



24th September 2014

Dear Sir

Representation to the Low Pay Commission on the National Minimum Wage.

We are soft fruit growers and processors based in Norfolk. We market our fruit either fresh to supermarkets (M&S, Sainsbury's and Tesco) or frozen to manufacturing customers (Kerry Foods, Greencore, Baxters, etc). We have accommodated seasonal students and staff for over 45 years, were a Seasonal Agricultural Workers Scheme (SAWS) operator for 40 years. We employ 63 full time and about 500 seasonal staff, have a turnover of approximately £15 million and contribute about £6 million to the local rural economy.

We have built an International Farm Camp at our site at Tunstead. We house up to 475 seasonal staff in purpose built dormitories with permanent facilities including social club, bar, entertainment, shop, take away, internet café, gym, sports facilities, etc. Seasonal staff come to us from all over Eastern Europe mostly during their college holidays for stays of approximately 12 weeks.

We have full planning permission, pay business rates, entertainment licences, etc and are audited by the Environmental health office, the GLA, Sedex for the Ethical trading Initiative (ETI) and most of our customers in respect of accommodation facilities, work activities, charges and operating systems. We have a team of full time staff to clean, cook and assist students with all their problems. We offer accommodation as an option and do not require seasonal staff to stay with us.

Each year we have invested in our facilities in order to improve our standards. We have obtained planning permission to build a replacement accommodation block and have had building regulation approval to the new standards including the Carbon dioxide emissions calculations. This has doubled the cost of building construction.

Accommodation Offset

We have to limit our accommodation charge to the 'Accommodation Offset' published with the National Minimum wage regulations (£4.91 per day) At this level we cannot afford to maintain our standards and definitely cannot justify building further improved accommodation.

It is unfair that building regulations have required us to pay more for constructing accommodation to meet strict eco requirements yet the Accommodation offset does not allow this cost to be recovered.

If the accommodation charge is so severely limited to we will have no option but to reduce the standard of accommodation that we would like to supply. This will make it more difficult to obtain seasonal staff and in turn reduce our business growth.

The cheapest alternate accommodation is provided by the Youth Hostel association, which charge £19.50 per night, the nearest one being 20 miles away. Some longer term staff do rent outside accommodation however they require large deposits, minimum rental periods and awkward credit checks.



We can see the desirability of making it impractical for employers to charge excessive charges for accommodation, but there should be moderation in all things and we hope that you will see that it is sensible to raise the accommodation offset to a realistic level of at least £9.50 per day. Or allow market forces to apply and remove the accommodation offset when accommodation is optional to employment

It must be remembered that we have to provide all Electricity, Gas, Heating oil, Water, Sewage, Rates, TV, PRS and other licences, Insurance, etc within the accommodation charge. If we were renting a house all these charges would be extra for the tenant.

National Minimum Wage

Increasing the minimum wage above inflation and industry standards is very difficult for us to understand.

In the last 20 years 1995 to 2014 the price that we have received for Standard Strawberries from Supermarkets has remained at about £3.00 per kg. Whereas the minimum wage rates have increased our cost from £2.76 per hour to £7.53 today, an increase of 173%.

This includes the introduction of Holiday pay in 2001 the removal of the daily paid harvest worker in 2003 leading to the requirement to pay employers National Insurance and the introduction of Pension payments this year.

Our seasonal workers have none of the normal costs of living in the UK as they are temporary and are provided with all their facilities at a very low charge and do not earn above the annual basic tax allowance so can reclaim any tax paid.

Fair piecework system

We pay piecework for all our fruit picking. We experience a range of picking speeds. To ensure we conform to the NMW our supervisors spend a disproportional amount of time looking after the slow pickers. Many of the slow pickers are happy with their earnings and we have two options either make up their pay or following our disciplinary guide, dismiss them.

We would like to be able to make use of the fair piece work system to allow these slow pickers to continue to work, if they are happy to do so.

Yours sincerely

Tim Place
(Managing Director)