

# LOW PAY COMMISSION

## EQUESTRIAN EMPLOYERS ASSOCIATION

### CONSULTATION RESPONSE REPORT

**SURVEY OF EMPLOYERS - APRIL 2024**

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# BACKGROUND

The Equestrian Employers Association (EEA) is a social enterprise set up to both support and educate employers in the equestrian industry. Our purpose is to improve the employment practices in the equestrian industry, making it an attractive career prospect and a place of Good Employment.

Increases in National Minimum Wage (NMW) rates are having an enormous impact on the equestrian industry. The EEA are keen to ensure that our industry's voice is heard on this matter and therefore, we surveyed a range of equestrian employers as part of our response to the Low Pay Commission's (LPC) National Minimum Wage consultation. The LPC is an independent body who advise the Government about the NMW.

The equestrian disciplines represented in this response include riding schools, livery yards, eventing, dressage, show jumping, showing, hunting, polo, vaulting, therapy work, providers of education, stud, breaking, breeding, equine rescue, and equine rehabilitation.

The top four disciplines which formed the employer response were riding schools (40%), dressage (25%), Showjumping (16%) and eventing (12%). 58% of respondents also offered livery as part of their business.

The majority of respondents are based in England although responses were received from all four countries of the United Kingdom.

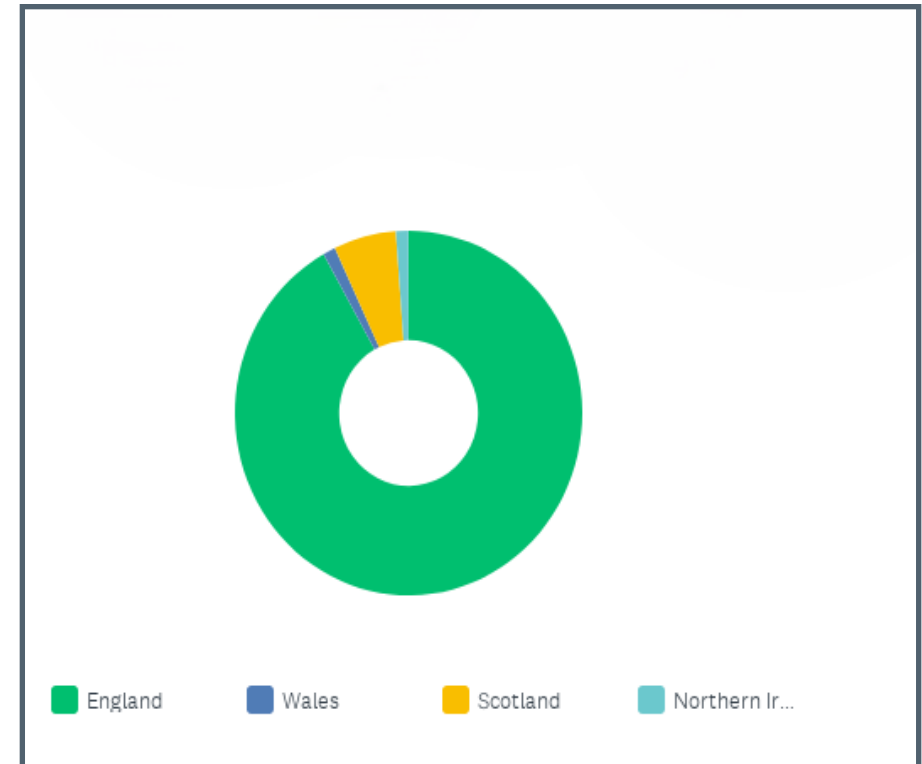
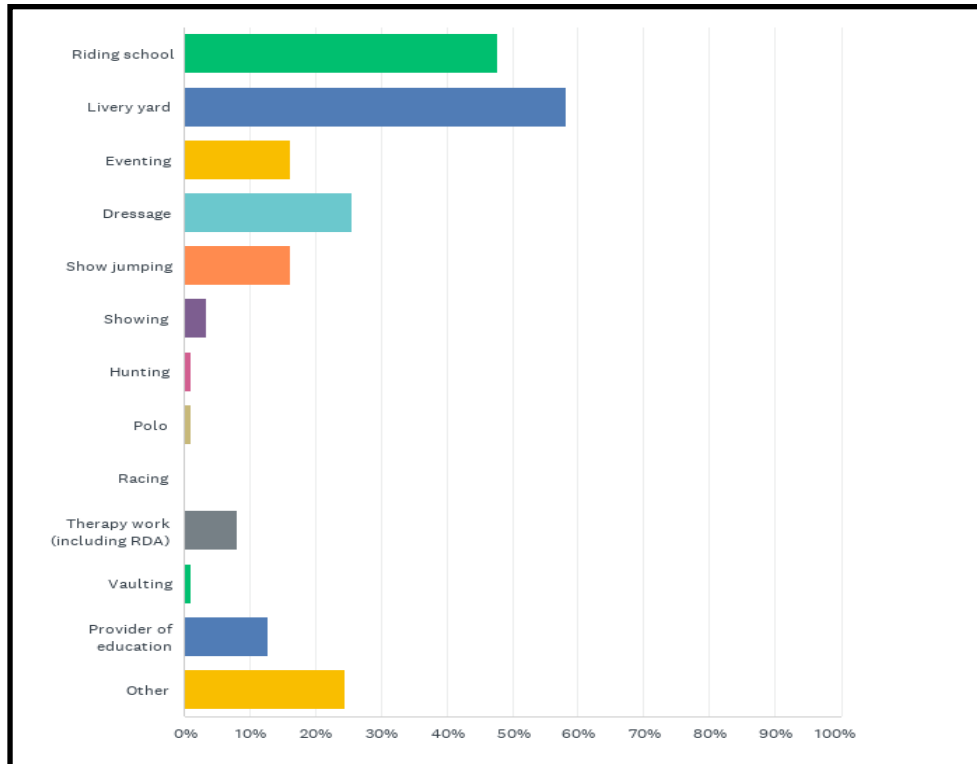
The size of business varied within the employer respondent pool, ranging from one member of staff to seventy.

Respondents told us that 70% of their staff are paid at the NMW rate for their age. The EEA are aware that this is not reflective of the industry as a whole, with a recognition that those who would have completed the survey are likely to be legally compliant employers. When grooms are questioned the NMW compliance figure repeatedly falls to circa 40%.

There is still much to be done to ensure compliance with the NMW.



# RESPONDENT PROFILE - EMPLOYER



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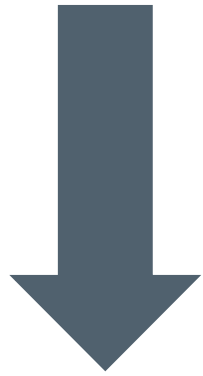
Members of staff on average

5

Members of staff paid NMW on average

# COST OF LIVING & THE NMW

## EMPLOYER IMPACT

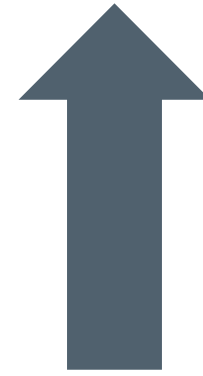


80%

of employers have reported a fall in profits.

88%

of employers have reported increasing their prices.



26%

of employers cannot afford for staff to attend any training at all.

81%



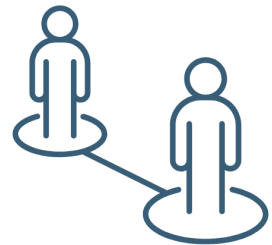
of employers cannot afford to invest in their business.

18%

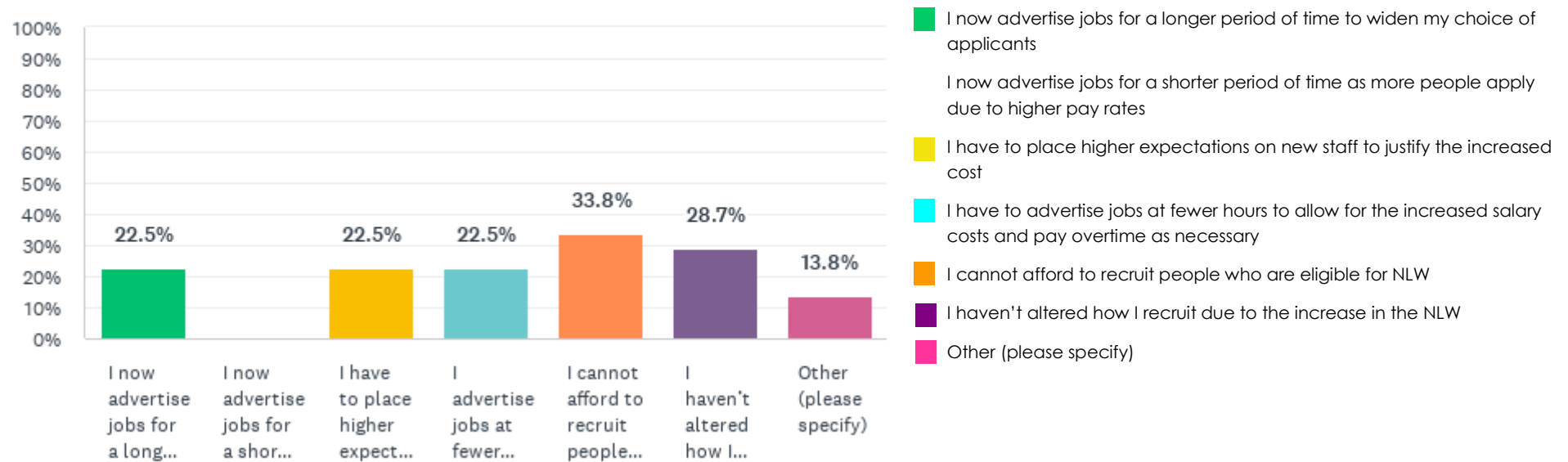
of employers reported that productivity of staff has fallen.

45%

of employers reported smaller pay gaps.



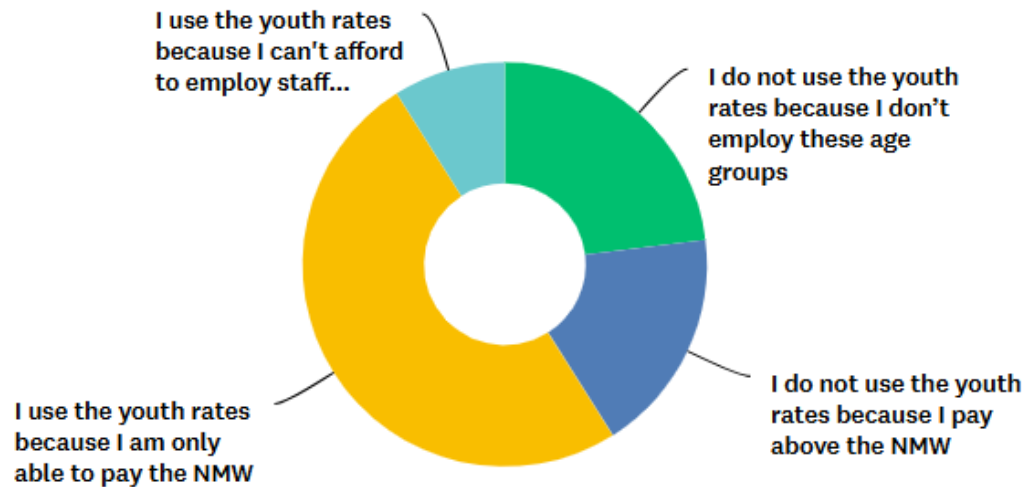
# IMPACT ON RECRUITMENT



Employers were asked to comment on the impact of the NMW rises on recruitment. 29% of them reported that they are not altering their recruitment practices in response to the rise. Although, almost 23% told us that they now advertise their jobs for longer in order to attract a wider choice of applicants.

**Concerningly, almost 34% of employers told us that they cannot afford to recruit people who are 21+ years old.**

# USE OF YOUTH RATES



We asked employers if they used either of the youth rates (18 years old) and if so, why?

50% said they use the youth rates because they can only pay the NMW.

23% of employers reported that they don't use the youth rates as they don't employ people in this age bracket.

Concerningly, there are some employers who only employ staff under 21 because they cannot afford 21+ pay rates.

# 9%

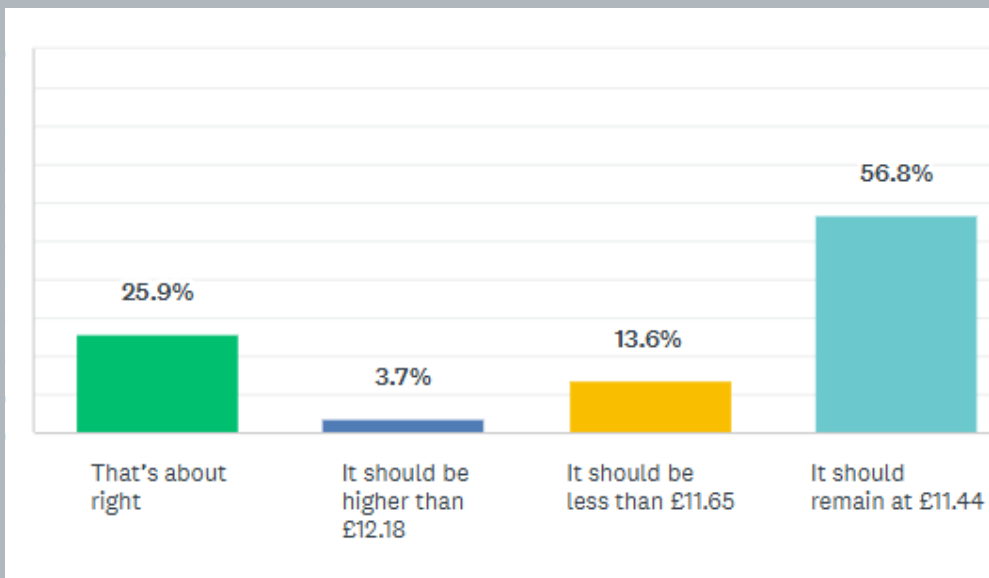
Of employers said that they use the youth rates because they **cannot afford to pay anyone eligible for a higher rate.**

This leaves the industry vulnerable to age discrimination claims and issues.



# NATIONAL LIVING WAGE 2025

## EMPLOYERS WERE ASKED AT WHAT LEVEL SHOULD THE NLW BE SET FROM APRIL 2025?



The current projection for the NLW in 2025 is £11.89 with a range of between £11.65 and £12.18. The majority of employers believe that there should be no increase to the current NLW rate of £11.44. Employers told us that, if rates continue to increase, their businesses would struggle to remain viable.

## INDUSTRY RISKS IF NMW RISES CONTINUE



Age discrimination – employers are starting to recruit younger people as they cannot afford the NLW



Further non-compliance with legislation in relation to the accommodation offset



Further non-compliance with legislation in relation to overtime and average



Loss of equestrian businesses



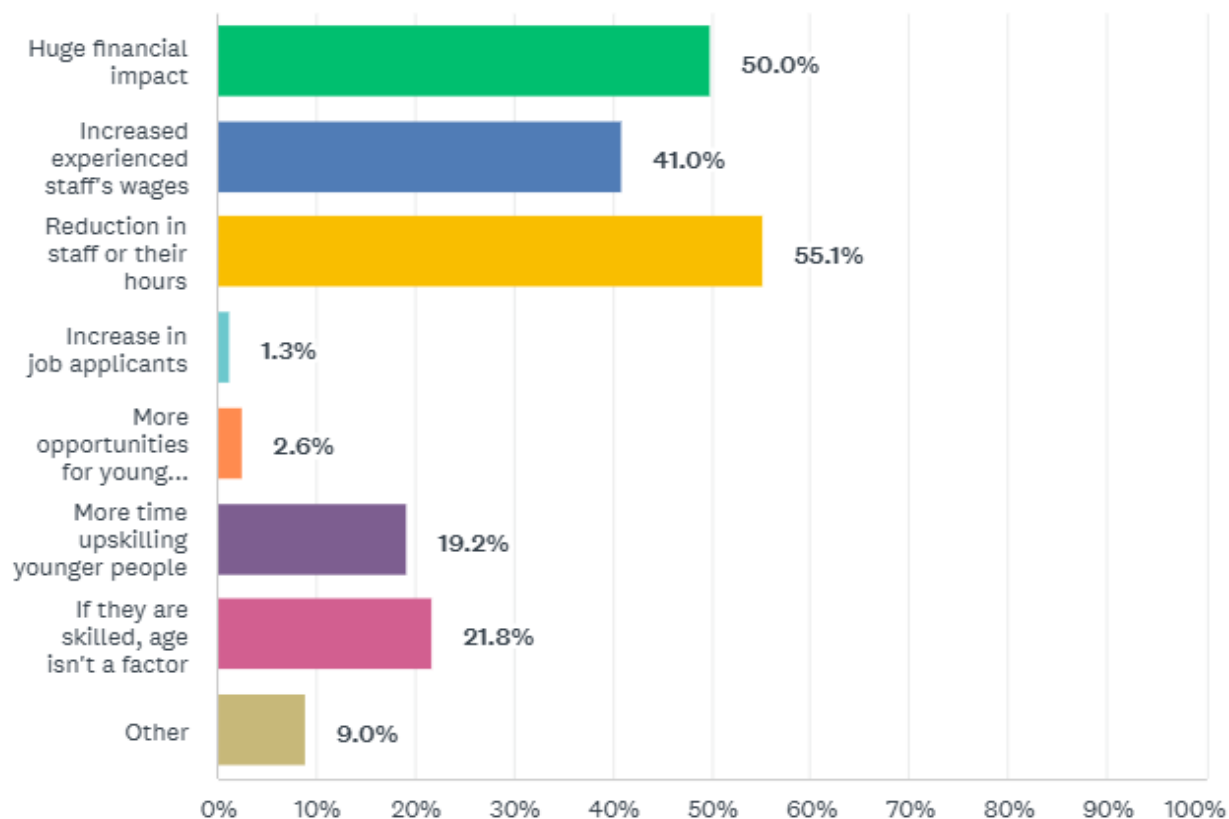
Lack of apprenticeships



Lack of jobs available



# LOWERING THE AGE THRESHOLD



"We've employed the same staff for the last 2.5 years.

This year they will both turn 21. This has meant a significant increase in wages for them.

As a result we had to put up the livery charge greatly. This meant we lost 3 who were unable to cover this cost and as yet they've not been replaced.

This is not sustainable and it may mean having close the livery side of the business hence less staff will be needed."

**Equestrian industry employer**

In April this year, the NMW threshold was lowered to 21. We asked employers how this would impact their businesses over the coming year. 50% told us that they believed it would have a huge financial impact.

41% said that they had had to increase the wages of their more experienced staff and 55% reported that they would have to reduce the number of staff or reduce their hours. With many employers already reporting decreases in their profits, this causes huge concerns about the sustainability of businesses in the equestrian industry.

# APPRENTICE RATES

53%

of employers do not employ apprentices

5%

of employers pay more than the apprentice rate

43%

of employers use the apprentice rate

69%

of employers believe fewer apprenticeships will be available due to increased wage cost

65%

of employers believe morale would decrease if experienced staff are paid the same as apprentices

41%

of employers believe that there is no salary progression for apprentices

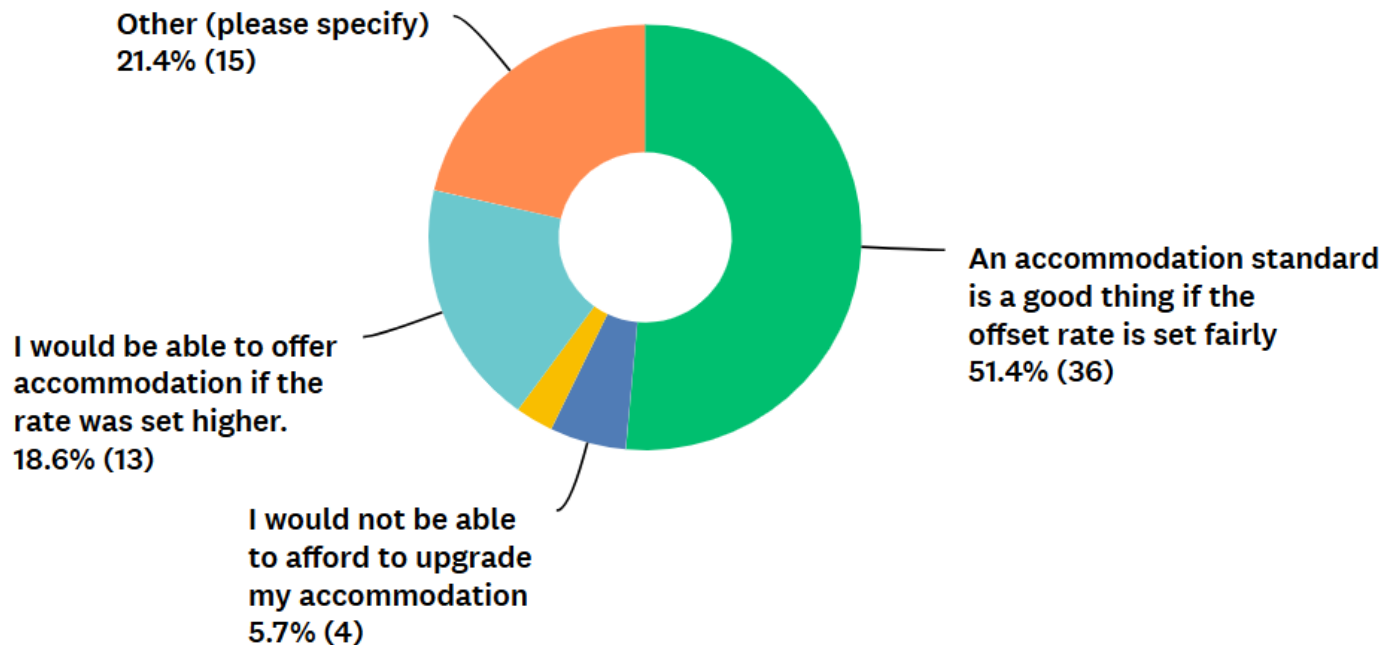
77%

of employers said that there is no incentive to employ apprentices

7%

of employers believe older workers would be encouraged to apply for apprenticeships

# ACCOMMODATION POLICY



In 2022 the Low Pay Commission recommended that a quality standard for accommodation should be implemented before it could recommend any significant changes to the accommodation offset rate.

We asked employers what the impact of this might be and how it would affect the accommodation which they provide.

"I offer better accommodation than most employers because I believe that's the right thing to do.

I would appreciate being able to charge employees accordingly.

It's appalling that other businesses can charge the same as I do for sub-standard living conditions.

If something doesn't give, I can see many businesses closing and there will be substantially fewer jobs for the equestrian world".

***Equestrian business owner***

# BUSINESS IMPACT

Employers were asked what the impact to their business would be if NMW continued to rise.

**I NEED TO INCREASE MY PRICING 73%**

**SUPPORT IS NEEDED TO SURVIVE 64%**

**I WILL NEED TO REDUCE MY HEADCOUNT 62%**

**CONCERNS OVER EQUINE WELFARE 35%**

**CONCERNS OVER QUALITY OF SERVICE 38%**

**MY BUSINESS WILL CLOSE 29%**

The majority of employers were concerned that they would have to increase their prices and this would ultimately make our sport inaccessible to those on a lower income.

Those employers who told us that they will need to reduce their headcount in order to afford the increased wage bill worried about the impact on staff who remain in employment.

Employers who were concerned that their business will close also said that there was no opportunity to make savings elsewhere staff account for a large proportion of overall costs.

# COMPLIANCE & ENFORCEMENT

## COMPLIANCE

The EEA are aware that non-compliance with the NMW is a problem within our industry.

In March 2023, we conducted a survey of equestrian workers as part of our National Minimum Wage campaign. Almost half of all respondents reported that they were not being paid in line with NMW legislation.

Non-compliance is often due to unpaid over-time resulting in hourly rates dropping below the NMW or those who should be employed working on a self-employed basis.

Some employers believe that by including training and/or livery in their salary packages, they are complying with NMW legislation however, this is illegal.

The EEA is committed to addressing these issues by being an educator, raising awareness and working collaboratively with other membership bodies across the equestrian industry as well as with HMRC.

## ENFORCEMENT

The EEA understands that employers may be reluctant to report any failings they identify themselves or ask for support due to concern that they would be issued with crippling fines forcing their business to close.

We are working closely with the HMRC NMW Team to help ensure that employers who come forward and ask for help to correct mistakes will not be issued with a fine.

Our aim is to support employers to comply with the NMW legislation and make the equestrian industry a place of good employment for all.

“Livery rates need to be set at a realistic rate across in order to pay appropriate staff wages. Most owners don't appreciate what it costs to look after a horse properly and there are always cheaper yards who are cutting corners in either horse care or employment practices to be able to charge a lower rate“.

**Equestrian industry employer**

[EQUESTRIANEMPLOYERS.ORG.UK](http://EQUESTRIANEMPLOYERS.ORG.UK)

