



**WARDS AFFECTED:
ALL WARDS (CORPORATE ISSUE)
But Notably ABBEY, BELGRAVE, LATIMER**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
DIRECTOR'S BOARD
LEADER'S BRIEFING**

**7 NOVEMBER 2000
20 NOVEMBER 2000**

CABINET

4 DECEMBER 2000

Enforcement of the National Minimum Wage

Report of the Director of Environment & Development

SUPPORTING INFORMATION

1. Factual detail of the report.

The summary report relies principally on research conducted by the City Council on behalf of the Low Pay Commission. The Commission has been given the remit by Central Government to monitor the effects and impact of the National Minimum Wage and this research will contribute to the Commission's evidence. As such it will not be available for public consumption until the Commission has had time to collate and analyse all the information submitted to them and given their report to Government. However, a verbal agreement has been made with the Commission that the report can be shared with members with a view to supporting local service delivery.

Two previous reports have been produced by the Low Pay Commission.

The first, "The National Minimum Wage" made recommendations on the introduction of the National Minimum Wage legislation.

The second, "The National Minimum Wage – the story so far" is the Commission's first evaluation report on the minimum wage.

2. Research & Consultation.

A working party, the Leicester Minimum Wage Group has been set up to monitor and evaluate the impact of the minimum wage in Leicester. Group membership includes representatives from Welfare Benefits and Employment Rights Team, LCC
Employment Initiatives Team, LCC
Linwood Workshops, LCC
KFAT
Homeworkers for Change.

In addition, Leicester University and Homeworkers for Change have been involved in consultation on the survey and its findings.

3. Financial & Legal Implications

Avoidance of paying the minimum wage also means avoidance of paying income tax – one of the reasons why the Inland Revenue is the enforcement agency for the minimum wage. There may be legal issues regarding having information on third parties avoiding paying income tax and passing this information on to the Inland Revenue. Advice will be sought from Legal Services concerning this and any other connected issues.

4. Identification of Implications.

- 4.1 Community Plan - The recommendations in the report will directly contribute to the employment strategy, one of the main priorities within the Community Plan.
- 4.2 Sustainability- Part of the rationale for the introduction of the National Minimum Wage was to encourage sustainability as defined, in its widest sense by the DETR. It is widely accepted that this requires effective enforcement mechanisms to be in place. The report seeks to enhance the delivery of these enforcement procedures.
- 4.3 Equal Opportunities – The survey, on which the recommendations are ‘hard evidenced’ by, looks at the impact of the minimum wage among ethnic minority languages. The Low Pay Commission, in its terms of reference, is asked to examine the effects of the minimum wage on ethnic minority workers. The impact of the recommendations should benefit, not only ethnic minority workers, but all other disadvantaged groups as well, given that the low waged employment is a feature for all such groups.