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Dear Colleagues,

I promised to write to provide answers on questions I was not able to address during the 25 June debate on the 'National Minimum Wage (Offshore Employment) (Amendment) Order 2020. I would also like to echo my thanks to those who were present and the valuable contribution Peers made on what is an important subject, particularly in light of the current context.

#### Nationalities of seafarers eligible for the minimum wage

Lady Northover asked for an estimate of the nationalities covered and whether there were any groups not covered. It is estimated that there are 57,060 seafarers working domestically in the UK. We do not have a breakdown by nationality but there are over 9,000 UK ratings of which the majority will work in the domestic market.

The exemptions that exist in the national Minimum Wage Act 1998 remain unchanged. These notably being the self-employed, under 16s, those living and working with a family as an au pair or nanny, and not paying towards accommodation or meals, those in the armed forces, those volunteering or doing work experience, prisoners, some trainees and interns and some farm workers.

#### Number of British seafarers repatriated or awaiting repatriation

Lady Burt asked if I could provide details of how many British seafarers have not been repatriated and remain waiting for repatriation. It is estimated that there are approximately 2,000 UK seafarers who either are coming to the end of their contract or will have their contract extended. In regard the cruise sector we have 522 UK seafarers on 115 vessels outside of the UK, of which we estimate 50 - 100 will be repatriated under procedures in place due to COVID. Other UK seafarers are essential crew required for the maintenance of the vessels. We continue to work with industry and the unions and industry in regard the current position of UK seafarers. The UK does not restrict the transit or transfer of seafarers through the UK.

#### Real living wage for seafarers

Lord Foulkes and Lady Bennett both enquired as to whether the real living wage would be applied to seafarers. The Government is responsible for setting the minimum wage to protect vulnerable workers. These rates are legal minimum thresholds different from the Living Wage. In setting the minimum wage the Government takes expert and independent

advice from the Low Pay Commission when setting the minimum wage rates. The Low Pay Commission (LPC) draws on economic, labour market and pay analysis, independent research and stakeholder evidence. The LPC rates consider the impact on businesses and the economy.

The Government commends the work of the Living Wage Foundation and those employers who commit to paying the voluntary Living Wage when they can afford to do so.

#### Continuous Improvement

Lady McIntosh remarked that International Labour Organization asks for continuous improvements for seafarers and what other measures the Government envisage going forward. The Maritime 2050 strategy set out a social framework that contains a number of recommendations including the application of the National Minimum Wage, harmonisation of certification standards, harmonisation of employment standards for those at sea, mental health support, better representation at the international level via the International Maritime Organization (IMO) and International Labour Organization (ILO), addressing issues such as seafarer fatigue, seafarer welfare and modern day slavery.

#### Unpaid internships

Lord Holmes enquired as to whether I could say how many prosecutions there have been under the NMW for those involved in operating unpaid internships. The Government is determined that everyone who is entitled to the National Minimum Wage (NMW) receives it. All businesses, irrespective of size or business sector, are responsible for paying the correct minimum wage to their staff.

HMRC also actively promote NMW compliance by engaging workers and employers to raise awareness of their rights and obligations. For internships, HMRC routinely contact employers who advertise these roles, signposting them to NMW guidance to help ensure they are compliant at the outset. There have been no prosecutions relating to internship cases.

#### Location of offshore bases

Finally, Lord Berkeley asked whether it matters where the offshore bases are located. It is the government's intention that **all** vessels explicitly providing support to the UK offshore sector in the UK continental shelf will be required to pay the national minimum wage or above for seafarers on those vessels.

I hope this letter has been useful. I will send a copy to all Peers who spoke and place a copy in the House library.

*My best wishes*  
*James*

**VISCOUNT YOUNGER OF LECKIE**