

# Culling of the Agricultural Wages Board

July 2010

**On 22 July 2010, the Government announced its intention to abolish the Agricultural Wages Board and to take measures to bring agricultural workers within the scope of the National Minimum Wages Act. The Government believes that these changes will allow the agricultural industry to adopt flexible and modern employment practices.**

While there is no detail at present, there are a number of obvious questions which will need to be addressed and which will concern anyone employing or engaging workers in agriculture.

## What will happen to the Agricultural Wages Order (AWO)?

At present, all we know is that the Public Bodies (Reform) Bill will be amended to contain the specific provisions. However, based on the Conservative Party's pre-election stance and the Government's stated intentions, it seems likely that the AWO will be repealed.

## What effect will this have on existing agricultural workers?

While there is no information as to how these proposals will affect current agricultural workers, it is unlikely that they will lose their current agricultural terms and conditions of employment. However, we can anticipate that their terms and conditions will be frozen at the point when AWO is removed and that they will not be entitled to any increase in their benefits in the future.

## What about new agricultural workers?

New agricultural workers or agricultural workers voluntarily changing employers will probably only benefit from the normal statutory employment rights such as

statutory sick pay, annual leave and rest breaks under the Working Time Regulations, and the national minimum wage. Any enhancement in those statutory entitlements will be at the employer's discretion and is likely to be driven by market forces and the skill of individual agricultural workers.

## The TUPE Regulations

Anyone who inherits agricultural workers under the TUPE Regulations – such as a new contractor taking on a contract or by the purchaser of an existing business – will need to ensure that full investigations are carried out to ensure that employees' terms and conditions are understood. The cost of not spotting that workers benefit from AWO terms and conditions could have a significant impact of the profit of the business or contract.

## What should you be doing?

While there is no detailed information at present, it is likely that the abolition of the Agricultural Wages Board will have a significant impact on the terms and conditions of agricultural workers and employers would be advised to prepare themselves by reviewing existing handbooks and contracts of employment, as well as considering what terms and conditions of employment they might be prepared to offer future employees.

We will continue to monitor the position and will provide further updates in due course.

### Contact details



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**Disclaimer:** This briefing is not intended to be a complete coverage of the law in this area. Legal advice should always be taken in any particular case.

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