

Scottish Women's Convention response  
to the Low Pay Commission's  
consultation on:

# National Living Wage and National Minimum Wage Rates for 2026



June 2025

## Premise

The Low Pay Commission (LPC) is an independent organisation, which advises the UK Government on the setting of levels for the National Living Wage (NLW) and the National Minimum Wage (NMW). The NLW is the minimum wage payable to workers in the UK aged 21 and over - the rate set in 2025 was £12.21. Alternatively, the NMW is the minimum pay per hour almost all workers are entitled to, varying by age. For workers aged under 18 the 2025 rate is £7.55, while 18–20-year-olds are entitled to £10. Anyone who takes up an apprenticeship in the UK is also now entitled to the NMW dependent on age<sup>1</sup>.

The LPC are obliged to review these rates annually, advising on the rate of increases to the NLW and NMW. The LPC have requested further details from respondents in relation to NMW-setting. After the LPC have received consultation responses, they shall consider how plans impact citizens, and which estimations should be presented to the UK Government.



## **The Scottish Women's Convention (SWC)**

The SWC is funded to engage with women across Scotland to ensure that their views are represented in policy and decision-making processes. The SWC uses the views of women to respond to a variety of parliamentary, governmental, and organisational consultation papers at Scottish, UK and international levels.

The SWC gathers information using different methods, including roadshows, thematic conferences, surveys, and both in-person and online roundtable events. This submission presents the views of a range of women, reflecting their opinions, ideas and lived experience. Working together with many other equalities organisations and community groups, we use our broad network to ensure that women from a range of backgrounds are heard and acknowledged. We are continually reviewing innovative ways of engaging with women and developing our trauma-informed and culturally sensitive practice to support vital contributions from as many women as possible.

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<sup>1</sup> UK Government. (2025). National Minimum Wage and National Living Wage Rates. Available at: <https://www.gov.uk/national-minimum-wage-rates?layout=default>

## **The National Living Wage (NLW)**

**To what extent has the NLW affected different groups of workers? In particular, are migrant workers affected differently or do effects differ by protected characteristics? (For example, are there differences by sex, race/ethnicity or disability?)**

NLW levels ultimately impact women to a higher degree than men, with women taking on the majority of low-paid employment. Women are more likely to work in service, hospitality and retail industries, experiencing low pay and poor working conditions<sup>2</sup>. Through our work, we understand that misogyny remains a significant barrier to the betterment of women's financial situation – with prejudicial mentalities preventing women from accessing promotion. Additionally, women carry out the majority of domestic work, providing essential unpaid care for family members. Much of this work is time-consuming and exhausting, preventing women from taking on full-time employment. The combination of these factors continually worsens women's employment prospects, forcing many into menial low-paid work. Therefore, changes to the NLW will have a disproportionate impact on women.

- “...because it tends to be mums that are in these lower paid jobs, they also tend to be the ones that when something goes wrong with the child, like if they're ill, it's the mum's that get phoned. Then the mum loses the money, because they're only allowed so many sick days or they haven't planned a holiday...So, it's unpaid leave that they're having to take”
- “Yeah, I mean it comes back to that idea of an adequate income and what does that mean for people? Right now, it isn't enough.”

Moreover, for those experiencing multiple layers of discrimination, such as disabled women, the NLW remains a key aspect of their lives. Women are more likely to be disabled when compared with men in Scotland<sup>3</sup>. Women are also more likely to experience poverty than men in Scotland, worsening general outcomes<sup>4</sup>. It has been widely reported that disabled women struggle to enter the employment market as a result of discriminatory attitudes and practices. The SWC assessed autistic women's experiences of the workplace, concluding that recruitment processes often prioritise the needs of neurotypical individuals, missing the essential contributions of neurodiverse women<sup>5</sup>. As a result, disabled women struggle to access secure employment and instead enter the low-paid employment market<sup>6</sup>. With a large proportion of disabled

<sup>2</sup> Living Wage Foundation. (2025). Nearly 3 million Women Paid Below Real Living Wage as Gender Pay Gap Widens. Available at: <https://www.livingwage.org.uk/news/nearly-3-million-women-paid-below-real-living-wage-gender-pay-gap-widens>

<sup>3</sup> First Minister's National Advisory Council on Women and Girls. (2024). Disabilities: What We Already Know. Available at: <https://www.generationequal.scot/disabilities/>

<sup>4</sup> Engender. (2023). The Largest Poverty Indicator That No One's Talking About. Available at: <https://www.engender.org.uk/news/blog/the-largest-poverty-indicator-that-no-ones-talking-about1/>

<sup>5</sup> Scottish Women's Convention. (2025). A Blether on... Autism. Available at: <https://www.scottishwomensconvention.org/resources/autism-blether-report.pdf>

<sup>6</sup> TUC. (2024). Disability Pay and Employment Gaps. Available at: <https://www.tuc.org.uk/research-analysis/reports/disability-pay-and-employment-gaps>

women working within these sectors, we would argue that NLW alterations will likely disproportionately affect this group.

Furthermore, ethnic minority women are also more likely to be in low-paid work, as a result of sustained disadvantage. In general, employment levels for ethnic minority groups are lower in Scotland, and ethnic minority women specifically are over-represented across insecure employment types<sup>7</sup>. It can be estimated that this is the result of structural racism, which actively prevents ethnic minority women from accessing promotion, education and improved opportunities. These issues are particularly prevalent for migrant and asylum-seeking women - many possess the required skills to excel across workplaces. Asylum-seekers have reported to the SWC, that despite holding many employable skills and qualifications, they are prevented from effectively using these in the UK<sup>8</sup>. They have explained that this is generally due to a UK-bias, which devalues degrees and qualifications gained from other countries. Their inability to enter employment which suits their ability level, has forced many into low-paid work – with a particular emphasis on the care sector. Again, this results in those experiencing multiple disadvantage, being over-represented across low-paid work.

- “I mean we know about the gender pay gap, but low pay, say you have two or three masters, and you’ve been waiting for a job [as an asylum seeker], but you can’t get it, you’re bound to be asked to go do cleaning, you’re forced to go and do something like security, you’re forced to do cash in hand stuff.”

### **At what level should the NLW be set from April 2026?**

The NLW should be set to the highest available amount from April 2026 - £12.80. It should be of critical importance to any government that citizens are provided with sufficient means with which to live. Anti-poverty campaigners have strongly advocated for increased financial payment for those struggling to manage daily costs. This has been evidenced through the establishment of the Scottish Child Payment, which the Joseph Rowntree Foundation estimates to have reduced child poverty rates<sup>9</sup>.

While it has been consistent UK Government policy to conflate a pro-work agenda with the reduction of poverty, we would estimate that the structural barriers must instead be tackled. Work does not necessarily equate to the eradication of poverty, with 60% of working age adults in poverty living in a household where at least one person was in paid work<sup>10</sup>. In Scotland, average incomes have not recovered to pre-pandemic levels, with those on the lowest incomes, earning an estimated £20 less per week in 2023/24 compared to 2019/20<sup>11</sup>. The impact of the Covid-19 pandemic, paired with an unstable geopolitical climate, has ultimately eroded the quality and quantity of work available for those in low-paid work. Essentials, such as bills, rent and food costs have increased

<sup>7</sup> Understanding Society. (2024). Ethnic Minorities Experience Lower Job Quality. Available at: <https://www.understandingsociety.ac.uk/blog/2024/01/08/ethnic-minorities-experience-lower-job-quality/>

<sup>8</sup> Scottish Women's Convention. (2024). A Blether on... World Population Day. Available at: <https://www.scottishwomensconvention.org/resources/a-blether-on-world-pop-day.pdf>

<sup>9</sup> Joseph Rowntree Foundation. (2024). Poverty in Scotland. Available at: <https://www.jrf.org.uk/poverty-in-scotland-2024>

<sup>10</sup> Poverty and Inequality Commission. (2024). Key Facts. Available at: <https://povertyinequality.scot/poverty-scotland/>

<sup>11</sup> Scottish Government. (2024). Poverty and Income Inequality in Scotland 2021-24. Available at: [https://data.gov.scot/poverty/#Income\\_inequality](https://data.gov.scot/poverty/#Income_inequality)

year on year, consequently we believe that the NLW should be raised to the highest level available.

## **Experiences of Those on Low Pay Over the Past Year**

### **Recent increases in the NLW have exceeded increases in average prices. How far has this helped workers at or close to the minimum wage to meet their living costs?**

Recent increases to the NLW were welcomed by women in Scotland, with the additional levels assisting those on low incomes to an extent. However, this level did not go far enough to adequately mitigate the hardships facing women and their families across Scotland. Women have regularly highlighted increased living costs, stating that household bills, food, clothing, and transport costs have all increased enormously. While gathering information on the impact of poverty on women, a large proportion of participants were in paid employment, yet were unable to afford basic items. This resulted in harrowing accounts of the lived impact of poverty on women and children, including choices between “heating and eating”; an inability to treat children equally; poor mental and physical wellbeing; and withdrawal from recreational activities.

- “It’s a constant stress and worry – prices keep going up for all of our basics and bills but my income has barely risen. It effects my mental health badly. I can’t afford healthy food and we have gained quite a lot of weight because junk food is cheaper and more accessible. I hate special occasions and holidays because we can’t afford to join in...We can’t afford flooring and have bare floors. I can’t afford to pay someone to put up curtain rails so we have no window coverings either.”
- “The food shopping and energy bills are so expensive, you really have to have a budget.”

Women also told us of their coping mechanisms – namely relying on family support where possible and increased working hours. They explained that family networks assist by providing financial support and childcare assistance (please see our response to question five for further information on this subject). Women were also pushed into additional work, taking on extra hours or multiple jobs to manage increased bills. The amplified stress on women and their families as a result of increased living costs has detrimentally affected overall health and wellbeing of those on low incomes.

- “Without family help I would have been in a bad way. [I can’t afford] holidays, new clothes, a car. I have the heating on for just one hour per day – just getting by is stressful.”
- “This constant squeeze of rising costs across every aspect of daily living puts added pressure on working longer hours and sacrificing any quality time with your family, with the added pressure of trying to set aside savings for our retirement.”

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

The impact of misogyny on women's employment acts as a key barrier to job procurement and improvement. Women have expressed their frustration surrounding misogynistic mentalities which reduce their job prospects and opportunities. They have stated that due to prejudicial attitudes, women are regularly overlooked for promotions. Additionally, negative assumptions are often made surrounding women's ability level or commitment as a result of parental responsibilities or even their capacity to have children.

- "There's still a lot of misogyny in Scotland – young women are denied certain employment and educational opportunities simply because they're female."
- "...I think that's one of the things that women are really good at, transferrable skills. Their problem is recognising that in the workplace and taking credit for that. We tend to say 'I'm lucky'...you talk about misogyny, but we do it to ourselves sometimes. We have to be more aware of that as women."

Direct misogyny is the outcome of wider structural misogyny, which acts to retain women within the domestic sphere. This can be exemplified through women's unpaid childcare – it is estimated that women provide approximately 23.2 billion hours of unpaid childcare per year compared to 9.7 billion carried out by men<sup>12</sup>. The lack of publicly provided childcare prevents women from fully entering the labour market and instead places increased expectations on women to provide this care for free. When domestic labour is expanded to include additional tasks such as cleaning, cooking, and other chores, women spend 11 billion hours a day, globally, carrying out unpaid work<sup>13</sup>. These additional tasks ultimately prevent women from seeking better quality work, as a direct result of poor time availability and exhaustion.

A further barrier to women seeking alternative employment in Scotland, is that of geography. Approximately 29% of Scotland's population reside in rural communities, with 8% of the population living in a remote rural location<sup>14</sup>. Living rurally is associated with poorer access to public services and scarcer job availability. When consulting women from rural locations, the lack of jobs has arose as a major issue. In particular, they have explained that the continued centralisation of services has reduced the number of public sector jobs, with schools and health centres closing. The reduced number of jobs has caused an exodus of young people, creating an unstable situation across rural Scotland. This reduction in people has resulted in fewer businesses selecting rural areas as places of operation, due to fewer customers and employees. Women stated that this was closely related to housing stock, for example on the Isle of Skye, we found that the lack of housing prevented newcomers moving to the island, further eroding public services<sup>15</sup>. The worsening situation across rural Scotland,

<sup>12</sup> Centre for Progressive Policy. (2022). CPPs Latest Report Finds Caring Responsibilities are Disproportionately Impacting Women in the UK. Available at: <https://www.progressive-policy.net/publications/press-release-cpps-latest-report-finds-caring-responsibilities-are-disproportionately-impacting-women-in-the-uk>

<sup>13</sup> Seedat, S. and Rondon, M. (2021). Women's Wellbeing and the Burden of Unpaid Work. BMJ. Available at: <https://www.bmj.com/content/374/bmj.n1972>

<sup>14</sup> National Records of Scotland. (2024). Mid-2022 Small Area Population Estimates, Scotland. Available at: <https://www.nrscotland.gov.uk/media/u3uptow2/report.pdf>

<sup>15</sup> Scottish Women's Convention. (2024). Isle of Skye and Kyle of Lochalsh. Available at: <https://www.scottishwomensconvention.org/resources/skye-and-kyle-report.pdf>

prevents many women from entering improved employment, with the complete lack of opportunity forcing many into seasonal, low-paid work.

- “[The local authority] don’t realise as well, that if you don’t have all these amenities available for the staff that they hope to employ, that’s no encouragement for them to stay.”
- “...people used to come here to work for half the year, so they would only live here for half the year, but they can’t now because there’s no housing.”

## **How has access and cost of childcare and transport affected workers’ ability to move into work or to a better-paying job?**

### **Accessibility:**

Poor access to affordable childcare is arguably the largest barrier facing many women when entering the labour market. In Scotland, women are entitled to 1140 hours of free childcare per year for three- and four-year-olds and eligible two-year-olds<sup>16</sup>. Many women view this entitlement positively, acting to further women’s ability to maintain work. However, when investigating women’s experiences of childcare in Scotland, the SWC note multiple gaps in provision<sup>17</sup>. Firstly, as most nurseries operate between nine and five, Monday to Friday, women working in part-time, shift work struggle to access their full entitlement. They called for improved flexibility within childcare systems, such as that seen at Flexible Childcare Services Scotland (FCSS), which allows parents to book childcare by the hour. The service provided by FCSS enabled 67% of parents to work more and 58% reported that their household income had increased by up to £2,000<sup>18</sup>.

- “...we’ve had parents come to our nursery and say that they can’t take their [unwell] child [home because] they have to be in work that day, that’s ridiculous, that shouldn’t be allowed.”

Additionally, in relation to access, rural women have experienced a significant reduction in childcare availability. Taking the example of the Isle of Skye, we can report that there were no childminders available on the island as of June 2024, with all nurseries publicly operated<sup>15</sup>. The loss of childminders can be witnessed across Scotland, dropping to 3,530 in 2022 from 5,669 in 2016<sup>19</sup>. This issue has been acknowledged by the Scottish Government, with targeted intervention taking place. However, quick action is required to increase childcare staff numbers, including in rural and remote locales.

Rural childcare availability is closely linked to issues relating to transport, with the physical geography presenting multiple challenges. Services are likely to be spread over

<sup>16</sup> Scottish Government. (2025). Funded Early Learning and Childcare. Available at: <https://www.gov.scot/policies/early-education-and-care/early-learning-and-childcare/>

<sup>17</sup> Scottish Women’s Convention. (2024). What Should Childcare Look Like in Scotland? Available at: <https://www.scottishwomensconvention.org/resources/childcare-conference-report.pdf>

<sup>18</sup> Flexible Childcare Services Scotland. (2025). Impact Report 2023-2024. Available at: <https://www.fcass.org.uk/wp-content/uploads/2024/10/Social-Impact-Report-2023-2024-FV-1.pdf>

<sup>19</sup> Scottish Government. (2024). Early Learning and Childcare Expansion to 1140 Hours: Interim Evaluation Report. Available at: <https://www.gov.scot/publications/early-learning-childcare-expansion-1140-hours-interim-evaluation-report/pages/3/>



vast areas, creating significant reliance on transport options. This issue has been worsened through centralisation, with localised services closing or moving to more populated areas. Despite significant travel, many rural areas have very poor public transport options – including buses, trains, and ferries. Rural women have consistently highlighted their disappointment surrounding the availability of public transport, stating that the inconsistency of services prevented them from exiting their local community<sup>20</sup>.

- “[We have] limited childcare providers [in this rural area]. Initially, I was travelling a 110-mile round trip to childcare providers until I got one more local. When the local childcare provider decided to reduce their hours, I had no other childcare options.”

### **Affordability:**

Women identified the price of childcare as a significant barrier to their ability to take on full-time employment. It has been estimated that the average spend on full-time nursery provision for three- or four-year-old is £105.88 per week in Scotland, a 3.7% increase from the previous year<sup>21</sup>. For women working full-time this is a substantial cost, amounting to 15% of their weekly earnings<sup>22</sup>. Additionally, those who currently work part-time are limited in their working hours potential as a direct result of childcare costs. The average hourly pay for part-time workers in Scotland is £14.02 – meaning an individual would have to work an additional seven and a half hours to cover average childcare costs<sup>23</sup>. While this may appear manageable, when combined with issues presented previously, such as part-time employers not providing working hours which align with nursery opening hours, women struggle to balance caring responsibilities and work. To combat this, some women have placed childcare responsibilities on to elderly relatives, such as grandparents. Yet, older women have explained that due to rising living costs they are electing to remain in work longer or return to work. Older women's capacity is then greatly limited by familial responsibilities. Therefore, women generally are prevented from increasing working hours, take on additional training, or better their working conditions.

- “The way in which grandparents seem now to be part of the unpaid childcare response to unaffordable childcare and low-paid work. I saw my own grandparents regularly, they were not however taking me so my mum could work. I have my granddaughter three days a week – I also work. I need to work more hours to increase my income, but if I do that my daughter would have to give up work as she cannot afford, on a low wage, to pay for childcare. It just doesn't stack up.”

<sup>20</sup> Scottish Women's Convention. (2024). Dumfries. Available at:

<https://www.scottishwomensconvention.org/resources/dumfries-report.pdf>

<sup>21</sup> National Day Nurseries Association. (2025). Coram Report: Cost of Childcare Increasing in Wales and Scotland but Halved in England. Available at: <https://ndna.org.uk/news/coram-report-cost-of-childcare-increasing-in-wales-and-scotland-but-halved-in-england/#:~:text=The%20average%20full-time%20place%20in%20a%20nursery%20for,%C2%A3119.23%20a%20week%2C%20a%205.6%25%20increase%20on%202024>

<sup>22</sup> Scottish Government. (2025). Annual Survey of Hours and Earnings: 2024. Available at:

<https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2024/pages/employee-earnings/>

<sup>23</sup> SPICe. (2024). Earnings in Scotland. Available at: <https://spice-spotlight.scot/earnings-in-scotland/>



When discussing the cost of childcare with women, those working in the industry also found cost to be an issue. They explained that pay levels were inadequate when taking childcare into consideration, particularly for parents in low-paid employment. This issue is widening, with in-work poverty becoming more prevalent across Scotland. 61% of working-age adults live in a household where someone is in paid-work, an increase from 52% 10 years ago<sup>24</sup>. Childcare plays an incredibly important role in alleviating the impact of poverty, allowing parents to take on increased working hours. This childcare must however be within the average worker's means, and we at the SWC, have not found that to be the case across Scotland.

- “The rate of pay that many of the parents accessing our childcare are earning is too low. Even if people are on the living wage, if you’ve got two children that need childcare, you’re not going to do it – an hour of your time working isn’t going to cover the cost of your childcare and that’s before your transport, trips, outings and outfits”
- “We have to make more accessible, affordable childcare where families who are on a low income have more access to funding sooner to enable that, and we need to make sure that when families are working, that they’re actually getting paid the wage that covers their costs, because otherwise it doesn’t work for them.”

### Transport:

Transport links have also been discussed by women in relation to work. They have explained that the cost of taking on a personal vehicle is generally unattainable; the RAC have estimated that it costs on average, £2,187 to learn how to drive in the UK<sup>25</sup>. These costs have forced many to rely on poor quality public transport options and in doing so, women are retained within their local community. This ultimately limits job opportunities, particularly for women who reside out with the Central Belt of Scotland.

- “I’ve never been able to learn to drive because I can’t afford lessons. Even if I could cover that, there’s no way I could ever afford to buy and run a car. Public transport is very expensive in my local area, which limits what I can do and where I can go.”
- “I grew up poor due to being from an asylum-seeking family, and it was always expected that I would do better – instead I’ve repeated the cycle...I never learnt to drive due to the high costs, and when I started lessons, I would be in a weekly panic at how much it was costing and how slow I was picking it up.”

Rural women highlighted the cost of fuel as an additional barrier to work. Fuel poverty is a major issue across rural Scotland – 34% of households in Scotland live in fuel poverty as a result of transport and heating costs<sup>26</sup>. The reliance on personal vehicles is unavoidable for rural women, due to poor public transport options and the large

<sup>24</sup> Business in the Community. (2025). In-Work Poverty in Scotland: What Employers Need to Know. Available at: <https://www.bitc.org.uk/wp-content/uploads/2025/06/bitc-report-in-work-poverty-in-scotland-report-may25.pdf>

<sup>25</sup> RAC. (2024). How Much Does It Cost to Learn to Drive? Available at: <https://www.rac.co.uk/drive/advice/learning-to-drive/how-much-does-it-cost-to-learn-to-drive/>

<sup>26</sup> The Scottish Fuel Poverty Advisory Panel. (2025). Key Facts. Available at: <https://fuelpovertypanel.scot/key-facts/>

distances which must be journeyed. It can be argued that high running costs act to disadvantage women, limiting opportunities to travel for work.

- “I’d look for jobs close to home because travel time is obviously a factor when dropping children off. My husband didn’t need to think about that; he’d just get up and go to work.”

Public transport costs are also an issue across Scotland. Women have stated that due to the privatisation of bus services, ticket prices continuously rise, with no limitations. Costs vary by locality; however, women have widely reported that bus and train prices remain high, causing financial difficulty. The price of public transport can be off-putting for women seeking improved employment opportunities, as can the unreliable nature of public trains and buses.

## **Lowering the Age of Entitlement to the NLW to 18**

### **How will reducing the age threshold for the NLW affect you, your members or others?**

It is our view that there should be no difference in pay between age groups. Women have highlighted that young women face risk factors with regards to poverty, as a direct result of low wage rates. In Scotland, an individual is legally classed as an adult from age 16, holding the right to own a home, marry, and vote in Scottish elections. We would therefore argue that the expectations placed upon this age group should be reflected in pay rates. Through a reduction in the age threshold for the NLW, young women would be enabled to fully participate in public life, without facing significant financial disadvantage.

### **At what level should the youth rates be set from April 2026?**

We propose that youth rate levels should be set to the highest possible rate from April 2026. Increasing rates for young women would assist in handling rising living costs, such as household bills and groceries. While investigating the impacts of poverty on women, the varying experiences of young women arose. They felt that current pay rates were “unfair”, actively discriminating against them as a result of their age. This was worsened as many elected to study, preventing them from taking on full-time employment. Therefore, increasing youth rates to the highest possible level is highly recommended.

- “...we’ve had a number of [college] students drop out of our early year learning course, when in previous years they wouldn’t have had, and it’s because they can’t balance the work and the studying...They’re putting themselves into poverty”
- “The bottom line is that a loaf doesn’t cost less because you’re under 25 years old.”

## Apprentices

### **The Apprentice Rates increased in April by 18%, to £7.55. What do you expect the effects of this increase to be?**

Across Scotland, it can be observed that modern apprenticeship rates have increased by 5.5% from 2023/24<sup>27</sup>. While wider societal change is the most likely cause, with gendered expectations altering over time, improved pay rates make apprenticeships more appealing to young women. When discussing barriers to STEM, women explained that structural elements, such as pay and maternity leave, were significant. They stated that due to poor quality protections, women were less likely to enter the STEM sectors. We would then expect further improvements to the Apprenticeship Rate by 18%, to entice a larger number of young women into STEM fields.

## Economic Outlook

### **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 effects of Government policies and interventions.**

Within the UK Government's 2024 Autumn Budget, an increase of 1.2% of National Insurance contributions was established, raising the rate to 15%. The Budget also reduced the threshold from for National Insurance payments from £9,100 to £5,000. These changes aim to directly tackle inequalities across public finances, enabling investment into public services<sup>28</sup>. Women have consistently called for improved financing of public services, stating that sustained austerity measures over the past decade have eroded quality and quantity of provision.

However, increased costs will likely impact employers negatively, having an inevitable impact on workers. Scottish Care have reported that the average increase to employer National Insurance contributions was approximately 40%, with 98% of survey respondents stating that changes would make their organisations less sustainable and 48% explained that there could be resultant service closers<sup>29</sup>. Similar issues have been identified within the Scottish childcare sector, with employer National Insurance contributions likely causing staff reduction and even a reduction in child intakes<sup>30</sup>.

Sectors such as social care and childcare are largely composed of women workers, meaning service closers will disproportionately impact women. Also, these sectors

<sup>27</sup> Skills Development Scotland. (2025). Modern Apprenticeship Statistics. Available at: [https://www.skillsdevelopmentscotland.co.uk/media/qqqn3kz4/modern-apprenticeship-statistics-quarter-4-2024-25.pdf?\\_gl=1\\*144sfq0\\*\\_up\\*MQ.\\*\\_ga\\*MTMxNDYyMTM2OC4xNzQ5ODA1MjEy\\*\\_ga\\_2CRJE0HKFQ\\*cze3NDk4MDUyMTAkzEkZzAkD E3NDk4MDUyMTAkjYwJGwwJGgw](https://www.skillsdevelopmentscotland.co.uk/media/qqqn3kz4/modern-apprenticeship-statistics-quarter-4-2024-25.pdf?_gl=1*144sfq0*_up*MQ.*_ga*MTMxNDYyMTM2OC4xNzQ5ODA1MjEy*_ga_2CRJE0HKFQ*cze3NDk4MDUyMTAkzEkZzAkD E3NDk4MDUyMTAkjYwJGwwJGgw)

<sup>28</sup> UK Government. (2024). Changes to the Class 1 National Insurance Contributions Secondary Threshold, the Secondary Class 1 National Insurance Contributions Rate and the Employment Allowance from 6 April 2025. Available at: [https://www.gov.uk/government/publications/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl/changes-to-the-class-1-national-insurance-contributions-rate-and-the-empl](https://www.gov.uk/government/publications/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl)

<sup>29</sup> Scottish Care. (2024). The Financial Toll: National Insurance Increases and Social Care Providers in Scotland. Available at: <https://scottishcare.org/wp-content/uploads/2024/11/SC-Financial-Toll-NI-Report-Nov-24.pdf>

<sup>30</sup> Early Years Scotland. (2025). Employer National Insurance Contributions Increase and the ELC Sector Impact Report. Available at: <https://earlyyearsscotland.org/wp-content/uploads/2025/04/NI-REPORT.pdf>

provide women with invaluable support to remain within employment, as outlined above. Again, this will likely result in an amplified impact on women, pushing an increased number into the domestic sphere and away from employment. With the UK Government placing significant onus on a pro-work agenda, these changes actively counteract this sentiment and therefore require alteration.

### **To what extent have employers been affected by other major trends in the economy and labour market: for example, tariffs, inflation, Brexit, the shift to homeworking or changes in the number of migrant workers in the UK?**

The Scottish economy has been significantly impacted by large-scale changes, such as Brexit and the COVID-19 pandemic.

With regards to Brexit, women have highlighted a reduction in staff availability, impacting the quality-of-service provision. For example, the social care industry has faced major staff shortages; it has been estimated that staff retention from Brexit has become more difficult, with 58% of care providers surveyed reporting this issue<sup>31</sup>. A lack of caring staff, places increased pressure on women across the country, with women carrying out the majority of unpaid care work. This works to limit women's ability to enter the paid workforce further, therefore suggesting a clear gendered impact of Brexit on the Scottish public.

- "...so many people went back to Europe because of Brexit...You can't replace five to 10 years of experience in six months"

Additionally, rural women have reported staffing issues across the hospitality and agricultural industries. They explained that the availability of menial labourers has decreased as a result of tighter migration rules, impacting fruit and vegetable picking and cleaning services. When combined with wider issues around depopulation in rural Scotland, private businesses are struggling to maintain output, further worsening localised economies.

- "I think we lost a lot of businesses in town. When I first moved here there were quite a lot of places to go, but I don't think town is as buzzy anymore [after the pandemic]."

Alternatively, employment settings have widely changed due to the COVID-19 pandemic. The shift to homeworking caused by national lockdowns, pushed many professionals away from office buildings and into the home. During this time, most part-time employers relied on the UK Government's furlough scheme to maintain employee numbers, with the retail and hospitality industries closing almost entirely. We have now returned to pre-COVID levels of operation; however, workplaces have retained working from home as a preferred methodology. This has an inevitable impact on retail and

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<sup>31</sup> Scottish Government. (2022). The Contribution of EU Workers in the Social Care Workforce in Scotland. Available at: <https://www.gov.scot/publications/contribution-eu-workers-social-care-workforce-scotland-2022/>

hospitality sectors, with previously busy periods now lacking custom. As such, businesses have been forced to close, the Scottish COVID-19 Inquiry has reported that as many as 20,000 small Scottish firms have been forced to close since the pandemic<sup>32</sup>. The impact of these closures will therefore drastically impact women, with women making up the majority of part-time workers across retail and hospitality.

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<sup>32</sup> BBC News. (2024). Covid: 20,000 Scottish Firms Destroyed by Pandemic. Available at: <https://www.bbc.co.uk/news/articles/c3we675x41do>

## **Conclusion**

Having listened to women, our three key recommendations on this topic are:

- The NLW and the NMW should be set to the highest possible amount for 2026.
- Youth rates should be raised to align with the rates offered to those aged 21 and over.
- Increase financial support for industries disproportionately impacted by the changes to employer National Insurance contributions.

The SWC is grateful for the opportunity to respond to the Low Pay Commission's consultation on **National Living Wage and National Minimum Wage Rates for 2026**. As an organisation, we will continue to work with women from across Scotland to gather voices and experiences relating to this topic and its effects on women's equality.

For further information or to share your views, please contact:

Email - [info@scottishwomensconvention.org](mailto:info@scottishwomensconvention.org)

Telephone - 0141 339 4797

Website – [www.scottishwomensconvention.org](http://www.scottishwomensconvention.org)

Facebook, X & Instagram - @SWCwomen

