



# The Findings

Low Pay Commission  
Consultation Response

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# 1 Introduction

## a) About the survey

- 1.1 Increases in the National Minimum Wage (NMW) rates are having a huge impact on the equestrian industry.
- 1.2 The EEA is keen to ensure that our industry's voice is heard on this matter; therefore, we surveyed a range of equestrian employers as part of our response to the Low Pay Commission's National Minimum Wage consultation.
- 1.3 The four sectors of the equestrian business that formed much of the employer response were:
- Livery yards (61%)
  - Riding schools (52%)
  - Dressage yards (16%)
  - Therapeutic work (12%)
  - Some businesses reported that they are mixed yards that participate in more than one equestrian discipline.
- 1.4 Most respondents are based in England, although responses were received from all four countries of the United Kingdom.
- 1.5 The size of the business within the employer respondent pool varied, ranging from one member of staff to 53.

## b) The EEA

- 1.6 The Equestrian Employers Association (EEA) is a social enterprise that exists to support and educate employers in the equestrian industry.
- Our mission is to improve the employment practices, thereby making the industry an attractive career prospect and a place of Good Employment.

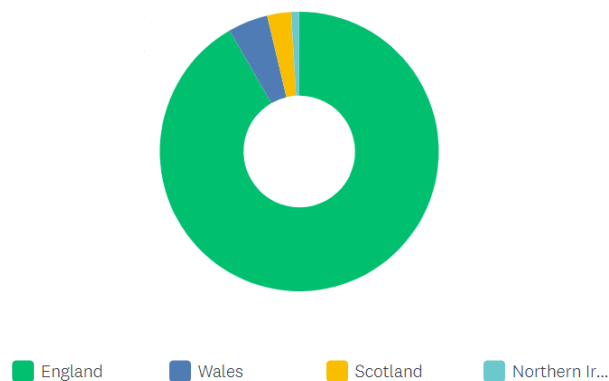
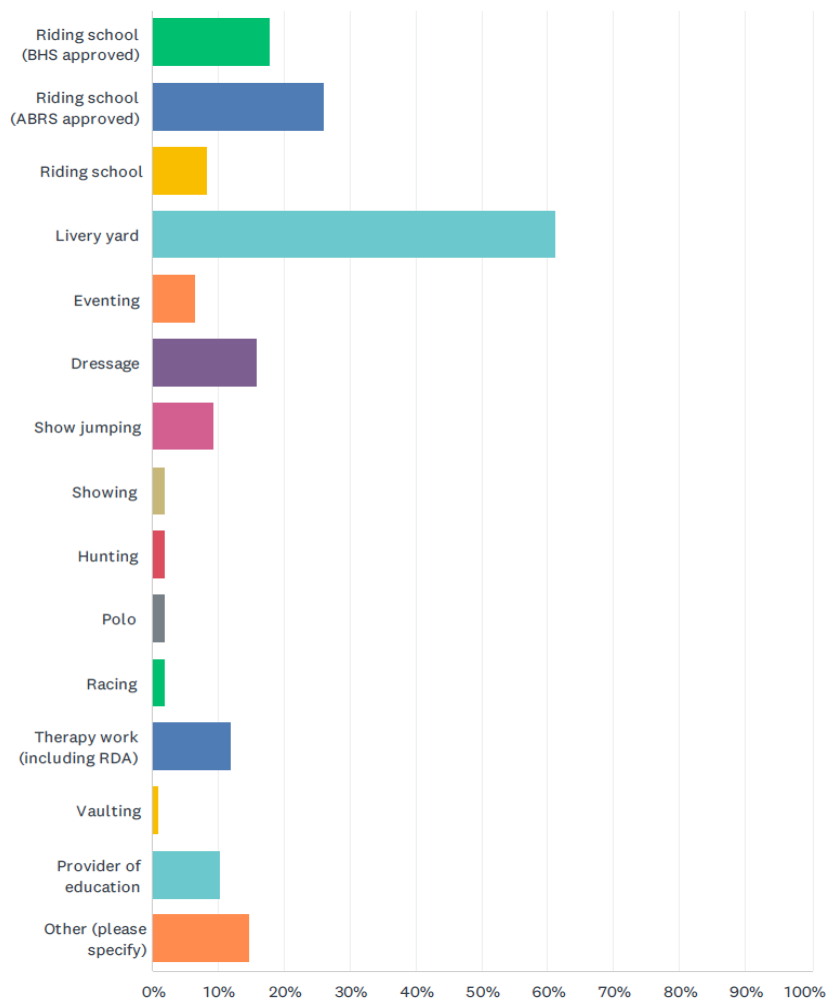
## c) The Low Pay Commission

- 1.7 The Low Pay Commission (LPC) is an independent body that advises the Government on the NMW. Each year, the LPC opens a public consultation ahead of its recommendations for the following year's NMW rates.

## 2 Respondent profile

2.1 Employers from all four counties in the UK responded to the survey; however, the majority live in England.

- 61% operate as livery yards.
- 51% operate as riding schools.
- 16% reported that their main discipline was dressage.
- Respondents could select more than one business sector.



### **3 Results**

#### **a) Cost of living and the NMW**

- 81% of employers reported a fall in their profits in the past 12 months.
- 68% of employers cannot afford to invest in their business.
- 76% increased their prices in the past 12 months.
- 73% reported no change in the productivity of their staff.
- 43% reported a smaller pay gap between experienced and inexperienced staff.
- 58% of employers told us that they could only afford to pay for mandatory training for their staff.

#### **b) Impact on recruitment**

3.1 Employers were asked to comment on the impact of the NMW rises on recruitment.

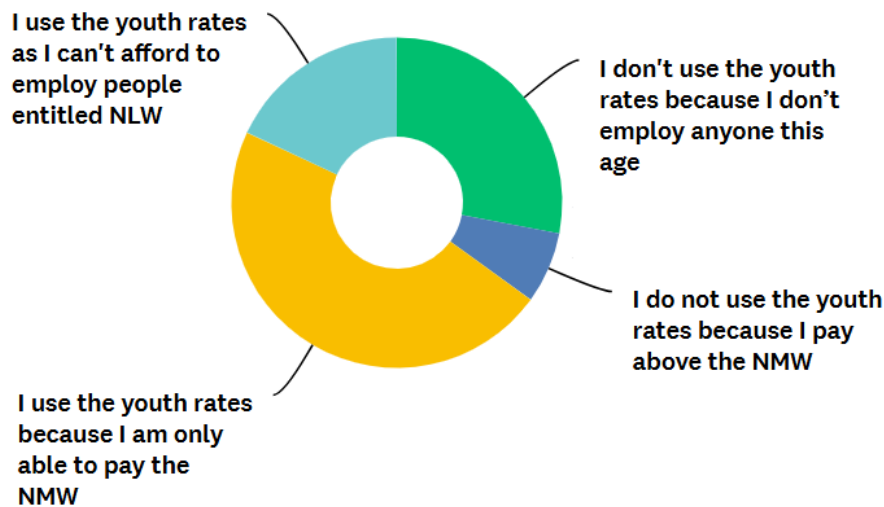
- 22% reported that they have not altered their recruitment practices in response to the rise.
- 30% told us that they now advertise jobs with fewer hours and pay overtime as necessary to allow for increased salary costs.
- Concerningly, almost 29% of employers told us that they cannot afford to recruit people who are 21+ years old.

#### **c) Use of Youth Rates**

3.2 Employers were asked if they used either of the NMW youth rates (16-17 and 18 - 20 years old) and, if so, why?

- 47% use the youth rates because they can only pay the NMW.
- 28% do not use the youth rates as they do not employ people in this age bracket.
- 8% only employ staff under 21 because they cannot afford 21+ NLW rates.

3.3 Very few employers reported that they pay above the NMW, so they do not need to use the youth rates.



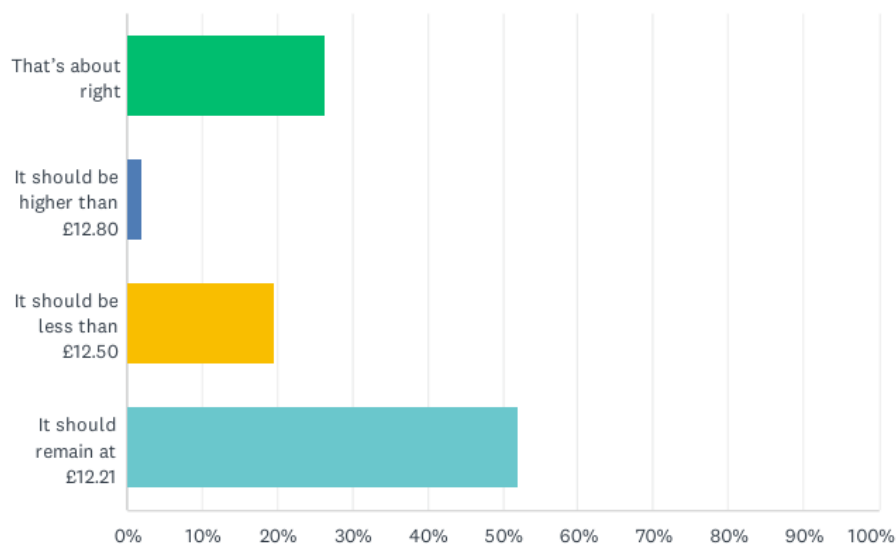
- 3.4 9% of employers said that they use the youth rates because they cannot afford to pay anyone eligible for a higher rate.

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

#### d) The National Living Wage 2026

- 3.5 The current projection for the NLW in 2026 is £12.65 with a range of between £12.50 and £12.80. **53% of employers believe that there should be no increase to the current NLW rate of £12.21.**

- 3.6 Many employers told us that, if rates continue to rise, their businesses will struggle to remain viable.



3.7 Many employers' responses highlighted risks faced by the industry if the NMW rates continue to rise, including:

- Age discrimination claims as employers are recruiting younger people because they can't afford the NLW.
- Lack of job availability.
- Further non-compliance with legislation.
- Loss of equestrian businesses.

#### **e) Lowering the age threshold**

3.8 In April 2024, the National Living Wage (NLW) threshold was lowered to 21 years old and over. Employers reported the impact this had on their businesses:

- 59% had suffered a significant financial impact.
- 24% had to increase the wages of their more experienced staff.
- 38% had to reduce the number of staff or reduce their hours.

3.9 With many employers already reporting decreases in their profits, this causes huge concerns about the sustainability of businesses in the equestrian industry.

"This means that older staff over 21 don't get a pay rise".

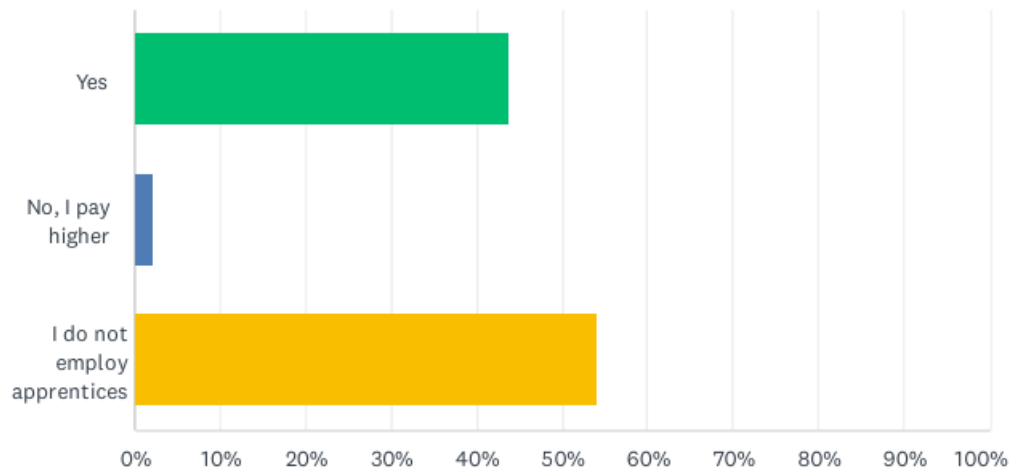
"Wages should be commensurate with skill set, not age".

"I believe this caused a detrimental issue for young people as the older, more experienced are now more likely to get the job. There is no incentive to employ younger people anymore".

#### **EEA members responses**

## f) Apprentice rates

3.10 Employers were asked whether they employed apprentices and, if so, whether they paid the apprentice rate.



3.11 Employers were asked what they thought the effect would be if the apprentice rate were to be removed and apprentices were paid the same as other workers.

- 75% believe fewer apprenticeships will be available if rates continue to rise.
- 62% stated that morale would decrease if experienced staff were paid the same as apprentices.
- 77% said that there would be no incentive to employ apprentices.

## g) Accommodation policy and the offset rate

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

3.13 Employers were asked what the impact of this might be and how it would affect the accommodation that they provide.

- Several employers told us that the demand for staff accommodation has decreased in recent years.
- 43% felt that an accommodation standard would be a good thing, provided the rate was set fairly.
- Many felt that the current accommodation offset rate is too low.

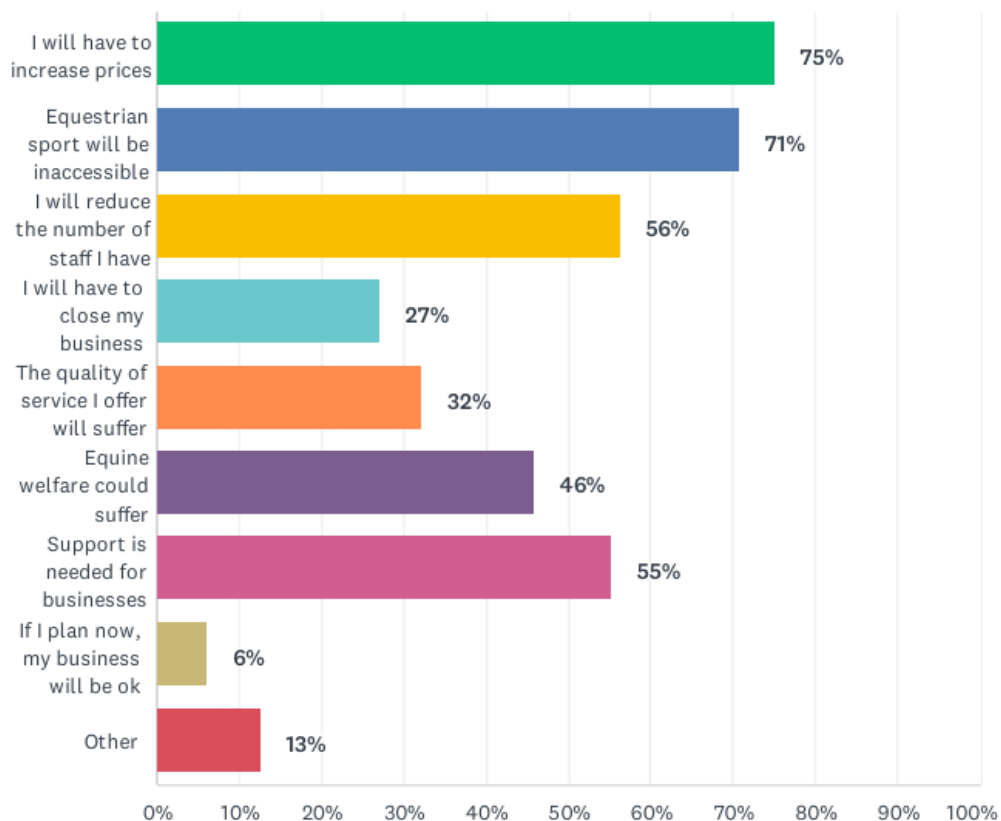


"The current rate barely covers anything, let alone electricity, etc. I share a flat with an employee and I pay around 75% of the cost, so they essentially get vastly reduced accommodation".

#### EEA Member response

### h) Business impact

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



- 56% told us they would need to cut staff because of higher wage bills.
- 71% believed that increased pricing would make equestrian sport inaccessible to those on a lower income.
- 46% of employers were concerned that equine welfare could suffer.
- 27% told us that they would need to close their business due to being unable to diversify.
- **Only 6% believed that their business could remain viable, even with good financial planning.**

## 4 Compliance and Enforcement

- 4.1 The EEA is aware that non-compliance with the NMW is a significant issue within our industry. This is often due to unpaid overtime, resulting in hourly rates dropping below the NMW or those who should be employed, working on a self-employed basis.
- 4.2 Some employers believe that, by including livery costs or training in their salary packages, they are complying with NMW legislation; however, this is unlawful.
- 4.3 The EEA is committed to addressing these issues by educating, advising, and working collaboratively with other membership bodies across the equestrian industry to raise awareness.
- 4.4 We understand that employers may be reluctant to report any underpayments to HMRC themselves or to ask for support due to concern that they may face financial penalties. That is why we are working closely with the HMRC's NMW Compliance Team to help ensure that employers who come forward and ask for help to correct mistakes will not be issued with a fine.

"We are facing an impossible situation in the equestrian industry. Staff costs cripple our businesses. We, of course, want to pay our staff fairly, but the costs make businesses no longer viable."

**Equestrian Industry Employer**

