

DRAFT Rural Needs Impact Assessment (RNIA) – Proposal to Abolish the AVWB and founding legislation

SECTION 1 - Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

1A. Name of Public Authority.

Department of Agriculture, Environment and Rural Affairs

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Proposals to commence the process to revoke the Agricultural Wages (Regulation) (NI) Order 1977.

1C. Please indicate which category the activity specified in Section 1B above relates to.

Developing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Adopting a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Implementing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Revising a	Policy <input checked="" type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Designing a Public Service	<input type="checkbox"/>		
Delivering a Public Service	<input type="checkbox"/>		

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

Proposal to revoke the Agricultural Wages (Regulation) (Northern Ireland) Order 1977.

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

The Minister of Agriculture, Environment and Rural Affairs intends to bring forward proposals for consideration by the Northern Ireland Executive to revoke the Agricultural Wages (Regulation) (NI) Order 1977, which would abolish the Agricultural Wages Board in Northern Ireland. This would end the setting of specific wage rates, and other terms and conditions, for the agriculture sector. This will bring the sector into line with all other sectors of the economy, reducing the regulatory and administrative burden on agricultural businesses; whilst agricultural workers would receive the same protections as workers in other sectors afforded by wider employment law and UK minimum and living wage rates.

1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

Population Settlements of less than 5,000 (Default definition).

Other Definition (Provide details and the rationale below).

A definition of 'rural' is not applicable.

Details of alternative definition of 'rural' used.

Rationale for using alternative definition of 'rural'.

Reasons why a definition of 'rural' is not applicable.

SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes No If the response is **NO** GO TO Section **2E**.

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

Agricultural businesses, by their nature, are rural businesses. This proposal will primarily affect people working in agriculture and people operating agriculture businesses in rural areas, equating to approximately 6,700 paid employees and c.3,300 farms (employers) who employ at least one paid employee.

The proposal to revoke the Agricultural Wages (Regulation) (Northern Ireland) Order 1977, if agreed, would lead to the abolition of the Agricultural Wages Board. The Board determines certain terms and conditions of employment for agricultural workers, in particular, minimum rates of pay, based on the grade of worker. If abolished the agriculture sector would instead be covered by wider employment legislation, currently applicable to all other sectors, in particular the National Minimum and Living Wage regime, which is age-based. There are likely to be some positive and negative impacts depending on a range of factors including existing contracts and employment status and age. The extent of the potential impacts on both employers and employees is subject to analysis by way of required impact assessments (equality, regulatory/economic and this rural needs exercise) and to public consultation.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas differently from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

The proposal, if agreed, will have a seemingly disproportionate impact on people in rural areas when compared with urban areas. This is because the proposals are directly relevant to those operating agricultural businesses and agricultural workers, which have a higher prevalence in rural areas. While it is recognised that there are structural differences in rural and urban areas in terms of employment and economic opportunities, the impact of the proposal will have the same application to any agricultural businesses or agricultural worker in any other regional category/classification, which fall outside the definition of rural given above.

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

Rural Businesses	<input checked="" type="checkbox"/>
Rural Tourism	<input type="checkbox"/>
Rural Housing	<input type="checkbox"/>
Jobs or Employment in Rural Areas	<input checked="" type="checkbox"/>
Education or Training in Rural Areas	<input type="checkbox"/>
Broadband or Mobile Communications in Rural Areas	<input type="checkbox"/>
Transport Services or Infrastructure in Rural Areas	<input type="checkbox"/>
Health or Social Care Services in Rural Areas	<input type="checkbox"/>
Poverty in Rural Areas	<input type="checkbox"/>
Deprivation in Rural Areas	<input type="checkbox"/>
Rural Crime or Community Safety	<input type="checkbox"/>
Rural Development	<input type="checkbox"/>
Agri-Environment	<input type="checkbox"/>
Other (Please state)	<input type="text" value="Cross-cutting"/>

If the response to Section 2A was YES GO TO Section 3A.

2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

Yes No If the response is **NO** GO TO Section **3E**.

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

Consultation with Rural Stakeholders	<input checked="" type="checkbox"/>	Published Statistics	<input checked="" type="checkbox"/>
Consultation with Other Organisations	<input checked="" type="checkbox"/>	Research Papers	<input checked="" type="checkbox"/>
Surveys or Questionnaires	<input checked="" type="checkbox"/>	Other Publications	<input checked="" type="checkbox"/>
Other Methods or Information Sources (include details in Question 3C below).			<input type="checkbox"/>

3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

DAERA plans to conduct a further public consultation on this proposal. In support of this, policy analyses have been undertaken and draft impact assessments have been prepared including this rural needs assessment, an Equality Impact Assessment and Regulatory Impact Assessment (including an economic analysis prepared by DAERA Economists) which will form part of the public consultation. DAERA will also engage will key stakeholders in the process.

A range of [DAERA](#) and other statistical publications have been examined including:

- DAERA Statistical Review of NI Agriculture 2020
- Agricultural Census in Northern Ireland 2019
- Migrant Labour in NI Agriculture
- Equality Indicators for Northern Ireland Farmers
- Census 2011
- DARD Review of the Agricultural Wages Board 2011 (including public consultation and submissions from the Rural Community Network, Ulster Farmers' Union, Unite the Union and the Horticultural Trades Association).



Summary of responses - 2011 Co

- [Defra Consultation on the Future of the Agricultural Wages Board for England and Wales 2012 and related impact assessments.](#)
- [Outcome of Scottish Government Consultation on Review of the role of the Scottish Agricultural Wages Board 2015](#)
- [Low Pay Commission Report 2020](#)

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

The proposal considers whether government intervention (by way of the Agricultural Wages Board) remains necessary in view of changes in context in agricultural and employment practices and improvements to wider employment law, including the National Minimum and Living Wage regime.

As the proposal relates to the pay, terms and conditions of employment of agricultural workers, who are employed by agricultural businesses the proposal is primarily relevant to the economic needs of people in rural areas, both employers and employees.

If the response to Section 3A was **YES** GO TO Section 4A.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

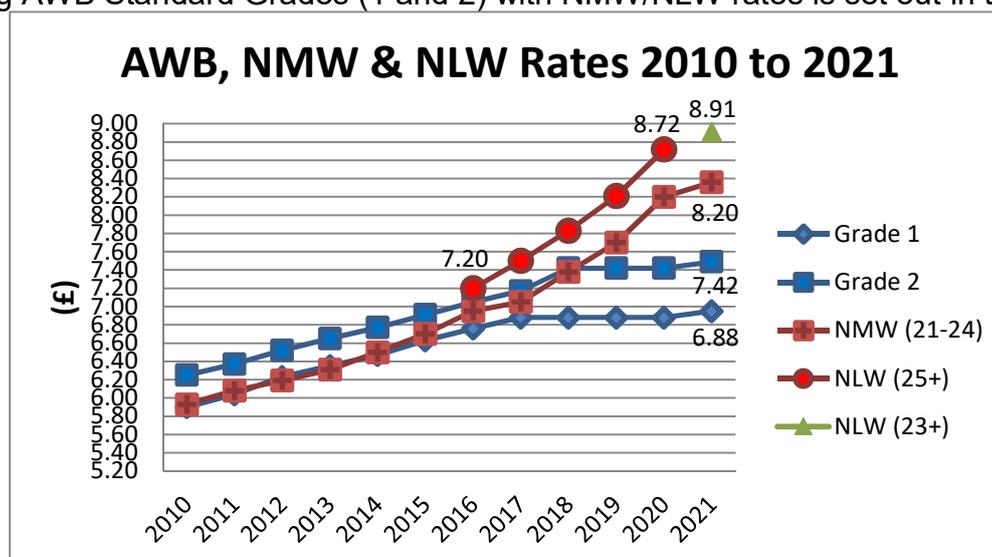
SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

The analyses and impact assessments have considered primarily the economic needs of agricultural employers and employees and the sector as a whole. Separate assessments have been made of the main changes which would result from the proposal being agreed and the potential impacts of these. More detail is available in the equality and regulatory impact assessments and consultation document, which this rural needs assessment accompanies. Key issues considered include those summarised below:

Key issues considered include those summarised below:

- The original purpose and rationale for the setting up of the AWB in its existing format, its functions and the current operating context and the cost of operating the Board, which has averaged around £23,000 per year 2017-2019.
- The differences in terms and conditions applicable of the Agricultural Wages Regime, vis a vis wider employment law, including minimum rates of pay, overtime, accommodation costs, paid holiday entitlement, sick leave and pay. A trend analysis of the minimum rates comparing AWB Standard Grades (1 and 2) with NMW/NLW rates is set out in the chart:



- The number of agricultural workers and agricultural employers likely to be affected by the proposal including the potential positive or negative impacts for these groups.
 - c.6,700 paid employees and c.3,300 (Agricultural Census 2019)
 - 83% of workers are over the age of 21 (Census 2011)
 - 77% of farms are very small, 11% are small (80% and 70% owner occupied respectively).

In summary, the draft assessments found that under the proposal there are likely to be some positive and negative impacts for workers and employers (both of which will be experienced in rural areas, as the people affected in both circumstances are primarily rural based). There would be some differences in pay, terms and conditions, some of which are unfavourable when compared with the current agricultural wages regime, but not in comparison to other sectors. This is most likely to be an issue for younger and new workers at the lower minimum rates, as existing contracts are expected to continue to apply and it is unlikely that the minimum will be the default level of pay for all agricultural workers, as it does not reflect other applicable factors such as existing contracts, skills, experience, retention of skilled staff etc. For example it is unlikely an experienced manager currently at the top of Grade 6 would be paid at the same minimum level applicable to new entrants.

SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes No If the response is **NO GO TO Section 5C.**

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

The proposal is primarily relevant to agricultural workers and agricultural employers and considers the current context, needs and impacts specifically in relation to these rural based groups.

The proposal is intended to consider whether a separate regime for agriculture, via the Agricultural Wages Board, remains necessary as similar functions are provided by wider employment law, including the National Minimum Wage, which applies in all other sectors. Currently agricultural employers face a higher regulatory and administrative burden compared to other sectors. In practice they are required to operate both systems, due to overlap between the legislation (which means NMW applies to agriculture). The proposal would simplify employment legislation applicable to agricultural employers, reducing the regulatory and administrative burden on rural business. The proposals may also have favourable and unfavourable outcomes on some agricultural workers.

Responses to the planned consultation on the proposals and impact assessments will also be considered prior to finalisation of the policy position.

If the response to Section **5A** was **YES GO TO Section 6A.**

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.

SECTION 6 - Documenting and Recording

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

I confirm that the RNIA Template will be retained and relevant information compiled.



Rural Needs Impact Assessment undertaken by:	Lynne O'Neill
Position/Grade:	Deputy Principal
Division/Branch	ALB Corporate Sponsor and Public Appointments Branch
Signature:	
Date:	13 April 2021
Rural Needs Impact Assessment approved by:	Patrick Griffin
Position/Grade:	Grade 7 – Head of Branch
Division/Branch:	ALB Corporate Sponsor and Public Appointments Branch
Signature:	
Date:	13 April 2021