



**Submission to Department for Business Enterprise  
and Regulatory Reform**

**National Minimum Wage and Voluntary Workers**

**British Youth Council response**

**4<sup>th</sup> September 2007**

**The British Youth Council (BYC)** is the national youth council of the United Kingdom. We represent a unique coalition of young people who've joined together through national, regional and/or local youth organisations. Our membership and network numbers over 170 organisations and 400 youth councils. BYC promotes the active citizenship of young people and works to ensure that they are more involved in decisions about their lives.

We aim to do four things:

- Provide a voice for young people;
- Promote equality for young people;
- Help young people be more involved in decisions that affect their lives;
- Advance young people's participation in society and civil life.

We bring young people together to agree on issues of common concern and encourage them to bring about change through taking collective action.

BYC is run by young people for young people. Young people shape our work at all levels through participation in our projects, and regular consultations on policy. Young people also control our governance as a member of BYC's board of 13 annually elected trustees all between the ages of 18 and 24.

**BYC encourages young people to become engaged and active through a number of mechanisms:**

**Publications:** BYC produces a range of publications to help youth organisations realise their plans for development.

**Supporting youth councils:** BYC also actively promotes local youth councils as a model for young people to come together to discuss issues that are important to them and to use their collective resources to lobby effectively for local action.

**Policy and Parliament:** BYC facilitates young people's involvement in national governance through regular consultations that feed into the Westminster policy making process.

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## Key Points

- **In practice, the British Youth Council (BYC) agrees that section 44 of the National Minimum Wage Act 1998 has operated perfectly well over the last eight years, but we appreciate that there are difficulties with the scope of section 44 as regards benefits offered to v volunteers.**
- **However, the withdrawal of the benefit payment of £60 a week for BYC's v volunteers would exclude many young people from participating, which is against the principles of the Russell Commission.**
- **BYC believes that the best way to amend Section 44 is suggested in paragraph 35 of the consultation document, changing the boundaries for monetary payments and benefits in kind.**

Rather than address each question, BYC's response will focus on the areas which are particularly pertinent to its policy and experience. The questions most relevant to BYC are as follows:

- i) Do you have any good observations or comments to make about the way in which section 44 of the Act has operated in practice?
- ii) Do you have any comments about the proposal to use section 3 of the Act (see paragraph 29) to exclude from the national minimum wage those who participate in schemes that are supported under the national framework recommended by the Russell Commission for those in the 16-25 age group?

To the best of its experience, the British Youth Council (BYC) concurs with the consultation's assertion that section 44 of the National Minimum Wage Act 1998 has operated perfectly well over the last eight years<sup>1</sup>. However, BYC agrees that issues have come to light recently concerning the benefits offered to participants in Project Scotland and v which are outside the scope of section 44. BYC agrees that these difficulties need to be resolved or arguably v voluntary workers would have a legitimate case for claiming entitlement to the national minimum wage.

BYC would disagree with the suggestion that qualifying organisations should bring their practices in line with section 44 in order to resolve the difficulty. The withdrawal of the benefit payment of £60 per week for BYC's v volunteers would be extremely prohibitive and exclude many young people from volunteering. The principles of the Russell Commission include facilitating participation and removing barriers to volunteering.

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<sup>1</sup> National Minimum Wage and Voluntary Workers Consultation Document, Department for Business, Enterprise and Regulatory Reform, <http://www.berr.gov.uk/files/file39857.pdf>, 12-06-07, page 26

Removal of the benefit would therefore seem to contradict the philosophy which underpins the v charity. BYC recognises however that there are issues with the benefit payment and volunteers entitlement to Job Seekers Allowance.

BYC has received three examples from its own v volunteers, demonstrating that without the availability of the benefits they receive at the present time, they would not be able to volunteer:

### **Case study 1**

*'My current weekly travel amounts to £28.50 but this is due to a student oyster card which I applied for and paid for myself. Combined with the lunch allowance of £5 a day (which I frequently exceed) it takes my weekly expenses to £48.50 a week. If the expenses were capped at £60 a week I would still (just) be able to volunteer but I may have thought twice, as I turned down a job where I would have earned £3000 over the summer in order to volunteer and the expenses package was one of the reasons that I was able to do so.*

*I only live in Surbiton (13miles from Central London) and live in Zone 6 which is why my travel is relatively inexpensive, however, were I to live a train stop further out then my travel would rise in price and I would not be able to use a Student Oyster Card, therefore with a cap of £60 a week I would be unable to afford my travel expenses and would not have volunteered. I am a student with ever increasing debts and one of the arguments used to justify this volunteering experience to myself was that I was not losing money. With a cap of £60 a week there would be the possibility that I would lose money. To be able to afford this volunteering experience I am already working up to 7 days a week, sometimes going straight from BYC to my other job. Whilst to others £60 a week for transport and lunch may seem generous personally it is necessary for me to be able to support myself.*

*BYC cites itself as a national youth council, surely as a national youth council young people from all over the United Kingdom should be able to volunteer as an intern rather than be restricted to those who live within a weekly £40 commutable area?*

*Whilst there are benefits to volunteering to the individual the 'host' organisation gains also and when young volunteers, who may be in or may have just finished education, begin to lose money by volunteering they will stop therefore causing detriment to the 'host' organisation.'*

### **Case Study 2**

*'With a limit of £60 per week for travel and lunch expenses I would not be able to volunteer under the new expenses rules.*

*I travel between St. Neots and London Kings Cross each day, and use the tube to get to and from Kings Cross and London Bridge. This costs £111.40 each week:*

*£88.20 for a week's travel ticket (with a Young Person's Railcard) between St. Neots and London Kings Cross. I pay £23.20 for a week's Oyster Card zone 1-2 with my expenses for lunch a week typically amount to £12-£14 a week.*

*So, as you can see this cost would prevent me from volunteering under the V volunteer's scheme if the level of expenses available were to be capped at £60 per week.*

*Capping the level of expenses per volunteer would essentially mean that young people such as myself who (as in this case) travel from outside London to the city would be excluded from taking part. This is despite the fact that I can quite easily get to and from work everyday just like any other volunteer who lives in London – for example my total journey time via train and tube to London Bridge takes 1 and a half hours, the same amount of time as it takes to travel from Ealing, which is in London, to London Bridge. All my life because I live in a rural area I have been denied chances to get involved.*

*V volunteer opportunities should be available to as many people as possible, yet limiting the amount of travel expenses available would effectively exclude many enthusiastic young people from taking part in the scheme – this must surely be contrary to everything the V volunteers scheme stands for.'*

### **Case Study 3**

*'I should say that were it not for the current offer of £60 p/w + expenses, I wouldn't be able to do my four month volunteering placement with BYC. It's a struggle at the moment, but it was this incentive that initially made me apply for the post. Those in less advantaged positions, such as myself, would find the experience unsustainable, and this seems to be entirely contrary to the aims of BYC. It very difficult to maintain a paid position to supplement any funds provided by BYC without knocking yourself out and/or diminishing the quality and quantity of whatever work you're doing. I've tried it, and seven day weeks are not fun.*

*The current system works well and the generosity of V is recognized and respected by all the volunteers. I hope that it will continue.'*

BYC disagrees with the proposal to use section 3 of the Act to exclude from the national minimum wage those who participate in schemes that are supported under the national framework recommended by the Russell Commission for those in the 16-25 age group.

This does not sit comfortably with BYC as it would have to be worded very carefully and could be problematic for BYC's own policy on the national minimum wage. BYC has

been campaigning for some time for an equal minimum wage for everyone aged 16 years and over. Utilising the power afforded by section 3(1) could indicate implicit agreement to, or result in the, perhaps, unintended consequence of excluding *all* under 26~~g~~ from minimum wage regulations.

Instead, BYC believes the best way to amend Section 44 is suggested by Option 3 (paragraph 51) and paragraph 35, page 20 of the consultation document, which states that:

Another option would be to go even further than that and introduce a new power in the Act to enable the Secretary of State to make changes to section 44. For example, that power could be used to change the types of organisation that could become a qualifying organisation, or change the boundaries that apply to permitted monetary payments or benefits in kind.<sup>2</sup>

BYC would strongly recommend that this latter method, of changing the boundaries for monetary payments and benefits in kind, if it is possible for the government to implement, would be the most suitable way of amending Section 44.

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<sup>2</sup> National Minimum Wage and Voluntary Workers Consultation Document, Department for Business, Enterprise and Regulatory Reform, <http://www.berr.gov.uk/files/file39857.pdf>, 12-06-07, page 20