

Environment and Sustainability Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
31 January 2013

Meeting time:
09:30

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1. Introductions, apologies and substitutions

2. Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from Unite (09.30 – 10.15) (Pages 1 – 8) E&S(4)-04-13 paper 1

Ivan Monckton, Unite Executive Committee Member representing the rural and agriculture sector
Hannah Blythyn, Campaigns & Policy Co-ordinator, Unite Wales

3. Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from Farmers Union of Wales and Wales YFC (10.15 – 11.00) (Pages 9 – 12) E&S(4)-04-13 paper 2: Farmers Union of Wales

Nick Fenwick, Director Agricultural Policy, FUW
Rhian Nowell-Phillips, Deputy Director Agricultural Policy, FUW

Iestyn Thomas, Rural Development Officer, Wales YFC

Break 11.00 – 11.10

4. Inquiry into the proposed abolition of the Agricultural Wages

Board – Evidence from NFU Cymru and the Tenant Farmers Association Cymru (11.10 – 11.55) (Pages 13 – 18)

E&S(4)-04-13 paper 3: NFU Cymru

Ed Bailey, President NFU Cymru
Huw Thomas, Assembly Adviser, NFU Cymru

E&S(4)-04-13 paper 4: Tenant Farmers Association Cymru

George Dunn, Chief Executive, Tenant Farmers Association

Break 11.55 – 12.45

5. Issues affecting the red meat industry in Wales – Round table discussion (12.45 – 13.45)

Ed Bailey, President, NFU Cymru
Dai Davies, Chair, Hybu Cig Cymru
Nick Fenwick, Director Agricultural Policy, Farmers Union of Wales
Gwyn Howells, Chief Executive, Hybu Cig Cymru
Don Thomas, Chief Executive, Welsh Lamb and Beef Producers

6. Local Development Plans and Population/Household numbers – Evidence from The Planning Inspectorate (13.45 – 14.30) (Pages 19 – 23)

E&S(4)-04-13 paper 5

Richard Poppleton, Director for Wales
Richard Jenkins, Higher Planning Officer, Planning Inspectorate Wales

7. Local Development Plans and Population/Household numbers – Evidence from Welsh Government officials (14.30 – 15.15) (Pages 24 – 36)

E&S(4)-04-13 paper 6 : Planning Division

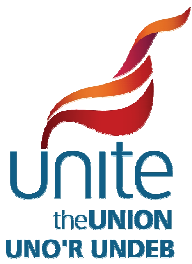
E&S(4)-04-13 paper 7 : Knowledge and analytical services

Mark Newey, Head of Plans Branch, Planning Division
Sue Leake, Head of Sustainable Futures Analytical team, Knowledge and analytical services
Tony Whiffen, Higher Statistical Officer, Demography, Heritage and Equalities Statistics, Knowledge and analytical services

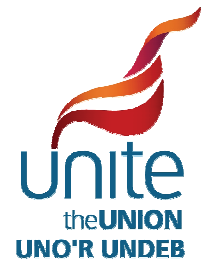
8. Papers to note (Pages 37 – 38)

Minutes of the meeting held on 17 January

9. Motion under Standing Order 17.42(vi) to exclude the public from the meeting on 6 February



Unite Wales response to the National Assembly for Wales Environment and Sustainability Committee inquiry into the Agricultural Wages Board (AWB) January 2013



The Committee is interested in seeking views on the future of the Agricultural Wages Board, or similar structure, in Wales. In particular, the Committee is interested to identify any opportunities to improve employment in the agricultural sector that could be developed should alternative arrangements be made for Wales.

Introduction

Unite is one of the largest unions in Wales with around 100,000 members across the private and public sectors. The union's members work in a range of sectors including agriculture, financial services, construction, local government, health, voluntary not for profit, manufacturing and food manufacturing and processing.

Unite is the union representing agricultural workers in Wales and across the UK and Republic of Ireland. This makes it a major stakeholder in all decisions around the future of the Agricultural Wages Board (AWB) for England and Wales.

Overview

Since its inception in 1906 the trade union representing agricultural workers has set out to win decent pay and conditions for farm workers. It has continually fought for an industry with modern employment practices, safe workplaces, and a sustainable future. As part of Unite and our predecessor unions, farm workers' representatives have campaigned and negotiated for an industry-wide safety reps scheme, and pay and grading that rewards skills and training and will attract new entrants. The union has sought for agriculture to reflect the best employment practices of the public and private sector – a long-standing goal has been an industry-wide pension scheme – rather than the worst.

Unite believes that the AWB sets a foundation in good practice in industrial relations including: the removal of discriminatory age wage rates and enhanced holiday entitlements above the statutory minimum; the unique nature of work conducted by those in the sector; the notoriously high fatality and injury rates in agriculture and a clear skills route and training.

The argument for abolition has focussed on the difference between the National Minimum Wage and the rate for Grade 1 (2p more and hour). This overlooks the fact that only 20 per cent of the agricultural workforce currently covered by the AWB in England and Wales is on grade 1. The overwhelming majority are on grades 2-6, a grading structure which would be wiped out by abolition.

In the absence of the protection of the AWB, wages and terms and conditions will be squeezed as farmers pass on price pressure from the supermarkets and food processors to workers. If wages freeze or fall, or if terms and conditions are attacked the recruitment crisis and industrial relations in agriculture will worsen. The AWB means that farmers' representatives negotiate terms and conditions every year with unions which results in workers receiving reasonable pay, protection and career progression. Abolition would mean farmers having to deal direct with their employees, the reality of which would be pay cuts for the workers and the burden of staff negotiations on farmers.

Members of the National Assembly for Wales will be aware of the issues of rural poverty in many of our communities in Wales. Poverty in rural areas presents specific and acute problems – housing is often unaffordable, local shops are a long way from distribution centres and competition is limited so prices are habitually higher than the average.

The rural economy is key to the wider Welsh economy and an effective, well functioning AWB has a pivotal role to play within a successful and sustainable agricultural industry that works well now and is able to attract young people to the sector to ensure its survival.

There are many reasons to retain an Agricultural Wages Board, not least as it could ensure a much better deal for young people, better training and conditions on what is a dangerous profession but should alternative arrangements need to be made for Wales in terms of the development of an Agricultural Wages Board, we have an opportunity to create a model of best practice and take forward the effectiveness of the AWB in Wales.

Benefits of the Agricultural Wages Board (AWB) to Welsh workers and Wales

An industry like no other

Agriculture is unlike any other industry due to its unique and distinct social setting. Workers in retail, construction or the car industry do not go home to a house owned by their employer, unlike 30 per cent of agricultural employees. There is no more 'tightly-knit' community than a small rural community, where a farm worker's employer, employer's spouse or other members of their family may be in positions of social control such as a justice of the peace, a parish councillor, a school governor, all of these and more. In rural areas, workers have a narrower range of jobs and often wholly dependent on their own transport to travel to work.

Previous attempts to abolish the AWB elicited responses from many farmers who expressed great unease at having to take on the role of pay negotiator. Especially for those farmers with one or very few employees, the employment relationship is complex. Relying on these employees year-round, and often living at close proximity, farmers are reluctant to have to lay aside the close daily co-operation and confront the same employees face to face on the issue of pay. For them, collective bargaining through the AWB depersonalises this aspect of employment.

For employees, this situation is heightened of course by their weak negotiating position relative to the 'boss'. Through the workers' side, thousands of farm workers have access to a professional and fully researched pay claim, current data on farm incomes and industry statistics. Individual farm workers will not have access to comparable information on the state of their employer's finances. For 30 per cent of farm workers, this is more acute because their employer is also their landlord. This employment relationship is unique in the UK, and presents a compelling reason to continue with depersonalised negotiations between professional national pay negotiators.

Despite intensive work by unions and others, the 'dash to the bottom' has been the result of the squeeze by the retailers and UK government indifference, with producers hiding behind voluntary codes and pan-industry agreements like the ETI and leaving structural causes unchallenged. As things stand, the AWB is the last line of defence against intensifying precarity. Remove that and we remove another vital protection against exploitation. It is worth noting that Gangmaster legislation will not cover many workers currently directly employed and/or covered by the provisions of the AWB Order.

A rural living wage

At present the AWB Grade 1 rate is only 2p more than the NMW. To attain the current level of the Living Wage of £7.45 – a campaigning target now adopted by a growing number of local authorities and employers in Wales – farm workers would need to be on Grade 3 and above. The take-up of in-work benefits by those on AWB rates is high, so low pay in agriculture and horticulture is being subsidised through the benefits system.

A rural living wage, enabled in a large part for many by the AWB, is in keeping with the Welsh Government position on the living wage. Unite Wales warmly welcomed the official accreditation of the National Assembly for Wales as a UK Living Wage employer by the Living Wage Foundation in December last year.

Paying people a decent wage above the minimum legal rate is not only socially just, it is economically sound. The more a person earns, the more income they have to spend and in rural communities this is most likely to be spent locally, playing a pivotal part in sustaining local businesses, retailers and the rural economy as a whole.

In addition, better rates of pay, conditions and a clear progression path offer a much more attractive incentive to both recruit and retain people to an industry.

Education, training, health (and safety)

But the AWB Order is not solely about pay and pay rates. Because of the history of abuses in the industry and the isolated nature of the rural workforce, there has been and still is a need to have clear definitions and detailed statutory explanations of working time, training, accommodation, sickness absence, types of worker – precisely because the employment relationship in agriculture is unique, there needs to be an Order that is authoritative and specific.

With the clear grading system, the AWB rates provide a recognised ladder for progression, reward skills and commitment, and recognise the developing contribution of young people of school age and above. It parallels modern systems in the public and private sector, with a range of grades, and acknowledges the reality of agricultural work – e.g. high levels of overtime, the need for paid rest breaks in a physically arduous job.

The 6-grade structure of the AWB Order achieves a key goal – pay that represents a career structure for agriculture, with pay clearly linked to the acquisition of skills and experience. Pay that rewards a commitment to the industry and the gaining of skills is central to this. Removing the existing grade structure will remove any mechanism for rewarding acquired skills and continuing professional development (CPD). AWB rates include age groups excluded from the National Minimum Wage.

The industry needs both younger and older workers to function and to be sustainable. Yet farming is attracting fewer young people than it needs to ensure its future. There are cultural and social pressures on young people deterring them from entering the industry – low pay, the physical nature of the work, the fears of parents that it does not represent a secure future – and to offset these young people need the prospect of decent pay.

Agriculture is the most dangerous occupation in the UK. It employs 1.5 per cent of the workforce yet accounts for 15-20 per cent of fatalities. In 2012 fatalities increased. Given the industry's record on health and safety, it is easy to see why Unite campaigned over many years for the establishment of an industry-wide safety reps scheme in agriculture.

According to the Health and Safety Executive, although the rate of ill health in agriculture is comparable to other industries, gross under-reporting disguises the true rate. Only 25 per cent of accidents to employees are reported. Yet even with this appalling level of under-reporting, agriculture has one of the highest rates of major injuries – higher than the all-industry average and a rate similar to construction.

Agriculture's poor record on accidents includes a high level of major accidents – accidents resulting in more than three days' absence from work. The isolation of farm workers from medical facilities and treatment aggravates the serious hazards they face. These include zoonoses, musculo-skeletal disorders, vibration-related injuries, and respiratory diseases. This is the context for the AWB sick pay scheme in agriculture. It is essential that agricultural workers are supported in recovering from

illness or injury, and do not feel obliged to return to work prematurely because of the financial imperative of loss of wages.

The impact on the NHS in Wales of work related sickness and injury in agricultural occupations cannot be underestimated and it can be assumed that should the protections of the AWB be removed then not only would workers be at higher risk but the burden on the NHS would be greater.

Collective bargaining: equitable and economically effective

The AWB was originally set up to protect an isolated and scattered workforce who had little scope for collective bargaining. Today, one set of annual negotiations and the resultant AWB Order for England and Wales covers 154,000 workers, and is a benchmark for pay and conditions for many thousands more.

Unite views this as a more efficient way of settling pay rates than thousands of farmers and growers negotiating individually with thousands of employees. Collective bargaining takes place in a wide range of industries including construction, retail and financial services with industry agreements on items such as holiday pay, sick pay, overtime etc.

As aforementioned, many rural workers work in isolation and there is a lack of collective cohesion, management structures and procedures which limits the ability to negotiate with individual employers. The collective bargaining process as set out in the AWB also saves costs to employers – both time and money wise – of having to undertake individual negotiations

Abolition of the AWB would take away the right of agricultural workers to free collective bargaining. Unite believes that abolition of the AWB would be in breach of the UK's obligations under international law to promote collective bargaining.

Collective bargaining coverage is instrumental to working people having the strength to improve their living standards, support their families and input into local communities. However, collective bargaining is not only beneficial to those that it directly covers but also has a wider greater good. Research has shown that where there is greater density of collective bargaining there is corresponding lower inequality, a factor that could be crucial to the development of many of our rural communities in Wales. Moreover, there are proven direct links between collective bargaining and wage growth, resulting in a growth in spending power and a consequential boost to the local economy.

Additionally, the standards as set out by the AWB Order are in accordance with internally recognised instruments. The social charter of the Council of Europe Article 2 calls for additional holidays and reduced hours for dangerous and unhealthy occupations. ILO Convention 99 calls for a minimum rate in agriculture with an adequate machinery for creation and enforcement

Impact of abolition of the Agricultural Wages Board (AWB) on Welsh workers and Wales

Abolition of the Agricultural Wages Board will see a return to the conditions that led to the setting up of the first trade union – the lowering of agricultural wages in the 1830s. Set against the claimed potential savings for the UK government of around £50,000 a year, the cost to workers and the rural economy of abolition are at least £235.7 million over the next 10 years, according to DEFRA's own impact assessment. All the 'benefits' of abolition are costs for workers - £131million a year in lost wages; £81million from annual leave; a further £4.4 million in sick pay, and more. If the AWB is abolished workers in agriculture in Wales and England could lose between £150 and £265 a week.

Unite believes that the view of many of those involved with the AWB including employers and independents is that any changes, including 'simplification' should, as they have been for decades, be a matter for negotiation between the parties and not imposed by abolition. The all too short DEFRA consultation presented a binary choice – do nothing or abolish the AWB. Yet members of the AWB from all sides have over many years engaged in a process of negotiated and agreed

reform and adaptation to the changing requirements of the industry. Abolition represents the removal of collective bargaining from the industry, in breach of internationally recognised obligations.

A report by IDS for the Low Pay Commission suggests that pay might become binary along skill lines:

“Employers may choose to condense the grading structure, leading to a simplified structure with a rate for unskilled workers and a separate higher rate for skilled workers. In this situation, there is potential for a reduction in the number of semi-skilled workers (grade 2) – currently the largest proportion of agricultural workers”.

This is a worrying prospect for more than 54,000 semi-skilled workers in the industry across the UK, who either face being paid an unskilled rate or trying to gain more skills to achieve a higher rate, without the current provisions of the AWB Order where workers are entitled to have training fees and associated expenses paid for by their employer.

The DEFRA Impact Assessment relating to the proposed abolition, at section 2 refers to contractual rights remaining after abolition unless varied by agreement. Not only does this expose the vulnerability of the individual worker or small groups of worker, but it will also leave the smaller farmers exposed to the larger farmers and growers who can maximise the savings at the expense of the workers. Smaller farmers will be forced to vary terms and conditions in order to compete; those workers on existing AWB rates will be put under pressure as new workers employed on less favourable terms will divide these tight-knit workplaces and communities. Unite has witnessed this occurring in other industries and campaigned hard against this.

Children and apprentices in agriculture

Historically children have worked in agriculture, often to make a vital contribution to the low household income. (Farming is the only industry where child deaths are a regular occurrence, not a rarity.) The long summer holidays of schools reflect this.

The AWB rates of pay for children of compulsory school age reflect the reality that many school-age children work in the industry; in a recent article Polly Toynbee cites the example of 9-year-olds harvesting spring onions; these could well have been for growers supplying major supermarkets. The National Minimum Wage makes no such provision for children of school age, with rates for over-16s only.

The AWB rates of pay for children over compulsory school age reflect two further realities. First, that many school leavers wish to enter the industry and earn a wage as soon as they leave compulsory education; and secondly, that from day one they will be working both as adults and alongside adults, undertaking physically arduous and hazardous work in all weathers, with the responsibilities for livestock and equipment. This is where the differences in NMW rates for 16-18 year olds, and 18-21 year olds are inappropriate. Aggressive livestock make no distinction between the 16-year-old and the 19-year-old.

For these reasons the NMW apprentice rates, with a starting rate of £2.65 against the AWB rate of £3.57, are inappropriate for agriculture, and would act as a powerful deterrent to apprenticeship.

Appropriate overtime

Overtime rates in agriculture achieve two aims. The first is that they acknowledge the additional effort and commitment of the worker in undertaking work outside core hours and compensates for this. Secondly, the higher rate is a clear demarcation between core and extra time for both employer and employee, a demarcation found in comparable industries such as construction. As already noted, long hours are endemic in agriculture. It is not difficult to imagine the tensions that would be created where overtime is needed, but there is no compensation for this.

Abolition of the AWB overtime rate would leave agriculture exposed as employing 154,000 workers with no separate rate for overtime. It would mark its move away from modern norms in the private and public sector, where overtime rates are standard practice.

At 39 hours, the AWB definition of the normal working week is longer than in many sectors; the NHS has a standard working week of 37.5 hours, while the NJC for local government is 37 (this applies to manual and non-manual workers and would include horticultural workers).

A hazard to health and safety

As already noted, agricultural work is arduous and hazardous. For agricultural workers who often work long and anti-social hours, including during bank holidays, annual leave is essential for resting physically and mentally, and for spending time with families and friends. The AWB-set 31 days annually is comparable with other industries. The holiday entitlement with which the government proposes to replace AWB levels is, at 28 days, a level that leaves UK workers far worse off than most EU competitors.

The clear health and safety implications of shorter holiday entitlement are compounded for those working 6 days a week. Their 38 days' annual leave is some compensation for only having 1 regular day off a week. Post-abolition, there would be no such recognition. The physical and psychological impact of this would be considerable, and it would be difficult to see how workers could take on a 6-day week without the offset of the longer statutory annual leave.

The scrapping of the sick pay scheme and imposing the SSP in its stead would see farm workers returning to work in the UK's most dangerous industry when not wholly fit, and being exposed to a higher risk of further illness or injury as a result. The DEFRA consultation document is conveniently silent on what will happen to those workers who are on less than the Lower Earnings Limit of £107 a week.

Abolition equals discrimination

With regard to the AWB, Unite believes that abolition would be discriminatory under the Equality Act on at least three grounds. It would be discriminatory in terms of age, against young people, because with its youth rates the AWB allows for higher rates of pay than the NMW. It would also be discriminatory on grounds of gender and on grounds of race.

During previous attempts to abolish the AWB, it was established that abolition would indirectly discriminate against women. The Order sets out statutory rates of pay for part-time and temporary workers, and women are more likely to be part-time or temporary workers

In addition, abolition of the AWB rates and a move to NMW rates will have a disproportionate impact on migrant workers, and thus be in breach of the 2010 Equality Act. Migrant workers are predominantly Grade 1 workers on short-term contracts. They would lose Grade 1 pay and see a decrease in pay immediately on being moved to NMW rates, and they would also lose overtime rates.

Enforcement in a post AWB agricultural industry

The UK government is proposing that HMRC would undertake the work of enforcing the NMW in a post-AWB industry. The timing of this proposal could barely be worse. In June 2012 the civil service union PCS held a strike against job cuts of 10,000 by 2014-15. This follows the loss of 30,000 jobs since the formation of HMRC in 2005. HMRC is already struggling with its burden of work.

The UK government is silent on the capacity of HMRC to enforce the payment of the NMW in remote rural areas on behalf of 154,000 workers, and on the fate of the Rural Payments Agency/Rural Inspectorate and the Agricultural Wages Team at DEFRA, whose experience in this area would be lost. Unite would suggest that raising pay inquiries by phone with HMRC would be virtually impossible, as it is so difficult to get through.

All in all, the abolition of the AWB could have a severely detrimental impact on the future of farming in Wales. Should employers choose to move away from the minimum standards and career path of the AWB it could become increasingly difficult to attract new workers to the sector in the sufficient numbers needed to sustain a viable future. In addition, in many areas agriculture functions alongside other industries and agriculture could lose skilled workers to other industries with better terms and conditions.

The abolition of the AWB would not only be bad news for workers but for Wales as a whole.

Building an Agricultural Wages Board (AWB) for the future of Welsh workers and Wales

Unite has and continues to work and campaign hard against the abolition of the AWB for England and Wales. However, should the UK government press ahead with the much opposed abolition we welcome the Welsh Government commitment to seriously look into establishing a new AWB for Wales.

In doing so Unite would recommend that the Welsh Government consider the following:

- An impact assessment specific to the role of the AWB in Wales.
- Research into the unique nature of employment across agriculture and land based work in Wales.
- The Welsh Government to produce statistical information relating to agriculture and the rural economy in Wales, independent of the figures produced by DEFRA.

As previously stated in this submission, Unite's position is that the AWB has many benefits for both Welsh workers and Wales and we would urge the Welsh Government to utilise any such opportunity for a new AWB to build a body that most effectively serves and sustains a future for agricultural workers, the rural community and economy in Wales.

The focus of a future AWB

Unite would consider that the remit of the AWB should be made broader rather than narrower. Unite is aware that there are a number of people working in related areas in agriculture – such as estate workers and game keepers – who may have their pay pegged to the AWB board but are not officially covered by the board. Unite believes that the scope of the AWB should be widened to include others such as gardeners, forestry workers and pack house workers (pack house workers are currently only covered if they do part time work on a farm.) In many instances, it may be a simple case of applying common sense when it comes to broadening inclusion. In other instances, it may be worth looking at widening the coverage of the AWB in the context of creating a larger sustainable rural industry and workforce that is able to successfully recruit and retain people in Wales.

The issue of salaried rate of pay could be looked at. Unite tabled a point on salaries in last year's (and most recent) submission to the AWB, as we believe fair salaries would benefit the industry and allow our members to access mortgages and other financial services more easily.

Unite considers that representation on the AWB – that of farmers and workers through the unions – should remain the same.

Education and awareness of the AWB

The role, purpose and necessity of the AWB could be promoted externally and to the general public and the farming community in particular to a much greater extent. One suggestion is that such promotion could be done through better direct communication with community organisations and groups such as the Women's Institute, Young Farmers, youth clubs, parish councils, churches and more. There is, of course, a key role for political representatives to play in this.

There is a stronger role for the Welsh Government in promoting the role of the AWB – and as a consequence a future career in agriculture in Wales - to schools, particularly in rural communities and targeting colleges with relevant courses and students.

Unite is aware that many of the employers that submitted to the DEFRA consultation at the end of last year in favour of retaining the AWB cited the certainty, resources and removal of insecurity that the AWB provides them with. It also takes away the need for and stress of uncomfortable face to face negotiation and confrontation. The statutory element additionally gives clarity and reduces the possibility of being undercut by other employers in the same sector and/or area. These are all elements that more employers and the relevant communities can be made better aware of and given more resources to understand.

Unite believes that with increasing competition for skilled labour the standards set by the AWB should and could be a benchmark where there is nothing preventing employers from adding to the package to give them not simply the extra edge but also ensure the greater productivity of employees, standard of work and related conditions, not to mention the likelihood of days lost to illness and injury as workers are trained to a decent standard and greater levels of workplace health and safety recognised. The standards set by the AWB should be something for government, employers and employees alike to be proud of and champion.

Enforcement and adherence

In looking at the future of the AWB in Wales, consideration should be given to measures to improve the enforcement of AWB rates and to effectively tackle rogue employers operating and exploiting workers in the agricultural sector. If a board was established for Wales, Unite believes that the Welsh Government should appoint an inspector for Wales to check and ensure the AWB was being adhered to. Such a labour inspector could both respond to queries/issues raised as well as work to actively enforce the AWB on the ground. As things stand at the moment, no inspection or checking takes place unless a complaint has come forward or an approach made.

The current enforcement regime involves several agencies and the current system of enforcement builds in barriers to time and multiple agencies, which may not be helping in terms of under-payment, and could be making enforcement and access to raising complaints more difficult that it needs to be. A Wales based and specific phone number for both farmers and workers would be a welcome and more effective development.

Of course, for more people and communities to be made aware of the AWB along with the rights, responsibilities and benefits it brings could act as a powerful and productive means of ensuring adherence to its standards and orders. A copy of the AWB order should be sent out to every farmer; Unite currently distributes copies to our members but we are aware individual farmers do not receive a copy as standard. In addition, decisions of the AWB should be advertised more widely both to farming communities and the general public, we are presently aware that it gets little more coverage than Farmers Weekly and Unite publicises information in our own Landworker publication.

Should alternative arrangements need to be made for Wales, Unite would welcome the opportunity to work with the Welsh Government and other relevant representatives to develop a structure that sets a benchmark for a successful and sustainable future for Welsh works and agriculture in Wales.

Submitted by Unite Wales.

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Environment and Sustainability Committee

E&S(4)–04–13 paper 2

Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from the Farmers’ Union of Wales

Introduction

1. The Farmers’ Union of Wales welcomes this opportunity to contribute to the Environment and Sustainability Committee Inquiry into the Future of the Agricultural Wages Board in Wales, with particular reference to the impact the removal of the Wages Board will have on employees in the Welsh agricultural sector and the Union’s views on the future provision of a body to set the conditions of employment and the rates of pay for the sector in Wales.
2. The Farmers’ Union of Wales (FUW) remains fully supportive of the retention of the Agricultural Wages Board and believes that it has an important role in determining the pay and conditions of service which reflects the unique labour requirements of the agricultural industry, particularly in Wales.
3. Agricultural workers are required to be flexible in their working arrangements to cover busy periods, fine weather and unsociable hours. This type of flexibility is not covered by general employment law provision; therefore, the Union believes that there is a vital role for additional minimum rates of pay for agricultural workers.
4. The Union has lobbied the Department of Environment, Food and Rural Affairs (Defra) and the Westminster Government to reconsider their position on the future of the Agricultural Wages Board and its Committees or, at the very least, to put sufficient powers in place to allow the Board to be retained in Wales to reflect the support amongst farmers and the Welsh Government to retain its provisions.
5. The Union’s support for the retention of the Agricultural Wages Board was recognised in the report entitled ‘The Agricultural Wages Board: The Welsh Case for Retention’¹ published by Mr Mick Antoniw AM, Assembly Member for Pontypridd.
6. The Union also welcomed the cross party support by Assembly Members, as part of a short debate on retaining the Agricultural Wages Board in Wales held during the National Assembly for Wales’ Plenary Session on Wednesday 10th October 2012².

¹ http://media.wix.com/ugd//1a03b2_b3b882b78ecadd09711f4f40d4a7e328.pdf

² <http://www.senedd.assemblywales.org/ieListDocuments.aspx?MId=1198>

Farmers' Union of Wales Position

7. The Union's County Offices regularly receive requests for information on the terms, conditions and specific benefits, such as dog allowances, night working and tied accommodation, agreed by the Agricultural Wages Board and it is clear that the work of the Board and its Committees is much appreciated by Welsh farmers.
8. The majority of the Union's members believe that the removal of the minimum wage for agricultural workers will be a retrograde step for an industry which has been struggling to attract new skills and expertise over recent years.
9. The Union was extremely concerned at the amendments made following the consultation on the Future of the Agricultural Wages Board for England and Wales³, which were added at the Committee Stage in the House of Lords, which means that the legislation to abolish the Wages Board will be included in the Enterprise and Regulatory Reform Bill instead of the Public Bodies Bill⁴. If these amendments are agreed, the Westminster Government could argue that, as employment is not a devolved issue, it will no longer be obliged to seek the views of the National Assembly for Wales on the future of the Board in Wales⁵.
10. At the time of writing, the FUW welcomes the intervention of the Lords who dissented at the Committee stage on 16th January, which has forced a vote by the House of Lords on the future of the Board at the end of February or beginning of March
11. The FUW believes that, given the diverse nature of farming, particularly in Wales, where the majority of farms are small family businesses employing one or two workers, there is a real need for guidance on terms and conditions, as staff tend to be a long term investment for the business.
12. The Union is aware that many farmers in Wales may also be employed to undertake farm work elsewhere in order to supplement their own incomes. Any negative impacts that result from abolishing the Wages Board will not stop at full time agricultural workers.
13. As many farms in Wales run with relatively few staff, or indeed with family labour, the Agricultural Wages Board is considered an important means of

³ <http://www.defra.gov.uk/consult/files/awb-consult-summary-responses-121219.pdf> Page 1

⁴ Enterprise and Regulatory Reform Bill Clause 63: Amendment proposed by Lord Marland and Viscount Younger of Leckie. <http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0045/amend/su045-vb.htm> (19th December 2012) and <http://www.publications.parliament.uk/pa/bills/lbill/2012-2013/0045/amend/ml045-vii.htm> (19th January 2013)

⁵ <http://wales.gov.uk/about/cabinet/cabinetstatements/2012/awb/:jsessionid=083F782D447E57BF76B9B7BB37A8D700?lang=en>

avoiding potential conflict and lengthy negotiations with individual members of staff.

14. There are also implications for dealing with and understanding the finer details of employment law which would be required once the Board is abolished. The Agricultural Wages Order reduces the burden of red tape on these businesses as it covers a great deal of information that farmers would have to seek elsewhere if it did not exist.
15. Despite Defra publicising its intentions to extend the National Minimum Wage provision to the agricultural sector, there has been a dearth of information on how this will be undertaken. The FUW is concerned that the unique nature of agricultural workers and their enhanced terms and conditions will not be recognised by the National Minimum Wage provisions and that both employees and the wider agricultural industry will suffer without the Board or a similar body.
16. The Union believes that it is vital to ensure that the enhanced terms and conditions which reflect the dedication of agricultural workers must be fully retained as part of any future arrangements.
17. The Union strongly believes that the future of farming is dependent on attracting highly trained and skilled technicians into the industry. The economic climate within the agricultural industry has made it a less attractive option for many young people and in the Union's view, rewarding skills, qualifications, and levels of responsibility, is a vital means of persuading high calibre people to remain in or enter the industry. Reliance on a single national minimum wage will inevitably result in an erosion of talent and skills from farming as more lucrative and less physically challenging professions are taken up.
18. In attracting young people into the agricultural industry it is noted that the rates of pay provided by the Agricultural Wages Order for agricultural apprentices are particularly attractive when compared with the rates provided under the National Minimum Wage legislation. The Agricultural Wages Order entitles first year agricultural apprentices to a minimum of £3.57 per hour rising to between £3.68 and £6.19 in their second year depending on their age⁶. This is very favourable when compared with the provision of £2.65 per hour⁷ under the National Minimum Wage.
19. The FUW welcomes the higher rate of pay for agricultural apprentices when compared to apprentices in other industrial sectors and believes that, in conjunction with other incentives, such as the Welsh Government's Jobs Growth Wales and the opportunities for the agricultural apprenticeship scheme being implemented by Lantra, this could provide a real opportunity to attract young people into the agricultural sector.

⁶ <http://www.defra.gov.uk/publications/files/awo2012-guidance.pdf> Page 9

⁷ <https://www.gov.uk/national-minimum-wage-rates>

20. The National Minimum Wage provisions do not recognise any additional skills, training or qualifications held by an employee whereas these are fully recognised within the Agricultural Wages Order through the establishment of minimum pay rates for different Grades of agricultural workers, depending on their responsibilities, qualifications and number of hours worked. This Grading structure provides an incentive for employees to undertake further training as a means of gaining qualifications, therefore, progressing up the grading structure to earn a better wage.
21. Given that the running costs of the Agricultural Wages Board for the whole of England and Wales was reported to be £57,000⁸ per annum, the Union believes that, to benefit the industry and to circumvent the issues that abolishing the Board could create, the Welsh Government should investigate the feasibility of establishing a Wages Board that would be unique to Wales and takes into account the needs of its agricultural sector.
22. The devolved administrations in Scotland⁹ and Northern Ireland¹⁰ have their own Wages Boards to set the pay and conditions for workers within their agricultural sectors. These Boards mirror the structure of the Board for England and Wales and have similar roles and responsibilities.
23. The Union would urge the Welsh Government to undertake an urgent assessment of whether the Scottish Agricultural Wages Board or the Agricultural Wages Board for Northern Ireland provide a suitable model which could be used as the basis for establishing an Agricultural Wages Board in Wales.
24. Given the enhanced law making powers which were afforded to the National Assembly for Wales following the Referendum held in May 2011, the Union would also urge the Welsh Government to investigate whether it is possible to make use of these powers, in conjunction with the devolved powers relating to the agricultural industry, to bring forward a 'Welsh Agricultural Wages Act' to provide the legislative basis for the establishment of an Agricultural Wages Board for Wales and the long term protection of the pay and conditions for Welsh agricultural workers.

18th January 2013

⁸ <http://www.assemblywales.org/bus-home/bus-chamber-fourth-assembly-rop/rop20121010qv.pdf?langoption=3&ttl=The%20Record%20%28PDF%2C%20241KB%29> Page 140 - 141

⁹ Scotland <http://www.scotland.gov.uk/Topics/farmingrural/Rural/business/18107>

¹⁰ Northern Ireland <http://www.dardni.gov.uk/index/fisheries-farming-and-food/enforcement-awb.htm>

Environment and Sustainability Committee

E&S(4)-04-13 paper 3

Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from NFU Cymru



Introduction & Summary

1. NFU Cymru welcomes the Environment and Sustainability Committee's enquiry into the future of the Agricultural Wages Board (AWB)
2. We believe that the abolition of the AWB will fit with a modern, forward thinking farming industry that will deliver for the future. NFU Cymru therefore welcomes the announcement by Defra Minister David Heath of 19th December 2012, that subject to Parliamentary approval, the AWB will be abolished from October 2013.
3. NFU Cymru considers the AWB to have been superseded by modern developments, such as the National Minimum Wage and Working Time Regulations. The AWB structure and function has therefore been obsolete for some time now, and it is appropriate that it is abolished.
4. Following the abolition of the board in England and Wales, NFU Cymru does not believe that there is a case for re-introducing a separate AWB type structure in Wales.
5. NFU Cymru would prefer instead to see resources currently spent on an outdated wages council, re-directed into encouraging new entrants into agriculture and expanding on the successful and popular Welsh Government Young Entrants Support Scheme.

The case for abolishing the AWB

6. In 1970 the number of different wage councils peaked at 55, and often covered very niche sectors. Wages councils included the Coffin Furniture and Cerement Making Wages Council, the Pin Hook and Eye and Snap Fastener Wages Council, and the

Ostrich and Fancy Feathers and Artificial Flowers Wages Council. With the exception of the AWB, all remaining wages council were abolished by John Major's government in 1993. NFU Cymru therefore considers the continued existence of AWB to be an anomaly and a vestige of a bye-gone era.

7. Whilst the AWB may once have been an appropriate structure, it has now been superseded by modern-day developments, such as the introduction of the National Minimum Wage in 1999, one of the flagship policies of the then Labour government. NFU Cymru believes that the continued existence of the AWB puts agriculture out of step with all other employers in England and Wales.
8. The 1948 Agricultural Wages Act is an old-fashioned, cumbersome and costly regulatory framework whose aims and objectives have been overtaken by recent employment legislation. As things currently stand, an agricultural employer needs to understand and apply both the Agricultural Wages Order and general employment law, a burden no other sector has to carry. It creates anomalies and division between agricultural and other food chain workers who may be performing identical tasks, but be subject to different minimum wages.
9. The Welsh Government has encouraged farmers to diversify their businesses in order to secure alternative income streams. The existence of the AWO creates further problems for a diversified farming business where employees may carry out a mixture of work that is agricultural, and therefore governed by the AWO, and non-agricultural and therefore governed by the National Minimum Wage. Such diversified farm activities are deemed to fall outside of the scope of the Agricultural Wages Order whilst everyday farming activities will be of course be within the scope the of the AWO. This creates a burden for employers of having to work to two separate pieces of legislation.
10. Whilst the AWO imposes a burden on farmers and farm businesses, it should also be remembered that the existence of the AWO incurs direct costs in the form of a dedicated taxpayer funded pay and work helpline and increased training and enforcement costs for organisations such as the Gangmasters Licensing Authority and HMRC.
11. The AWB has failed to move with the times and has not kept up to date with modern practices such as the paying of staff on the basis of an annual salary, or on the basis of 'piece work'
12. Agriculture is characterised by a huge diversity of business types and production systems. Some require large numbers of temporary workers for low skilled roles, whilst others employ highly skilled workers responsible for large businesses. Agriculture has become increasingly specialised, and the inherent seasonality means peaks and troughs in labour needs, yet the agricultural wages order does not allow that flexibility.

13. Payment of an annual salary has the effect of ironing out the inevitable peaks and troughs in the pay of agricultural workers and offers instead greater security through a consistent weekly or monthly pay packet.
14. The AWO requires a three month reference period for salary purposes, and consequently there may be times when the hourly rate for workers temporarily drops below the AWB minimums due to it being a peak working period on farm. This would not be an issue over the course of the year, but would be unlawful if the AWO were strictly applied.
15. The AWB fails to take into account the hugely differing fortunes of various sectors of the agricultural industry, with wage determinations made on a 'one size fits all' basis.
16. Abolition of the board will put farmers on an equal footing with other employers in Wales, allowing them to recruit and retain workers without the restrictions of the order. As part of the food supply chain, farmers in Wales are forced to adhere to this additional regulation whilst the rest of the supply chain acts under National Minimum Wage legislation.
17. For example, as things currently stand if milk is produced on farm then the rates of pay for the labour used on farm to produce that milk will be determined by prevailing AWB rates. The rest of the supply chain will be free to set their own rates of pay for the processing of that milk and its sale in the supermarket (with due regard to the National Minimum Wage)
18. The difference between the National Minimum Wage Determination for October 2012 (£6.19 per hour) and the Agricultural Wages Order determination of October 2012 (£6.21 per hour) is just two pence per hour. We would question whether having such an elaborate construction as the AWB in place in order to confer a benefit of just two pence per hour on the lowest paid agricultural workers is a good use of money and resources and whether this money and resource would be better deployed in training for employees and encouraging people into the agricultural industry.
19. Farmers have to pay competitive rates to attract and retain skills, just like any other business, and the average wage of a farm worker is on par with that of a van driver or medical secretary. On average farm workers are over £100 per week better off than the tens of thousands employed in retail and hospitality. Abolishing the AWB will allow greater flexibility in determining wage settlements, reflecting a farm workers skills, performance and contribution to the business
20. We do not share the view of some that farm workers will suffer low wages if the AWB is abolished, and that farmers will simply seek to pay the minimum allowed under National Minimum Wage legislation. Such claims are ill founded and pay no regard for current rates of pay, existing contractual obligations or for the commercial realities of farming businesses operating in a competitive marketplace.

21. The reality is that few farm workers currently receive the minimums set by the board. Average earnings in 2010 for full time farm workers were 41% above the industry minimums set by the board and few are paid near to the minimums set out in the order. The Annual Survey of Hours and Earnings (ASHE) for 2010 showed that 90% of workers employed in agricultural trades received gross pay above £6.50 an hour. When measured against the AWO grade 2 minimum of £6.40 per hour that was in effect in April 2010, it is reasonable to conclude that the vast majority of farm workers are paid well above the AWO minimums
22. Bringing agriculture into line with other sectors by abolishing the AWO would mean that farm workers and businesses would instead have recourse to a wide range of advisory resources from organisations such as ACAS and the Citizens Advice Bureau. This would lead to greater awareness and appreciation of the employment rights that farm-workers, along with every other worker in the economy enjoy.

Conclusion

23. NFU Cymru is happy to work with Welsh Government and all with an interest in agriculture and training to make our industry attractive and a long term career prospect with opportunities for training and career progression.
24. NFU Cymru is proud of the fact that agriculture is one of the few industries in Wales with a growing workforce, 2000 extra in fact in the last couple of years. We want to work pro-actively and positively with all those who have an interest in the sector to build on the growth in opportunities in the sector going forward.
25. NFU Cymru would prefer instead to see resources currently spent on an outdated wages council, re-directed into encouraging new entrants into agriculture and expanding on the successful and popular Welsh Government Young Entrants Support Scheme.
26. NFU Cymru currently offers support to its farming members on employment law, to ensure good employer:employee relationships. When the board is abolished it is our intention to offer a package of advice for our members on the legal implications of abolition of the Board for employers. It will also be our intention to provide additional guidance on best practice, focussing on the relationship between salaries and skills and on labour market conditions so that employer's negotiations with staff on wages can reflect drivers in the wider market.

Environment and Sustainability Committee

E&S(4)–04–13 paper 4

Inquiry into the proposed abolition of the Agricultural Wages Board – Evidence from the Tenant Farmers Association Cymru

Introduction

The Tenant Farmers Association Cymru (TFA) is pleased to have been invited to give evidence to the Environment and Sustainability Committee of The National Assembly for Wales in relation to its investigation of the future of the Agricultural Wages Board.

The TFA has long advocated the abolition of the Agricultural Wages Board and the Annual Agricultural Wages Order for England and Wales.

The TFA's opposition to the continuation of the Agricultural Wages Order does not imply that agricultural workers should not have terms and conditions which properly reflect their vital contribution to farm businesses. Indeed in recruiting farm staff it is essential to ensure that packages offered by employers attract the best, skilled individuals needed for the roles being filled. However, far from simply setting minimum rates of pay the Agricultural Wages Board and its annual Order has established a complex web of constantly changing regulations against which it is easy for farm businesses to find themselves in breach.

History

The Agricultural Wages Board can trace its history back to the early years of the 20th Century and was one of a number of institutional mechanisms used for setting minimum rates of pay and conditions. However by the end of the 1980s the Agricultural Wages Board found itself as the last of those arrangements with all other similar institutions having been abolished through the post 1979 Conservative administrations.

In more recent times we have seen the rapid development of employment legislation in the wider economy for the protection of employee rights including the development of the National Minimum Wage, the implementation of the Working Time Directive, employment rights for disabled workers, equality legislation, health and safety at work, maternity and paternity rights, flexible working and statutory rules on holiday pay. With all of this development the Agricultural Wages Board has become something of an anachronism.

Impact

In view of the complex nature of the regulations surrounding agricultural wages many potential employers are put off from employing individuals and make do with working more hours themselves or using family members. The number of employed workers in agriculture has been steadily declining for many years. Those employers who wish to use salary packages have difficulty in meeting the letter of the Agricultural Wages Order as do those who employ individuals both for farm and non-farm activities.

The TFA is also aware of a reluctance amongst some in the farming community to provide placements for work experience, therapeutic opportunities, rehabilitation of offenders or drug addicts and alcoholics for fear of falling foul of the complex regulations. The TFA believes that there would be many more opportunities for this type of activity on farm in the absence of the overbearing provisions of the Agricultural Wages Order.

It is not so much the rates of pay that are the problem, evidenced by the fact that average earnings for farm workers are, year-on-year, significantly above the minimum rates set out by the Board, but the large number of additional requirements relating to sick pay, night work, dog allowances, accommodation allowances, travelling time and overtime rates. A simpler, flexible system based on the rules which apply in the wider economy will be a benefit to all.

Conclusion

Significant advances have been made in employment legislation more generally outpacing the Agricultural Wages Board which has failed to modernise. The time is right for its abolition. If the decision is made to bring the statutory arrangements to an end the TFA would not see any benefit in Wales establishing its own provisions.

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18 January 2013

gwd/1605

Environment and Sustainability Committee

E&S(4)–04–13 paper 5

Local Development Plans & Population/Household Projections – The Planning Inspectorate



The Planning Inspectorate
Yr Arolygiaeth Gynllunio

Introduction and context

PINS Wales is a Directorate within the Planning Inspectorate, which is an agency within both the Department for Communities and Local Government in England and the Welsh Government. PINS Wales is based in Crown Buildings, Cathays Park, Cardiff. In addition to dealing with a wide range of planning and other environmental appeals on behalf of Ministers, Planning Inspectors are appointed to conduct public examinations under Section 64(5) of the Planning and Compulsory Purchase Act 2004 into Local Development Plans to establish whether or not they met the tests of soundness set out in Local Development Plans (LDP) Wales. These comprise:

- (i) **Procedural tests:**
 - P1– whether it been prepared in accordance with the Delivery Agreement with WG, including the community involvement scheme;
 - P2 – whether it has been subject to sustainability appraisal;
- (ii) **Consistency tests:**
 - C1 – a land use plan that has regard to other relevant plans, policies and strategies relating to the area and to adjoining areas;
 - C2 – has regard to national policy;
 - C3 – has regard to the Wales Spatial Plan;
 - C4 – has regard to the relevant community strategy/ies;
- (iii) **Coherence and effectiveness tests:**
 - CE1 – sets out a coherent strategy from which policies and allocations flow and, where cross boundary issues are relevant, it is compatible with the development plans of neighbouring LPAs;
 - CE2 – the strategy, policies and allocations are realistic and appropriate having considered the relevant alternatives and found upon a robust evidence base;
 - CE3 – there are clear mechanisms for implementing and monitoring;
 - CE4 – it is reasonably flexible to enable it to deal with changing circumstances.

That written and oral examination follows a process of public consultation by the relevant Local Planning Authorities on their proposed LDPs, and their refinement through proposed focus changes, that culminates with the **submission** of the LDP. Normally, an examination should be completed within 12 months from the date of submission to PINS.

Current position

To date, planning Inspectors have examined and issued reports finding 6 LDPs 'sound' (PCNPA - Sept 2010; Caerphilly - Nov 2010; RCT - March 2011; Merthyr Tydfil - May 2011; SNPA - July 2011; Blaenau Gwent - Dec 2012). The report in respect of Pembrokeshire has now also been sent to the LPA.

There are currently on-going examinations in respect of BBNPA; Torfaen; Ceredigion and Denbighshire, all of which have had to be suspended or delayed to enable further evidence to be adduced and changes proposed in response to issues considered at the hearing sessions. The examinations in respect of Bridgend, Conwy and Monmouthshire LDPs are also on-going.

We expect to receive Newport's and Carmarthenshire's LDPs in the mid to late Spring / summer 2013 with NPT and Powys early next year.

In addition, partial examinations took place in respect of Cardiff and Wrexham, both of which were withdrawn following the inspectors' initial comments in March 2010 and March 2012 respectively.

Response to Questions

Question 1: The extent to which Local Planning Authorities have been involved in developing and are supportive of the assumptions behind the Welsh Government's projections

PINS is not involved with the preparation and production of household projections. However, those projections form part of the evidence base that is used during LDP examinations.

I am unable to comment upon the extent to which LPAs have been involved, although am aware that there are sub-National working groups comprising LPA statisticians and planning officers set up to establish appropriate assumptions to be used in calculating the WG projections. For example, from evidence given at the Denbighshire LDP examination, we are aware of Conwy Council's involvement in this process and understand that that Council has a working relationship with its neighbours.

The extent to which LPAs/NPAs have been supportive of the assumptions behind the projections is likely to depend largely on whether they are content with the number of new dwellings the projections say their LDPs should provide. Importantly, however, PPW 9.2.2 says that the WG household projections should form the starting point for assessing housing

requirements and that LPAs must justify any deviation by reference to the criteria set out in para 9.2.1. Those include, amongst other things, local housing need & strategies, environmental and infrastructure capacity. This is often an issue for discussion at the LDP examination.

Denbighshire sought to challenge the household projections by arguing that the forecast for migration was based on a trend taken from too short a period and as a consequence was unreliable. Bridgend has also questioned the WG projections because of changes in household size that has informed the figures. Wrexham also challenged the projections on statistical grounds, again largely associated with cross-border migration from Chester and its surroundings in the context of a draft Core Strategy based upon the Regional Spatial Strategy for that English region.

RCT and Blaenau Gwent allocated more than required by the projections. The inability to meet the WG's household projections does not appear to have been an issue at Pembrokeshire NPA or County, Caerphilly, Merthyr Ceredigion or Conwy. Cardiff's LDP was planning to meet the need but, amongst other matters, in a manner that was inconsistent with PPW policy in terms of reliance upon brown-field and issues concerning delivery. Brecon did not dispute WG's household projections although their LDP housing target was based on supply and environmental capacity.

It would appear therefore that LPAs, on the whole, have been supportive of the household projections: problems have been connected to manner of their delivery on the ground.

Question 2: The technical and resource requirements for Local Planning Authorities being able to prepare their own policy based forecasts, including being able to compile sufficient evidence to defend these at a Local Development Plan Examination in Public.

I cannot comment upon the resources available to LPAs, but it is self evident that if LPAs prepared their own projections, this could lengthen the timescales involved in preparing their plans. Moreover, it is also clear that the WG projections are taken as a robust and impartial starting point for the LDP examination. Any deviation from these has to be justified through evidence submitted to the examination, as is currently occurring at the Bridgend examination, where Cambridge Econometrics has been engaged by the LPA.

BBNPA has also appointed Nathaniel Lichfield & Partners to carry out an assessment of the future need for housing using their own HEaDROOM methodology to assess various economic and demographic forecasts, trends and factors, including WG's projections. Denbighshire did produce its own projections, but relied on Conwy LPA to do so for them.

Question 3: How far Local Planning Authorities have been collaborating at a regional or sub-regional level on forecasting work as an input to Local Development Plans.

WG projections are trend based. Therefore LDPs need to be regionally acceptable to meet the tests of soundness C1 and CE2.

We are aware that there are regional planning groups to develop collaborative working. In north-west Wales, there is a Memorandum of Understanding signed up to by LPAs that apportions the WG projections to the individual LDPs. In the case of the SNPA examination, this provided a sound evidence base. The SE Wales Spatial Planning Group has also been active and produced a regional housing apportionment exercise published in 2006. However, these projections were not endorsed by the development industry and were subsequently superseded by the 2006 and 2008 based WG projections.

Question 4: The extent to which the time taken to agree local population and housing numbers is responsible for delays in bringing forward Local Development Plans.

Given the role of PINS in the examination process, I cannot comment upon the reasons why delay might have occurred in bringing forward or submitting LDPS for examination. PINS' involvement starts with the submission of the LDP.

However, following their submission to PINS, a number of examinations have been delayed and two LDPs have been withdrawn. Methyr Tydfil was one of the first LDPs to be submitted and incurred some delay because of its complexity and the number of proposed changes to the plan following its submission. Denbighshire submitted its LDP for examination in August 2011. The final hearings will be held next month, the hearings having been adjourned in order to enable the LPA to show how the housing projections could be reflected in the site allocations. Wrexham's LDP was withdrawn for similar reasons. BBNPA and Ceredigion LDP examinations have been delayed, again to enable issues raised at the hearings to be addressed by the LPA. Both examinations are now nearing completion. Therefore only two of the delays have directly associated with household projections.

Question 5: How revised projections to be produced in 2013, based on the results of the 2011 Census of Population, will be taken into account in the Local Development Plan process.

As stated above, PPW requires the latest WG household projections to be the starting point for assessing housing requirements. Thus, in order to reflect the requirements of paragraph 9.2.2 of PPW, the production of the 2013 household projections may delay submissions so as to enable the

LPA's to assess the implications for their LDP's. I understand that the 2013 projections are likely to become available in the Autumn of 2013.

The extent of any delay will depend on how quickly LPA's can carry out this assessment and the extent to which the LDP target differs from the household projections.

The appointed inspector will be obliged to have regard to the latest projections and where necessary following the start of the examination, require the LPA to produce further evidence to show how they have been taken into account and will be reflected in the LDP.

R.M.Poppleton DipTP, DMS, MRTPI, JP
Director of PINS Wales

Agenda Item 7

Environment and Sustainability Committee

E&S(4)-04-13 paper 6

Local Development Plans & Population/Household Projections – Welsh Government Position Statement (Planning Division)

LDP Context

- 1 Planning Policy Wales (PPW) alongside Technical Advice Notes (TANs), Minerals Technical Advice Notes (MTANs) and Circulars provide the planning policy framework for Wales.
- 2 In Wales, every local planning authority must prepare a local development plan (LDP) for its area (Planning and Compulsory Purchase Act 2004, sections 69 & 76). The LDP will be the statutory development plan for the local planning authority area, superseding any existing development plan upon adoption. It sets out the authority's strategy for the development and use of land and to provide for the physical and social infrastructure to meet the areas needs, looking 10 to 15 years ahead.
- 3 Local Development Plans Wales 2005 provides greater detail regarding the context for LDPs, their form and content, the need to undertake a strategic environmental assessment, as well as the process for preparing a plan. Critical in the preparation of a LDP is the robustness of the evidence underpinning the plan/policies, ensuring it is sufficiently robust to demonstrate that the plan can be found 'sound' and hence adopted. LDP Wales sets out ten tests which have to be met in order for a LDP to be considered 'sound'. Specifically test CE2 states:

"The strategy, policies and allocations are realistic and appropriate having considered the relevant alternatives and are found on a robust evidence base."
(LDP Wales, paragraph 4.35)
- 4 The responsibility for preparing a LDP resides with the local planning authority. When assessing the evidence base local authorities can either progress individually, or work collaboratively where issues may have wider spatial implications. This is voluntary, not prescriptive. The Welsh Government encourages local authorities to work collaboratively, where appropriate, to provide a robust evidence base, reduce costs and avoid duplication. However, the timing of different LDPs may have a bearing on whether joint working is appropriate and achievable. LDP Wales states:

*"Issues of a strategic nature which affect more than one local planning authority will require consultation and collaboration between all authorities likely to be affected."
..... "Cross boundary work should be integrated into LDPs where relevant."* (LDP Wales, paragraph 2.2.1)
- 5 Upon completion of all the relevant evidence to support the whole plan, not just comparison to the Population and Household projections, and having met the statutory requirements as set out in the Town and Country Planning (Local

Development Plan) (Wales) Regulations 2005 and appropriate European legislation, a local planning authority then submits what it considers to be a 'sound' LDP to Welsh Ministers.

- 6 Following submission an independent Inspector from the Planning Inspectorate Wales is appointed to determine if a LDP can be found 'sound'. The Inspector reviews all representations made on the plan, including any made by the Welsh Government, considers all the evidence supporting the plan, as well as holding a public examination enabling all stakeholders to express their views before issuing a binding report. A clear articulation of how the LDP has taken into account or the reasons for deviating from the Welsh Government's Population and Household projections (if this is the case) will form one element of the Inspector's conclusions and recommendations.

Does the Welsh Government set a housing target for local authorities to achieve in their LDP?

- 7 No.
The Welsh Government does not set a specific level of housing for each local authority. Prior to the 2006 and 2008 projections the former Welsh Office did not calculate Sub-National Population and Household Projections for Wales but published the results of those produced by others. These projections formed the starting point for assessing housing requirements for local authorities. For methodological reasons these projections were at a regional level, not disaggregated to specific local authorities. Within each region local authorities should work together, with appropriate stakeholders, to determine a local authority level of housing provision. (Ministerial Interim Planning Policy Statement 01/2006 - Housing, paragraph 9.2.2).
- 8 For the 2006 and 2008-based population and household projections at a unitary authority level the Welsh Government produced the projections, informed by Technical Advice Groups. The projections provided a more refined evidence base to assist local authorities in preparing their LDP. The projections are trend-based projections i.e. they provide an indication of future growth based on recent trends. They are not policy based forecasts of what may happen, and they do not make allowances for the effects of local or central government policies or socio-economic factors on future population levels and household composition, distribution and change.
- 9 Critical to both sub-national and local authority projections is that they form the starting point when preparing a LDP. Planning Policy Wales (PPW, paragraph 9.2.2) states:

"The latest Welsh Government local authority level Household projections for Wales should form the starting point for assessing housing requirements."
"Local planning authorities should consider the appropriateness of the projections for their area, based upon all sources of local evidence, including the need for affordable housing identified by their Local Housing Market Assessment."
"Where local planning authorities seek to deviate from the Welsh Government projections, they must justify their own preferred policy-based projections by explaining the rationale behind them in terms of the issues listed at paragraph 9.2.1 above (refers to PPW)."

- Does the Welsh Government produce only one projection?
- 10 No.
The projections incorporate a high and low variant, either side of the main projection. The purpose of this approach is to acknowledge that if different components are varied, different outcomes will be achieved, for example assuming different fertility rates. A zero migration projection is also produced to provide an indication of projected population growth if there were no migration. The production of variant projections provides greater transparency and provides an indication of uncertainty by allowing users to consider the impact upon the population or households if future fertility, mortality and migration differ from the assumptions made for the principal projection. Variant projections are an internationally recognised method for illustrating the uncertainty association with population projections.
- Do local authorities have access to the data and methodology to produce the projections?
- 11 Yes.
The 2006 and 2008 based Household and Population Projections were developed using technical Advice Groups (TAGs) (the Wales Sub-national Population Projections working Group and the Wales sub-national Household Projection working group). These groups provided a forum for discussing and agreeing the methodology and base data. Officers from local authorities formed the basis for these groups, for example Cardiff Council, Ceredigion, Conwy and Vale of Glamorgan councils. Following discussions and publication of the projections, the Welsh Government enabled all local authorities to have access to the base data and methodology along with access to POPGroup and Housegroup software. Local authorities can therefore undertake further modelling, taking account of more refined local circumstances, if appropriate, to produce alternative outputs. The quality of the evidence will be central to demonstrating if a LDP can be found 'sound'.
- Can local authorities deviate from the Welsh Government's projections?
- 12 Yes.
With access to the projection model, base data and assumptions underpinning the model, as well as a raft of additional evidence collated by a local authority when preparing their LDP, if other evidence indicates a different level of provision this can be a reason to deviate. Critical will be the robustness of such evidence which will be tested by the appointed Inspector through the examination process. The implications for the plan and locality of not following the projections will also need to be clearly articulated.
13. Examples of where this has taken place to date are Cardiff, Ceredigion and Denbighshire councils. Statistical experts from these local authorities have considered the assumptions made in the Welsh Government projections and concluded that local circumstances could indicate a different outcome. Either through in-house modelling or through commissioning external consultants (Cardiff and Edge Analytical) further refined modelling has taken place to arrive at an alternative level of housing growth considered appropriate for their administrative area. Whilst all three examples have yet to reach adopted development plan status, the independently appointed Inspector's for Ceredigion and Denbighshire appear to

agree with the local authorities conclusions. This has resulted in a lower housing provision for Denbighshire as opposed to the latest Welsh Government projections (approximately 1,500 units) with Ceredigion seeking a higher provision. In responding to Cardiff Council's Preferred LDP Strategy, the Welsh Government considered that the technical work undertaken by external consultants would enable the council to be in a strong position to justify their conclusions.

How will the 2011 Census of Population be taken into account?

- 14 The latest Welsh Government projections appropriate to take into account when preparing a LDP are the 2008 based projections. Whilst elements of the 2011 census have been published, the data needed to produce good quality population and household projections based on the 2011 Census will not be available until later in 2013. Therefore there are not as yet comparable population or household projections based on 2011 data. It is anticipated that comparable data (2011-based) will not be available until autumn 2013.
- 15 This does not mean that local planning authorities are unaware of the emerging data and the potential implications it may have for their LDP. Statistical experts from local authorities are engaged with Welsh Government statistical colleagues specifically in understanding the implications of the new data. This means that whilst the 2008 based projections should form the data utilised by local planning authorities when preparing/examining a plan, it is appropriate to understand the implications of the new data and articulate how this has influenced the direction of travel for the level of housing provision in a LDP. It is precisely this course of action which has been followed through Denbighshire's LDP examination, with the council (supported by expertise from Conwy council) indicating that the level of housing provision should be less than the 2008 based Welsh Government projections. It would appear that the independent Inspector has agreed with their approach, methodology and conclusions.

Is the time series data contained in the model appropriate?

- 16 Yes.
Welsh Government Statistical Division currently base the projections on the latest available population estimates and Census information. Annual birth, death and migration estimates are used to produce annual population estimates. The projections are produced using the 'POP Group' and 'House Group' software.
- 17 With regard to time periods, fertility, mortality and migration assumptions are based on trends over the previous 5 years. This time period offers a balance between reducing the volatility of the migration assumptions and obtaining assumptions which reflect recent trends. An increased time period could be used, although this in itself could become less valuable if extended over too long a period. Where local authorities consider an alternative time period preferable this may be appropriate as long as they can justify to the independently appointed Inspector why such an alternative course of action is both 'sound' and pertinent to them.

Can local authorities work together on considering housing projections and distribution?

- 18 Yes.
There is nothing in national planning policy to stop local authorities collaborating when considering the projections. Indeed, PPW (paragraphs 2.21 – 2.2.3) and LDP

Wales (paragraphs 1.9 – 1.12) actively encourages local authorities to work together which could include housing provision and distribution. Local authorities can also produce a Joint LDP, although this is voluntary. Two of the tests of ‘soundness’ against which the plan will be judged specifically relate to this issue (LDP Wales, paragraph 4.35):

TEST C1: *“It is a land use plan which has regard to other relevant plans, policies and strategies relating to the area or adjoining areas.”*

TEST CE1: *“The plan sets out a coherent strategy from which its policies and allocations logically flow and, where cross boundary issues are relevant, it is compatible with the development plans prepared by neighbouring authorities.”*

- 19 In South East Wales, as in other parts of Wales, local authorities have formed officer groups to discuss various elements of the LDP process, including housing provision. Mature dialogue, reflecting the evidence base early in the process can enable a broader planning approach to be incorporated into each LDP. Similarly, the reviews of adjacent local planning authorities’ adopted plans would provide an opportunity for exploring accommodating additional housing levels arising from Cardiff’s plan and strategy. As part of the evidence base to support their LDP, Cardiff commissioned a collaborative piece of work to consider growth levels, both homes and jobs, as well as transport and environmental issues. This collaborative piece of work included all adjoining local authorities, the Home Builders Federation, Welsh Government and key utility organisations. The independent chair (John Davies MBE) reflected the conclusion from the majority of contributors (excluding the HBF) that the middle level of growth (as proposed in Cardiff’s Preferred Strategy) was appropriate. It was not considered to adversely affect the regeneration aspirations of the Valley authorities, but work in harmony with their goals and objectives.

Implications of Populations and Household projections on withdrawn LDPs

- 20 There have been two withdrawn LDPs to date, Cardiff and Wrexham. The reasons for Cardiff’s plan being withdrawn were numerous, although it was not related to the level of housing provision, rather how such provision would be delivered. Wrexham’s LDP was proposing to deviate by approximately 3,500 below the latest Welsh Government projections but this was not supported by any evidence whatsoever. Following three days of public scrutiny it appeared that the council could provide no evidence to justify the provision it was seeking. It had not used the model/data to input local circumstances. This complete absence of evidence, combined with other deficiencies, resulted in the plan being found ‘unsound’.

Delays in the LDP process?

- 21 Those local planning authorities which have incurred delays in the plan preparation process relating to housing do not appear to be influenced by an inability to access data or undertake/commission further technical work, rather an inability to address the issue of identifying land to accommodate development necessary for the plan to address the issues the local authority has identified. Local elections and the political process have also had an impact.

Summary

- 22 The cornerstone of the LDP process is the local authority bringing forward a plan it considers to be ‘sound’, based on robust evidence. Housing provision will be one of

the main issues to resolve alongside what a local authority aspires to achieve. The objective of being a World class European city, as in the case of Cardiff, has implications for the provision of homes to accommodate economic growth. The Welsh Government does not dictate a level of housing provision it provides the framework within which plans are formulated. The Government's role is not to dismiss plans, but to ensure that where plans come forward they do so based on a robust evidence base. This approach to planning is not new and there is no reason why qualified planners cannot undertake this exercise when preparing a plan. The Population and Household Projections are there to assist local authorities, not dictate outcomes.

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09/01/13

Environment and Sustainability Committee

E&S(4)–04–13 paper 7

Local Development Plans & Population/Household Projections: Preparation and publication of Population and Household projections for Local authorities in Wales – Welsh Government (Knowledge and Analytical Services)

Purpose

1. This paper outlines what population and household projections are made available for Wales and areas within Wales; how they are produced and what some of the limitations in their use are; how local authorities in Wales are provided with data, software and advice to enable them to undertake further modelling, taking account of more refined local circumstances, if appropriate, to produce alternative local projections for consideration in preparing Local Development plans; and when the next set of projections will become available.

Population and household projections prepared for Wales

2. Population Projections for Wales

- Population projections provide estimates of the future size of the population, and are based on assumptions about births, deaths and migration. The assumptions are based on recent past trends.
- The Office for National Statistics (ONS) produces national population projections for Wales, and the other UK countries. These are normally produced every two years. Since the 2006-based set the Welsh Government has been responsible for producing population projections for local authorities in Wales¹.
- The local authority population projections have been developed in close collaboration with local authorities and key users in Wales.

3. When the latest (2008-based) population projections were prepared a guidance leaflet was provided for users of the projections. This is available here:

<http://wales.gov.uk/topics/statistics/publications/popprojectionsguidance08/?lang=en>

4. Key messages from the guidance leaflet are that projections only indicate what may happen should recent trends continue and that there are certain limitations for the use of population projections:

5. *Limitations of population projections*

¹ Prior to 2006-based projections Office for National Statistics (ONS) were commissioned to produce 1998-based and then 2003-based local authority projections using the model used for local authority projections for England. However, during the quality assurance process, for both these sets of projections the decision was taken not to publish the projections at a local authority level, as the methodology had not produced consistent and meaningful results at this level. Under the ONS methodology, for each year projected forward, the local (LA) fertility and mortality rates were scaled, so that the national rates and the projected numbers of births and deaths were consistent with the national projections. Whilst the scaling of births and deaths ensured that the total births and deaths were consistent with the national projections, the local rates did not reflect recent, local trends. This led to the projections being published only at a regional level.

- The local authority population projections are trend based projections. They are not policy based forecasts and they do not make allowances for the effects of local or central government policies on future population levels, distribution and change.
 - Due to the size of migration flows, for some local authorities, migration assumptions are more critical than fertility and mortality assumptions. Therefore migration assumptions can have a significant effect on certain areas in the long term.
 - In order to illustrate the uncertainty associated with population projections, variant projections have also been published alongside the main (or principal) population projections.
 - The principal projections should therefore be thought of as a starting point, and local authorities are encouraged to produce their own variants.
 - Projections become increasingly uncertain the further we try to look into the future.
6. In addition the guidance leaflet provided advice on when to use national and local authority-level projections:
- The approach used to develop these local authority population projections involves using data and trends for local authorities, but not forcing the local authority projections to sum to the national Wales level population projection.
 - Though both the sum of the local authority projections and the national projections show a similar pattern it is recommended that the local authority population projections produced by the Welsh Government should be used when comparing the projected population of one or more local authorities in Wales.
 - The sum of the local authority projections should only be used when looking at the projected population of one or more local authorities as a proportion of the Wales total.
 - When looking at the projected population of Wales as a whole or compared to other UK countries the national population projection for Wales produced by ONS should be used.

7. Household Projections for Wales

- In a similar way to population projections, household projections provide estimates of future number of households, and are based on assumptions about future population growth and household composition and size. The assumptions are based on past trends and the projections thus only indicate what may happen should recent trends continue. They are not policy-based forecasts.
- The household projections are based on population projections which are themselves based on assumptions about fertility, mortality and migration. Changing these underlying assumptions would lead to different results for projected future household numbers.
- In order to illustrate the uncertainty associated with household projections, variant projections have also been published alongside the main (or principal) projections.
- As the process of demographic change is cumulative, projections become increasingly uncertain the further they are carried forward.

As with population projections there are certain limitations to the use of household projections which are outlined in the publications which accompany the projections.

Approach to producing local authority population and household projections for Wales

8. ONS produces national population projections for the UK and for its four constituent countries (including Wales) normally every two years. These focus on a 25-year period. The latest national population projections for Wales are 2010-based and were published

by ONS in October 2011. A summary of the results for Wales is available in the Welsh Government Statistical Bulletin, [SB 103/2011 National Population Projections 2010-based](#).

9. Local Authority Population Projections for Wales and Household Projections for Wales have generally been updated every two years. Since the 2006-based set these have been produced by statisticians the Welsh Government (formerly Welsh Assembly Government). For each set of projections a *Summary Report* is produced which compares and contrasts the patterns across all local authorities. For the Local Authority Population Projections a *Local Authority Report* has provided detailed analysis by local authority for each set of projections. For the Household Projections a *Local Authority Report* was produced for the 2006-based set whereas for the 2008-based set statisticians offered to provide the same detailed analysis by local authority on request.
10. The latest published population projections and household projections for local authorities in Wales are 2008-based and were both published in 2010. They are available from the Statistics for Wales website from the links below:

Local Authority Population Projections for Wales (2008-based)

<http://wales.gov.uk/topics/statistics/theme/population/pop-project/popprojla/?lang=en>

Local Authority Household Projections for Wales (2008-based)

<http://wales.gov.uk/topics/statistics/theme/housing/estimate/hsehold-proj/?lang=en>

11. The detailed population projections (principal projections and variant projections) are also made available by local authority, age and gender for the 25 year projection period on the Welsh Government's online statistical dissemination system [StatsWales](#), as are household projections by local authority, household type for the same period. This enables user to view, manipulate and download the detailed data.
12. The local authority projections produced by the Welsh Government are produced using a consistent methodology. This methodology has been applied to all local authority areas so that comparisons can be made across geographic areas and demographic characteristics. The methodology has been developed in close collaboration with experts from local authorities and key users in Wales through two technical advice groups, the Wales Sub-national Population Projections working group (WASPP) and the Wales Sub-national Household projections working group (WASHP). Each of these groups has been a subgroup of the Welsh Statistical Liaison Committee (WSLC). The working groups include representatives with knowledge of and/or experience of using demographic data and population projections, and, in the case of WASHP, experience of using housing data. Membership of the groups includes people from local authorities, a National Park, the Data Unit and the Welsh Government Statistical Department. The expertise of these groups are used by the Welsh Government Statisticians in deciding the appropriate methodology and outputs, however the final decisions on methodology are, under the Code of Practice for Official Statistics, for the Chief Statistician in the Welsh Government.
13. These working groups met on a regular basis during the preparation of each set of population or household projections and acted as a forum for technical discussion on the developing methodology, the base and historic data and publication of the projections. Bespoke software is used for the projections POPGROUP and HOUSEGROUP Wales.

14. For both the Local Authority Population Projections and the Household Projections for Wales a technical report was prepared which provided a detailed explanation of the models and the rationale for them, as well as the calculations, the base data and how volatility in the data was accounted for in setting the assumptions.

Principal and Variant projections

15. For both population and household projections a number of projections are made available in the published material. The main (or principal) projection is based on recent past trends in births, deaths and migration as well as past information about private household membership rates.
16. In order to illustrate the uncertainty associated with projections, the three variant projections have also been published for each local authority alongside the main (or principal) population projection. These variant projections are purely illustrative to show how possible variations in the fertility, mortality and migration assumptions impact the projections and how the size of this impact increases the further into the projection period the results are taken. The three variant projections published are:
- A *zero migration* (natural change only) projection to illustrate the projected population of each local authority if there were no future inward or outward migration.
 - A *higher population variant* which is based on assumptions of higher fertility rates and lower mortality rates.
 - A *lower population variant* which is based on assumptions of lower fertility rates and higher mortality rates

Uses of Population and Household projections

17. There is a high level of interest in population, migration and household data for Wales, and so a strong demand for projections at a local authority level. Those who plan for the future, to deliver a wide range of services (including housing, education, social services) and to help frame sustainable policies, need to consider the population by age and sex and potential future housing demand. The projections do not make allowances for the effects of local or central government policies or changing economic circumstances on future population levels, distribution and change and household formation rates. However they are useful as a basis for planning services and to estimate future need. Population and household projections can identify trends that shape the context for future policy development.
18. There has been and continues to be strong user engagement on the sub-national population and household projections, and the development of the published outputs in recent years has filled a major gap that was identified by users.
19. Key users include:
- Ministers,
 - Assembly Members and the Members Research Service in the National Assembly for Wales.
 - Welsh government colleagues working on services and policies delivered by local authorities including Local Government and Planning.
 - Other staff within the Welsh Assembly Government's Statistical Directorate.
 - Local Government Unitary authorities (elected members and officials),
 - NHS,
 - National Parks and a wide range of other organisations.
 - The Office for National Statistics.
 - Other government departments.
 - Students, academics and universities.

- Individual citizens and private companies

20. There is a wide range of uses of such projections. Some of these include:

- Advice to Ministers
- Future proofing services and estimating needs, e.g. schools, health and social services provision.
- Informing distribution of the Local Government Finance revenue settlement.
- Policy development.
- For the calculation of further statistics e.g. Housing Estimates and Projections.
- As denominators in rates (eg birth rates).
- Geographic profiling, comparisons and benchmarking.
- Analysis of population cohorts and migration trends.
- Estimating housing demand
- Support for preparation of Local Development Plans (LDPs)
- Estimates of Council Tax income
- To inform debate in the National Assembly for Wales and beyond.

Code of Practice on Official Statistics

21. As there are a wide range of potential users and uses of population and household projections it is important that the projections are prepared in accordance with the Code of Practice on Official Statistics in order that users can have confidence that they are managed impartially and objectively in the public interest, are produced according to sound methods, meet identified user need, are well explained and readily accessible.

22. The UK Statistics Authority, the statutory body responsible for promoting and safeguarding official statistics to serve the public good, undertook an assessment of a range of statistics on population, demography and households in Wales (including local authority population projections and household projections) in 2010-11. In their report² of the assessment, available on the UK Statistics Authority website they conclude that:

The Statistics Authority judges that the statistics covered by this report are readily accessible, produced according to sound methods and managed impartially and objectively in the public interest, subject to any points for action in this report.

23. In particular the UK Statistics Authority notes that the 'Welsh Assembly Government communicates well with the users of its population and demography statistics' and it also noted that the Welsh Government had held 'road shows for local authorities (LAs), which include presentations about the development of the outputs and guidance on how to use the statistics'.

24. Their letter of 20 January 2012 (also available on their website³) to the Chief Statistician in the Welsh Government confirms that they have reviewed the actions taken since the report and confirmed the statistical outputs meet the Code of Practice so that they can be designated as National Statistics. Under the Code of Practice statisticians must take account of user need but final decisions on methodology and outputs are for the Chief Statistician in the Welsh Government.

² <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/assessment-report-101---statistics-on-population--demography-and-households-in-wales.pdf>

³ <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/confirmation-of-designation-letters/letter-of-confirmation-as-national-statistics---assessment-report-101.pdf>

Use of Methodology and Models by Local Authorities

25. In the early stages of the project to develop the methodology it was clear (particularly in the case of household projections) that the raw data and the model used to produce the projections should be made available to external users, in particular local authorities in Wales. As a result for the population projections Welsh Government statisticians have set up a data sharing agreement with ONS to enable the sharing of the relevant data to local authorities. For the household projections bespoke software (known as HOUSEGROUP WALES) was commissioned. The raw data for both the population and household projections and the HOUSEGROUP WALES software have been provided to local authorities across Wales as well as other users on request. In addition, the statistics team has held technical workshops for LA researchers to help them understand and use the projections software with the using the base input data files.
26. These workshops and launch events held in 2008 for the local authority population projections received good feedback from participants.
27. The population and household projections are produced by the Welsh Government using a consistent methodology for local authorities across Wales. As such they provide a starting point for further demographic analysis at a local authority level. Nevertheless by making available both the raw data and the models used to produce the projections it is possible for local authorities to develop their own scenarios for future planning based on alternative assumptions or data. Guidance from the Planning Division of the Welsh Government supports the use of alternative scenarios in Local Development Plans (LDPs) where this can be justified with relevant evidence.

Timing of next Population and Household projections

28. Due to the timing of population and 2011 Census outputs from ONS and the time it would take to produce both population and household projections a decision was taken, following consultation with key users, not to produce a 2010-based set of projections for local authorities in Wales. Instead it was considered prudent to wait until the results of the 2011 Census had been published so that the information that they yield could be built into the next set of projections.
29. The next set of population and household projections will be 2011-based and detailed work is expected to begin in March 2013 (once the detailed information from the 2011 Census required for the projections are available) with results for both expected by the end of the year. The technical working group has been re-established and discussion of methodological issues is underway. It is expected that a Projections Stakeholder group will be established during preparation of these projections to enable stakeholder views on outputs to be gathered and considered.

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Knowledge and Analytical Services, Welsh Government
16/01/2013

Agenda Item 8

Environment and Sustainability Committee

Meeting Venue: **Committee Room 3 – Senedd**

Meeting date: **Thursday, 17 January 2013**

Meeting time: **09:30 – 11:50**

This meeting can be viewed on Senedd TV at:

http://www.senedd.tv/archiveplayer.jsf?v=en_400000_17_01_2013&t=0&l=en

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Concise Minutes:

Assembly Members:

Dafydd Elis-Thomas (Chair)
Mick Antoniw
Keith Davies
Russell George
Vaughan Gething
Llyr Huws Gruffydd
William Powell
David Rees
Antoinette Sandbach

Witnesses:

Martin Davies, Monmouthshire County Council
Rhian Kyte, Caerphilly County Borough Council
Jamie Thorburn, Ceredigion County Council

Committee Staff:

Alun Davidson (Clerk)
Catherine Hunt (Deputy Clerk)
Lisa Salkeld (Legal Advisor)
Nia Seaton (Researcher)
Elfyn Henderson (Researcher)

1. Introductions, apologies and substitutions

1.1 Apologies were received from Julie James. There were no substitutions.

2. Inquiry into Local Development Plans and Population/Household numbers – Evidence from Local Authorities

2.1 The witnesses responded to questions from members of the Committee.

3. Papers to note

Correspondence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes – Glastir record keeping requirements

3.1 The Committee noted the letter.

4. Motion under Standing Order 17.42(vi) to exclude the public from the remainder of this meeting and on 23 January

4.1 The Committee agreed the Motion.

5. Inquiry into marine policy in Wales – Consideration of draft report

5.1 The Committee agreed the draft report.

6. The Natural Resources Body for Wales (Functions) Order – Consideration of draft report

6.1 The Committee agreed the draft report.

7. Growth and Infrastructure Bill Legislative Consent Memorandum – Discussion on handling

7.1 The Committee considered the paper.

8. Marine Navigation Bill Legislative Consent Memorandum

8.1 The Committee considered the paper.

TRANSCRIPT

View the [meeting transcript](#).