

# Press release: 20 years of the National Minimum Wage have boosted pay by £5,000

- The minimum wage has reversed the pre-1999 trend of pay growth inequality.
- Last year the lowest-paid workers earned £2.70 per hour more in real terms than if there had been no minimum wage – £5,000 a year for a full-time worker.
- 30% of workers have benefited either directly or indirectly from the minimum wage – with up to 7 million individuals a year feeling the benefits.
- The LPC has not found significant negative effects on employment from raising the minimum wage.

Bryan Sanderson, Chair of the Low Pay Commission, said:

Today we are celebrating the 20th anniversary of the National Minimum Wage and recognising the transformative effect it has had on the UK's labour market.

It has succeeded in raising the pay of the lowest paid – by £5,000 a year in real terms for a full-time worker – without harming their job prospects.

The Low Pay Commission's social partnership and evidence-based approach have been crucial to the success of the policy.

Today's report by the Low Pay Commission sets out the long-term effects of the National Minimum Wage and the National Living Wage, with new analysis of pay and employment data. It describes the history of the minimum wage in the UK, including the debates leading up to its introduction. And it details how the LPC's model of social partnership informs its advice to Government on the rates.

The introduction of the National Minimum Wage (NMW) in April 1999 had a significant impact on the lives of the lowest paid. Until then, it had been the norm for low-paid workers to see their earnings grow more slowly than the average, regardless of wider economic conditions. The earnings of the lowest-paid rose by much less than the average throughout the 1980s and 1990s. The NMW and National Living Wage (NLW) have reversed this norm: since 1999, the lowest paid have seen their hourly pay grow faster than all other workers.

And in addition, many more workers have benefited indirectly – the effects of an increase in the minimum wage ripple up the pay distribution, as employers maintain a 'differential' between the minimum rate and pay for managers and team leaders just above.

With each annual increase, the NMW and NLW have increased the pay of up to 30% of all jobs – up to 7 million workers on current employment levels. Between 1999 and 2018, we estimate that the total benefit to workers of minimum wage increases has been £60 billion. The bottom 1% of workers were paid £2.70 an hour more in real terms in 2018 than they otherwise would have been – an additional £5,000 a year for the lowest-paid full-time workers.

Notes:

1. [Read the Low Pay Commission's new report '20 years of the National Minimum Wage' here](#). All the data used in the report is published alongside it.
2. £2.70 is the difference between the 2018 earnings of the lowest paid first percentile of jobs held by workers aged 25 and over, and the amount they would have been paid if their wages had grown as fast as jobs in the middle half of the hourly pay distribution. This is multiplied by 36 hours a week, and 52.14 weeks a year to give £5,000.
3. The bottom 30% of workers aged 25 and over have seen faster wage growth than the 31-80th percentiles, which we ascribe to the NMW/NLW.
4. £60bn is calculated by working out the difference between two figures: first, the sum of the real increases in hourly pay since 1999 for the bottom 30% of jobs held by workers aged over 25; second, an estimate of what they would have earned in the absence of the minimum wage. (We assume a counterfactual growth equal to the middle half of the hourly pay distribution). We then multiply this figure by the total number of hours worked by these employees.
5. The National Minimum Wage was introduced on 1 April 1999, and originally applied to workers aged 22 and over. The National Living Wage is the statutory minimum wage for workers aged 25 and over. It was introduced in April 2016 and has a target of 60% of median earnings by 2020, subject to sustained economic growth. The most recent forecasts imply a projected rate of £8.67 in 2020.
6. On 1 April 2019 the National Living Wage and National Minimum Wage rates all increased. See the table below for rates.
7. The Low Pay Commission is an independent body made up of employers, trade unions and experts whose role is to advise the Government on the minimum wage. It was established in 1997 and delivered its first recommendations in 1998, which were implemented the following April.
8. The recommendations of the Low Pay Commission have always been unanimously agreed by Commissioners. The fact that these judgements are made by social partners, working together and reaching decisions via consensus, ensures that the concerns of both workers and employers are taken into account and that all recommendations are backed by both groups alike.
9. The nine Low Pay Commissioners are:
  - Bryan Sanderson (Chair)
  - Professor Sarah Brown
  - Professor Richard Dickens
  - Kate Bell
  - Kay Carberry
  - Simon Sapper

- Neil Carberry
- Clare Chapman
- Martin McTague

Minimum wage rate	Rate to 31 March 2019	Rate from 1 April 2019
National Living Wage	£7.83	£8.21
21-24 Year Old Rate	£7.38	£7.70
18-20 Year Old Rate	£5.90	£6.15
16-17 Year Old Rate	£4.20	£4.35
Apprentice Rate	£3.70	£3.90
Accommodation Offset	£7.00	£7.55

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## [Press release: Biggest ever increase to National Living Wage comes into effect](#)

- Full-time workers receiving National Living Wage will be more than £2,750 better off a year compared to 2015, when the rate was first announced
- the National Living Wage will go up today by the highest rate since it was first introduced, increasing by almost 5% to £8.21 per hour
- 2.1 million workers set to benefit from minimum wage increases, including almost 800,000 retail and hospitality workers
- increases to the minimum wage rates form part of government's commitment to protect the UK's lowest paid workers through its modern Industrial Strategy

1.8 million workers earning the National Living Wage (NLW) will receive an additional £690 over the year from today (Monday 1 April), as the biggest ever increase to NLW comes into effect.

The National Minimum Wage (NMW) is also increasing. This includes £7.70 per hour for 21 to 24-year olds, providing an additional £580 over the year for full-time workers, and £6.15 for 18 to 20-year olds, providing full-time workers with an additional £455 over the year. Taken together with changes to NLW, 2.1 million people will be receiving a pay increase from today, with workers in the retail and hospitality sectors due to benefit the most.

Business Minister Kelly Tolhurst said:

We are committed to making sure that UK workers get a fair day's pay and the rise in the National Living and Minimum Wage, benefiting millions of people, delivers on this commitment.

Since the National Living Wage was announced in 2015, it has helped protect the lowest paid – increasing faster than inflation and average earnings. Our minimum wage rates are among the highest in the world and, through our modern Industrial Strategy, we are determined to end low pay and workers get a fair day's pay for a fair day's work.

Chancellor of the Exchequer, Philip Hammond, said:

This government is dedicated to increasing the wages of the lowest paid which is why we introduced the National Living Wage and have continued to increase the National Minimum Wage rates – all of which will rise again today and benefit millions of workers.

This government is committed to raising productivity performance across the income spectrum, so that the wages of the lowest paid can increase sustainably over time. While the proportion of low paid jobs is now at its lowest level for 20 years, we are going further by asking Professor Arindrajit Dube, a world-leading expert in the field, to undertake a review of the international evidence of minimum wages on productivity and employment.

Low Pay Commission Chair Bryan Sanderson said:

We are pleased that millions of workers across the country will see an above-inflation pay rise as a result of today's minimum wage increases, which follow the recommendations the LPC made in the autumn.

Today is particularly significant as it also marks 20 years of the National Minimum Wage. Over the last 20 years the NMW and more recently the NLW have achieved their goal of raising pay without significant negative effects on employment.

The UK's minimum wage is currently growing faster than other countries with similar or higher minimum wage, such as Belgium, France and Germany.

The government aims to end low pay and later this year will announce the independent [Low Pay Commission's](#) remit after 2020. At Spring Statement, ministers also announced that the world-leading academic Professor Arindrajit Dube will lead a review of the impact of minimum wages internationally.

Wage increases follow hot on the heels of the [biggest increase to workers' rights in a generation](#), launched in 2018, and are a vital aspect of the modern [Industrial Strategy](#).

As part of this, on 6 April all workers, including casual and zero-hour workers, will have the right to receive a payslip and the maximum employment

tribunal fines for employers will quadruple from £5,000 to £20,000.

1. Since 2015, the UK's minimum wage has grown faster than those of most countries with similar or higher minimum wages. These countries are not generally expected to see their minimum wages increase as fast as in the UK over the next few years, with the exception of New Zealand.

2. The government is committed to ensure the NLW reaches 60% of median earnings by 2020, subject to economic growth. The latest NLW rate of £8.21 represents 59.8% of median earnings, putting the UK on track to reach its ambitious target.

3. Since 2010 NMW / NLW rates have risen faster than inflation and average earnings. The new rates are:

<b>Age</b>	<b>2019-20 (new rate)</b>	<b>2018-19 (previous rate)</b>
25 and over	£8.21	£7.83
21 to 24	£7.70	£7.38
18 to 20	£6.15	£5.90
Under 18	£4.35	£4.20
Apprentice	£3.90	£3.70

Number of workers paid NMW / NLW rates in April 2019:

<b>Region</b>	<b>No. of workers receiving NLW</b>	<b>No. of workers receiving NMW</b>
North West	222,000	46,000
South East	188,000	31,000
West Midlands	181,000	33,000
Yorkshire & Humber	172,000	37,000
London	167,000	17,000
East Midlands	157,000	36,000
East	151,000	26,000
South West	138,000	30,000
Scotland	128,000	31,000
Wales	95,000	19,000
North East	88,000	19,000
Northern Ireland	75,000	20,000

4. Number of workers paid NMW / NLW rates by low paying sector:

<b>Sector</b>	<b>No. of workers receiving NLW</b>	<b>No. of workers receiving NMW</b>
Non-low paying sectors	351,000	56,000
Retail	343,000	86,000
Cleaning and maintenance	255,000	6,000
Hospitality	246,000	101,000
Social care	105,000	9,000

Transport	69,000	7,000
Storage	65,000	7,000
Food processing	63,000	4,000
Childcare	58,000	15,000
Non-food processing	58,000	9,000
Office work	47,000	9,000
Hair and beauty	25,000	14,000
Leisure	24,000	12,000
Agriculture	19,000	3,000
Security and enforcement	17,000	1,000
Textiles	8,000	–
Call centres	7,000	1,000

5. NMW / NLW increase to full-time workers' yearly earnings has been calculated on the basis of 52 weeks per year and 35 hours of work per week, rounded to the nearest 5

6. [Protecting and enhancing worker rights](#) after the UK withdrawal from the European Union was published on 6 March 2019.

7. The [Good Work Plan](#) comes as the latest response to the independent [Taylor Review of impact modern working practices](#) (2017).

The review found that the strength of the UK's labour market is built on flexibility but that a clearer focus was needed on quality of work as well as the quantity of jobs.

8. The government's modern Industrial Strategy published in 2017, sets out how the whole of the UK can build on its strengths, extend them into the future, and capitalise on new opportunities.

## [News story: Serious youth violence summit to launch public health duty to tackle serious violence](#)

The new, multi-agency, 'public health duty' is intended to help spot the warning signs that a young person could be in danger, such as presenting in A&E with a suspicious injury, to worrying behaviour at school or issues at home.

Similar approaches have been used in Scotland and Wales, and are designed to ensure every part of the system works together to support young people and makes targeted interventions before they commit violence or are groomed by

gangs.

The joined-up approach could also include organisations jointly funding early intervention services to improve their coordination and would be backed up by legislation to make sure professionals in health, education, police, social services, housing and the voluntary sector work together and are held accountable for preventing and tackling serious violence.

The announcement comes as the Prime Minister, Theresa May, is set to host a summit to tackle knife crime, which will also introduce this multi-agency response to violent crime. The summit will bring together attendees from a diverse range of backgrounds including law enforcement, health, the voluntary sector and education. Young people with experience of living in communities impacted by serious violence will also be attending the conference to share their insights.

The Prime Minister, Theresa May, said:

To bring about lasting change and protect young people from the tragic violence we have seen on our streets, we need to work across society to intervene early and stop them from being drawn into crime.

Strong law enforcement plays an important role, and the police will continue to have our support on the front line, but we all need to look at what we can do in our communities, and in every part of the system, to safeguard young people.

That is why our plans to introduce a whole community – or ‘public health’ – approach are designed to identify more young people at risk.

And this week’s summit in Downing Street is focussed on ensuring everyone coming into contact with young people – from the police, health, education, Local Authorities and voluntary sector – work better together to make targeted interventions and steer them away from violence.

Home Secretary Sajid Javid said:

Violent crime is like a disease rotting our society and it’s essential that all public bodies work together to treat the root causes.

The public health, multi-agency approach has a proven track record and I’m confident that making it a legal duty will help stop this senseless violence and create long-term change.

I’m committed to ending this scourge and will use all the tools at my disposal to do so.

Government ministers from across Whitehall will continue to chair a series of meetings throughout the week, harnessing expert knowledge to boost joint work in specific areas such as the justice system, business, and community support.

Over 100 experts, including the Children's Commissioner, Anne Longfield, the Met Commissioner, Cressida Dick, charity leaders and Chair of the Youth Justice Board Charlie Taylor, will explore the scope and impact of new ideas whilst kick-starting a further programme of action.

The Prime Minister will also meet privately with the families of a number of victims of knife crime to listen to their first-hand experiences of this issue.

The consultation on a new legal duty to support the multi-agency 'public health' approach will open today to the public and professionals across the UK. The approach will be focused on delivering long-term as well as short-term solutions to preventing and tackling serious violence across England and Wales.

The statutory duty would underpin the multi-agency approach already being driven by the [Serious Violence Strategy](#). This stresses the importance of early intervention to tackle the root causes of violent crime and recently the government launched a £200 million 10-year [Youth Endowment Fund](#) to create a generational shift in violent crime.

The launch of the consultation at the serious youth violence summit complements the government's support for robust law enforcement, which [saw £100 million](#) for police forces announced in the Spring Statement to support forces facing the highest levels of violence and the creation of violence reduction units. Police budgets has also been increased by [over £970 million](#) this year including council tax taking total investment to over £1 billion.

Following the 8 week consultation period, the government will then make a decision on tabling the necessary legislation.

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## [News story: £201 million road repair fund to resurface extra 1,000 miles](#)

- government announces allocation of £201 million for road surfaces
- on top of funding for pothole repairs, the DfT is investing in tech to prevent potholes from forming
- investment will help future-proof roads across the country from bad weather

Councils in England will be given a share of more than £200 million for road



maintenance and pothole repairs – enough to resurface a road between London and Budapest.

Transport Secretary Chris Grayling has announced the allocation of an extra £50 million for councils for potholes and flood resilience as well as £151 million to reward examples of councils' best practice – funding that could resurface more than 1,000 miles of road.

These funds come from the £6.6 billion the government is providing in the 6 years to 2021 to improve local roads.

As part of the government's work to prevent potholes in the future, the Department for Transport will fund early stage research into new surface materials or pothole repair techniques, such as 3D printing. A digital hub will also be set up for experts to share and develop innovations.

Transport Secretary Chris Grayling said:

Every motorist knows that potholes have been a problem in the last few years. That is why the government is continuing to step up its funding to local authorities to address this.

It is now up to highways authorities to innovate and use new technologies to solve the problem.

Today's investment is on top of the £725 million local authorities will receive in 2019/20, based on the infrastructure they maintain, including length of roads, number of bridges and street lights.

Road users are already seeing the benefits of extra funding for road maintenance, with £420 million spent in the past 6 months on resurfacing, pothole repairs and bridge renewals. Several local authorities have also bought pothole repair machines such as Dragon Patchers and JetPatchers – to help repair potholes and other defects quickly.

The Department for Transport, along with Cumbria County Council and highway survey firm Gaist, is also trialling low-cost sensors to monitor river levels across the region to reduce the risk of future flood damage.

In north-east Lincolnshire the council and partner ENGIE have introduced a new heat and recycle system which mixes new and existing surfaces to create a thermo-bond and reduce the potential for weak points which let in water, creating potholes. As the technique recycles the existing surface, no waste is taken to landfill.

Already this year the government announced it will be providing £23 million for trials of new technologies to develop pothole-free roads, such as using kinetic energy to heat surfaces, recycling plastic waste into a harder-wearing surface or installing sensors to predicts where issues might occur.

A [guide on best practice on pothole repair, developed with the Association of](#)

[Directors of Environment, Economy, Planning and Transport](#), has also been published today (31 March 2019).

The Department for Transport is currently consulting on ensuring road repairs last longer by requiring utility companies to guarantee their roadworks for up to five years, instead of two presently.

We will also shortly be announcing a review of road condition surveying data and technology. This call for evidence will seek views on the current methodology used to monitor road condition as well as how councils and the wider sector can harness new forms of technology and data to improve our local roads and infrastructure.

Additionally, the Department for Transport is establishing a “Review and Audit Group” in liaison with the highways sector to ensure adoption of best practice. Further details will be announced shortly.

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## **News story: Greater powers for police to use stop and search to tackle violent crime**

Home Secretary Sajid Javid is also making it simpler for police to use section 60 of the Criminal Justice and Public Order Act. This empowers officers to stop and search anyone in a designated area without needing reasonable grounds for suspicion if serious violence is anticipated.

The changes apply to seven police forces who collectively account for over 60% of total national knife crime and will result in at least 3,000 more officers being able to authorise section 60. The changes will run for up to a year, including a review after 6 months.

The Home Secretary has lifted 2 conditions in the voluntary Best Use of Stop and Search Scheme by:

- reducing the level of authorisation required for a Section 60 from senior officer to inspector
- lowering the degree of certainty required by the authorising officer so they must reasonably believe an incident involving serious violence ‘may’, rather than ‘will’, occur

Prime Minister Theresa May said:

These changes will support police officers tackling serious violence in the worst affected areas.

Stop and search powers are an important tool in the fight against knife crime, and we will continue to drive tough law enforcement to protect the public.

As a whole society we also need to take a hard look at the root causes of these crimes so we can intervene earlier and stop young people from being drawn into violence in the first place.

Home Secretary Sajid Javid said:

The police are on the front line in the battle against serious violence and it's vital we give them the right tools to do their jobs.

Stop and search is a hugely effective power when it comes to disrupting crime, taking weapons off our streets and keeping us safe.

That's why we are making it simpler for police in areas particularly affected by serious violence to use Section 60 and increasing the number of officers who can authorise the power.

The change follows a Home Secretary roundtable with police leaders on knife crime earlier this month, where the need for this power was discussed.

It also comes ahead of the Prime Minister's summit on serious youth violence in Downing Street tomorrow. This will bring together Ministers, community leaders, agencies and other experts to explore what more we can do as a whole society to tackle the root causes of serious violence and intervene earlier, alongside tough law enforcement.

Earlier this month, the government announced £100 million additional funding to support areas most affected by serious violence, boosting policing capacity and enabling the creation of multi-agency violence reduction units.

The changes to section 60 will initially apply in areas particularly affected by violent crime – London, West Midlands, Merseyside, South Yorkshire, West Yorkshire, South Wales and Greater Manchester – for up to a year. Forces are also expected to engage with communities on its use, and nobody should be stopped on the basis of their race or ethnicity.

Section 60 is often used after an incident of serious violence when police anticipate reprisal attacks. The power was used to protect festival-goers at last year's Notting Hill Carnival, where four knives and a corrosive substance were seized. It was also deployed by the Metropolitan Police and British Transport Police during a recent operation outside Stratford Station, east London, where officers seized six weapons and made 27 arrests.

Commissioner of the Metropolitan Police Cressida Dick said:

I welcome the Home Secretary's continuing support for our officers using stop and search to tackle violent crime. Stop and search is an extremely important power for the police. It is undoubtedly a part of our increasing results suppressing levels of violence and knife crime.

Our well-trained officers, acting on intelligence, use their powers professionally every day to remove weapons and other illegal items from the streets and to arrest violent offenders and those who habitually carry weapons.

In the last 18 months we have also increased the use of our powers under section 60 to prevent further violence from taking place. We are combining this with communication and engagement, so the public feel informed and supportive of our enforcement activities to tackle violent crime.

Alongside support for the police, the government continues to focus on early intervention and last week appointed charitable foundation Impetus to manage its £200 million youth endowment fund, designed to tackle youth violence.