

- 19** What has been the effect of recent increases in the offset on employers' decisions on the provision of accommodation?
- 20** What impact does the offset have on workers? What are the hours, pay and working conditions of workers for whom the offset is deducted?

Economic outlook

- 21** What are your views on the economic outlook and business conditions in the UK for the period up to April 2026? We are particularly interested in:
- the conditions in the specific sector(s) in which you operate.
 - the effects of Government policies and interventions.
 - the current state of the labour market, recruitment and retention.

- the impact of global economic conditions.

22 What has been your experience of wage growth and inflation in the last year, and what are your views on forecasts for the next couple of years? Apart from the minimum wage, what are the key drivers of pay decisions in low-paying sectors and occupations?

Shortened consultation questions for workers

Questions for all workers

- 1** Recent increases in the NLW have exceeded increases in average prices. Has this made it easier for you to meet your living costs? Please explain your response and give examples.
- 2** Have your working hours changed in the past year? Would you work more, less or the same number of hours if you could choose? Please explain your response and give examples.
- 3** What has happened to your working conditions in the past year? Please consider:
 - a. How intense your work is and how much you are asked to do.
 - b. Whether you are expected to work flexibly.
- 4** What are the barriers preventing you from moving to a new job, particularly one that is better paid? You may wish to consider factors such as training, caring responsibilities and transport.
- 5** What is your experience of the Universal Credit system? Does this influence your choices about your job and hours?
- 6** Do you have any other comments to make about the minimum wage?

Questions for under-21s

- 7** Are you paid at a rate that is less than the NLW (£12.71 from 1 April)?
- 8** What are your views on minimum wage rates for younger workers?

Questions for apprentices

- 9** Does your employer pay apprentices differently to non-apprentices? Please provide details on levels of pay and how this increases over time.
- 10** What are your views on the Apprentice Rate.

Shortened consultation questions for employers

National Living Wage

1 Has your business been affected in any of the following areas by the most recent 4.1 per cent increase to £12.71 in April?

- | | |
|---------------|-------------------------------------|
| a. Employment | e. Prices |
| b. Hours | f. Investment and productivity |
| c. Earnings | g. Pay structures and differentials |
| d. Profits | h. Others... |

Young workers and apprentices

2 How has the pay and employment of workers aged under 21 changed in your business in the past year?

3 The Government remains committed to aligning the 18-20 Year Old Rate with the National Living Wage, although the LPC's remit gives us full flexibility over when this happens and asks us to give priority to young workers' employment prospects. How would your business respond to the alignment of the 18-20 Year Old Rate with the NLW?

4 How has the pay and employment of apprentices changed in your business in the past year?

5 Do you have any other comments to make about the minimum wage?

Privacy notice

This privacy notice explains how the Department for Business and Trade (DBT), as a 'data controller', processes personal data for the Low Pay Commission's 2026 consultation.

This notice is supplemented by DBT's main privacy notice which provides further information on how DBT processes personal data, and sets out your rights in respect of that personal data.

We collect information about respondents to this consultation in order to perform our public tasks in the exercise of our official authority.

The lawful basis we are relying on to process your personal data is article 6(1)(e) of the UK General Data Protection Regulation, which allows us to process personal data when this is necessary for the performance of our public tasks in the exercise of our official authority.

If your personal data is used for research purposes, we will apply suitable safeguards, such as anonymisation, pseudonymisation and data minimisation, to ensure your data is processed only when necessary, and always in a lawful and secure manner.

Compatible research purposes may include analysis to further policy development, or to analyse public consultation responses or similar requests for information from the public.

We are trialling Artificial Intelligence (AI) solutions to support the delivery of our functions. In accordance with data protection law and ICO guidance, we will not use AI alone to make decisions about you, or to inform decisions about you, unless this has been made expressly clear to you in advance. Any use of AI will be subject to appropriate human oversight.

We will apply effective data minimisation techniques to all uses of your personal data, ensuring that only the minimum necessary information is processed.

We may publish a list or summary of responses in an anonymised form, including in any subsequent review reports. "Anonymised" means that all information which could identify you has been removed, so that individuals cannot be identified from the published data. We may also share your personal data where required to by law.

You can leave out personal information from your response entirely if you would prefer to do so. Wherever possible please avoid including any additional personal data in free-text responses beyond that which has been requested or which you consider necessary for us to be aware of.

We will only retain your personal data for as long as:

- it is needed for the purposes of the consultation;
- it is needed to archive in the public interest, or scientific, historical, or statistical research, in accordance with Article 89 UK GDPR and the Data Protection Act 2018 (DPA);
- the law requires us to.

This generally means that we will hold your personal data for at least one year.

Information sharing

We may share personal data you provide:

- With other government departments, public authorities, law enforcement agencies and regulators
- With other third parties where we consider it necessary in order to further our functions as a government department
- In response to information requests, for example, under Freedom of Information (FOI) law or the Environmental Information Regulations (EIR)
- To a court, tribunal or party where the disclosure is necessary in order to exercise, establish or defend a legal claim
- Where we are ordered to do so or where we are otherwise required to do so by law
- With third party data processors as governed by contract

You can find out more detailed information about how we share data and further processing in the main privacy notice.

How long will we hold your data for

We will only retain your personal data for as long as necessary to fulfil the purposes we collected it for, including for the purposes of satisfying any legal, accounting, or reporting requirements.

If we decide that we need to process your personal data for a reason which is incompatible with the purposes for which we collected it for, we will contact you to explain why we are doing this and why it is lawful to do so.

To determine the appropriate retention period for personal data, we consider the amount, nature, and sensitivity of the personal data, the potential risk of harm from unauthorised use or disclosure of your personal data, the purposes for which we process your personal data and whether we can achieve those purposes through other means, and the applicable legal requirements.

Your rights

You have a number of rights available to you under UK data protection legislation, including:

- the right to request copies of the personal data we hold about you
- the right to request that we rectify information about you which you think is inaccurate or incomplete
- the right to request that we restrict your data from further processing (in certain circumstances)
- the right to object to the processing of your data (in certain circumstances)
- the right to data portability (in certain circumstances)
- the right to request that we erase your data (in certain circumstances)
- the right not to be subject to a decision based on solely automated data processing

You can contact DBT's Data Protection Officer for further information about how your data has been processed by the department or to make a complaint about how your data has been used. Please contact: data.protection@businessandtrade.gov.uk

You can also submit a complaint to the Information Commissioner's Office (ICO) at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
W: <https://ico.org.uk/>
Tel: 0303 123 1113

You can find out more about your rights as a data subject, and details of how to contact our Data Protection Officer and the ICO in our main privacy notice.