

LALLS 06

Ymgynghoriad ar wasanaethau hamdden a llyfrgelloedd awdurdodau lleol

Consultation on local authority leisure and library services

Ymateb gan: UNISON Cymru

Response from: UNISON Wales

## **Local Government and Housing Committee Inquiry into local authority leisure and library services, March 2023**

### **UNISON Cymru Wales response**

#### **About UNISON Cymru Wales**

UNISON is the UK's largest trade union organising and representing 1.3 million public sector workers UK wide, including 100,000 public sector workers across Wales.

Our members, 85 per cent of whom are women, work in the delivery of public services through direct public sector provision, private and voluntary contractors providing public services. We have thousands of local government workers across every local authority in Wales. Many of whom are in libraries and leisure services, some directly employed by councils and others by another organisation. This submission paper is shaped by their experience.

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#### **Summary of UNISON position**

High quality library and leisure services are vital for the good health of our citizens and play their part in making our communities, happier and more equal places to live.

Severe spending cuts driven by the UK Conservative government since 2010 have stripped billions of pounds from Welsh government funds and then, from Welsh local authorities. Many services have disappeared or been dramatically reduced, and library and leisure services have been damaged as a result. Some Welsh authorities mistakenly chose to outsource library and leisure services for financial reasons and not by carefully assessing what was best for local people.

We will describe why alternative delivery models are never acceptable for the provision of public services.

It is time to value our library and leisure services with greater investment, including in the staff who deliver them. These services must be directly and democratically provided by local authorities. Councils can then better shape the provision of library and leisure services to meet the needs of local people's mental and physical health as we emerge from the covid pandemic and struggle with the cost-of-living crisis.

### **Libraries and leisure services are crucial**

Our libraries serve a social and educational need. Libraries engage children of all ages, offering pre-school singing and rhyme sessions, summer reading challenges for older children and direct support for local schools. Libraries help to combat social exclusion and residents can access digital facilities, adult education, advice, cultural events and all sorts of other support, including book prescription schemes.

Library facilities allow the unemployed to get online to search for work and staff can help with CV writing.

In fact, according to Libraries Connected, a charity which represents public libraries in England, Northern Ireland and Wales, libraries are vital for new and growing businesses, and it quotes the Digital, Culture, Media and Sport Committee which said libraries act as "engines for entrepreneurship, economic growth and job creation."

In a February 2023 briefing, it reports:

- 98% of libraries offer specialist support to entrepreneurs, start-ups and SMEs
- 84% of library services give free access to leading business databases, reducing the time and cost of developing a business plan
- 77% provide networking opportunities for business
- 73% offer one-to-one personalised business advice
- 75% provide free workshops for those starting or growing a business.

There is an important equalities issue in this provision it says, businesses that libraries support are more likely to be run by women and people from ethnic minority backgrounds.

(Libraries Connected, *Supporting business and enterprise*, briefing note February 2023)

Libraries are also being used as warm and safe spaces in this cost-of-living crisis.

Again, according to Libraries Connected,

"Over 61% of library services have experienced an increase in remote workers using their libraries since the pandemic, taking advantage of the free desk space, wi-fi, charging point and quiet environment.

“Library staff point out that many remote workers do not have an appropriate space in which to work at home or struggle with the additional costs of home working, such as energy bills. Having access to these facilities at their local library is crucial to their well-being and ability to do their job.”

(Libraries Connected, *Supporting business and enterprise*, briefing note February 2023)

It's in everyone's interests for people to be in good physical and mental health. Being fit for the future will keep people out of hospital and living independently for longer in older age, alleviating the pressure on other public services, like the NHS and potentially reducing the amount of spending required on the health service.

As well as being fun places for children and adults to let off steam or train, having attractive leisure facilities in a community can help tackle the obesity crisis. In UNISON, we often talk about local government services as providing our health services and the National Health Service providing our sickness service.

There has never been a more crucial time for leisure services to be brought back into the hands of the communities they serve. Communities should be able to enjoy the best possible sports and leisure facilities as we emerge from the pandemic.

### **What is the current state of library and leisure services?**

Sadly, at some stage in the last few years, everyone is likely to have moaned the local library has reduced its opening hours or shut completely or that the leisure centre hasn't been refurbished in years. This is the reality of what austerity looks like in our communities and is discussed in greater detail below.

In the very short timescale we had to gather evidence for the committee inquiry, in the following table we present the information provided at our February UNISON Cymru Wales Local Government Committee. This should not be taken as a comprehensive picture, but clear themes emerge.

From the 14 councils we have been able to obtain information from quickly, only 6 have not outsourced some library or leisure services. A mixture of trusts, volunteers, mutuals and private companies operate services in the others.

Council/Branch	Libraries and leisure services
Blaenau Gwent	<ul style="list-style-type: none"> <li>Leisure services run by Aneurin Trust. Library buildings asset transferred to local community group.</li> </ul>
Bridgend	<ul style="list-style-type: none"> <li>Leisure services were outsourced over a decade ago to Halo.</li> <li>Awen Trust handles libraries and cultural centres such as the Grand Pavilion</li> </ul>
Cardiff	<ul style="list-style-type: none"> <li>Leisure centres in Cardiff are run by GLL. Library services are operating as “hubs” where advice is offered to citizens on e.g., benefits and back to work</li> <li>This year savings of £23.5 million were required. Cardiff Council is looking to offload St David’s Hall. The White-Water Centre is going to be run under an “arm’s length” arrangement, yet to be determined. There was a proposal to close libraries/hubs for a further day a week, but this was withdrawn, however a number of long-term vacancies are being deleted on the establishment and will be replaced by volunteer staff.</li> <li>Not sure there is an exit strategy but some of the leisure centres have had issues with rising energy costs. There was a large sum provided for GLL to support them with Pentwyn Leisure Centre recently.</li> <li>We have had outsourcing for a while which was meant to provide a period of investment in leisure services to help modernise and make them more attractive. The pandemic and cost of energy have not helped with this if it was ever truly going to happen. Leisure centres are struggling. Libraries have been subsumed under hubs partly to protect library provision in Cardiff – but this has been an imperfect solution. We wait to see what the White-Water Centre model is going to look like.</li> </ul>
Caerphilly	<ul style="list-style-type: none"> <li>No outsourced libraries or leisure</li> </ul>
Carmarthenshire	<ul style="list-style-type: none"> <li>Libraries mostly in-house, in small branches they have set up for volunteers, which UNISON wasn’t advised of.</li> <li>St Claire leisure centre was threatened, but the council pulled back</li> </ul>
Ceredigion	<ul style="list-style-type: none"> <li>No outsourced libraries or leisure</li> </ul>
Flintshire	<ul style="list-style-type: none"> <li>Library and leisure services transferred to an employee-led mutual in the John Lewis form.</li> <li>Two swimming pools are run by volunteers</li> <li>Three swimming pools are run by mutuals</li> <li>Community groups run libraries.</li> </ul>
Merthyr	<ul style="list-style-type: none"> <li>Sports centres outsourced</li> </ul>
Monmouthshire	<ul style="list-style-type: none"> <li>No outsourced libraries or leisure but terrible budget so could be threatened</li> </ul>
Neath Port Talbot	<ul style="list-style-type: none"> <li>Libraries directly run</li> <li>Leisure services recently insourced from Celtic Leisure. There is a threat to cut all non-statutory services</li> </ul>
Pembrokeshire	<ul style="list-style-type: none"> <li>Library and leisure services are in-house.</li> <li>Library service to be moved to within the schools and education directorate as a part of a reorganisation. With better-than-expected funding there are no plans this year for any reduction in either library or leisure services</li> <li>There is strong integration between all services e.g., you can collect replacement recycling equipment from all leisure centres and larger libraries.</li> </ul>
Powys	<ul style="list-style-type: none"> <li>Leisure centres operated by Freedom Leisure</li> </ul>
RCT	<ul style="list-style-type: none"> <li>In-house provision</li> </ul>
Wrexham	<ul style="list-style-type: none"> <li>Inhouse provision of libraries</li> <li>Three leisure centres run by Freedom Leisure</li> <li>Plas Madoc leisure centre is run by volunteers</li> </ul>

Cardiff Council moved other services into its libraries, rebranding them as hubs and there are many hub staff providing advice and support to citizens. This was done partly to protect library provision in Cardiff, but it has been an imperfect solution. Library staff feel they are treated as second class workers and have expressed dissatisfaction to the local UNISON branch about how the libraries are being run down and relegated in importance within the service.

Where services continue to be provided in-house, it is often the strength of local UNISON campaigns that have made a difference and blocked outsourcing, making the councillors think again.

A vigorous and concerted UNISON Neath Port Talbot branch campaign saved libraries in Skewen and Baglan from closure, as well as the mobile library service and the Cefn Coed Museum. Getting the community involved in that fight was pivotal to its success and this included 4,000 people signing UNISON's petition urging local councillors not to close their libraries. The branch was also able to assemble the support of the local MSs and MPs. The UNISON NPT library dossier can be found [here](#).

Another example would be our successful Caerphilly County branch campaign which demonstrated to councillors how their proposal to move to single shift working in libraries threatened the libraries' future and benefitted no-one. The broad-based local campaign united people around the slogan: *"Open libraries, open minds. Close libraries, closed minds."*

Most recently, UNISON's Cardiff Council branch played a leading role in persuading the authority to think again on reducing library provision. In December 2022, the Council's public consultation proposed the following options:

- Removing some vacant jobs and relying more on volunteer work.
- Closing hubs and libraries on a Saturday afternoon.
- Closing hubs and libraries by a whole extra day per week.
- Maintaining service at current levels.

UNISON responded opposing all reductions in service and worked with the People's Assembly campaign to hold public consultations.

When the issue went to the next cabinet meeting, the Council announced libraries and hubs will not have their opening hours reduced. However, it does still intend to reduce the number of available paid jobs.

Later in this submission we discuss the reality of private/third party running of leisure services. Now, we want to examine the severe financial pressures councils are under, which has led some down the misguided path of outsourcing services.

### Austerity

Austerity has deprived local authorities in Wales of so much funding it has brought service provision to crisis point and library and leisure services have been damaged as a result. The budget cuts brought in by a decade of austerity dwarf those faced by councils in the Thatcher era.

Between 2010 and 2018 (when UNISON Cymru Wales last compiled our [Audit of Austerity](#)), severe spending cuts have stripped Welsh councils of £1.6billion and cost more than 28,000 local authority jobs councils in Wales, which is equivalent to losing seven of the eight largest private sector employers in Wales. It would be impossible for the quality of service to not be affected with job losses of this magnitude.

Council spending has not kept pace with inflation. In 2017/18 it would have been £1.02 higher (£9.02bn) if it had kept pace with CPI since 2010/11 and £1.59bn higher (£9.59bn) if it had kept pace with RPI.

According to the ONS Quarterly Public Sector Employment Survey 28,100 council jobs were lost between Q1 2010 and Q1 2018. From 2010-2018, more than 500 jobs disappeared in 19 of the 22 councils in Wales. In 15 councils over 1,000 jobs disappeared and in 6 councils it was more than 2,000 jobs.

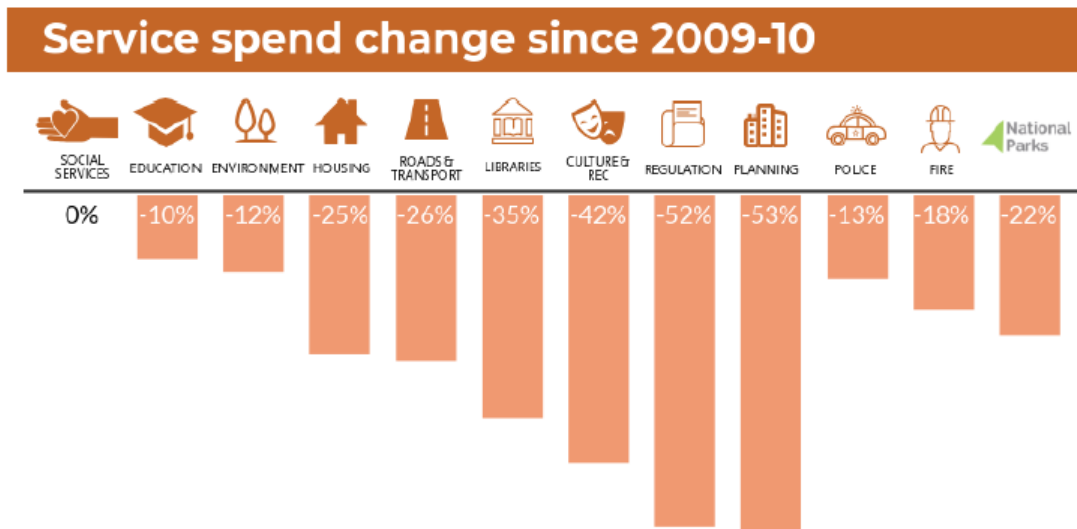
This isn't simply about the severe cut in funding provided by the Westminster government to the Welsh government and councils in Wales getting less cash from the Welsh government as a result. It is also about that cash cut happening at the same time as councils faced rising costs, a growing population, increasing demand for their services and extra responsibilities, but without the extra funds needed to pay for them.

In 2011, the population in Wales was 3.06m. By 2016, this had risen to 3.113m and it was projected to rise to 3.173m by 2021.

We used figures from the Welsh Local Government Association in our 2018 Audit report. It said:

*“Local Government has borne the brunt of austerity; core grant funding has reduced by 22% after adjusting for inflation by 2019-20. If you don't include schools funding, as is the case in England, core funding has fallen by 35%.”*  
(Welsh Local Government Association; 2018).

As the illustration below shows, spending on libraries from 2009/10 to 2018 dropped by 35% and culture and recreation by 42%.



Source: Fair and Sustainable Funding for Essential Local Services; WLGA; 2018

This March, the Guardian newspaper reported spending on libraries across Wales, Scotland, and England, fell 17% between 2020/2021 – 2021/22, despite in-person visits increasing by 68% since the pandemic. The Guardian was quoting figures from the Chartered Institute of Public Finance and Accountancy, which also showed the money libraries made from grants, overdue charges, reservation fees, hire of equipment and corporate income decreased by 24% in the same period.

([Spending on British libraries falls 17% as in-person visits soar](#), Sarah Shaffi, Guardian, 3 March)

This year in Wales, council funding is due to increase by 7.9% on average, but council leaders have stated this will still not close the significant funding gaps they will be facing. The WLGA says this funding increase will only cover around half the funding gap that councils are facing meaning it is likely there will be a combination of significant council tax increases and service cuts. In fact, the WLGA puts the funding gap for councils in Wales at £300-£375m for 2023/24 and £400m for 2024/25. Today's services, therefore, remain under severe pressure.

UNISON monitors the current funding gap in each council across the UK and the figures for Welsh local authorities can be accessed via this [link](#). The vast gaps are of grave concern. No authority has a funding gap smaller than £1.4m and most have gaps of many millions of pounds. In these circumstances, the trend for greater tightening of spending on libraries and leisure will surely continue, especially given the pressures of the current energy price crisis and how much it now costs to heat and light public buildings and facilities such as libraries, sports centres and swimming pools.

UNISON reps across authorities in Wales have already warned further cuts are on the way and councils have sought to move other services into libraries creating council hubs and downgrading library services as a result. Over the last decade, fees and charges in libraries and leisure centres have been raised so residents must pay more to access the same service (the quality of which is likely to have decreased).

Austerity has further impacted library and leisure staff. As well as having to work harder because there are fewer staff, under the Westminster squeeze on public spending, the wages of public sector workers across the UK have been deliberately suppressed over more than a decade with pay freezes and pay caps. In the 2022/23 NJC pay claim submission, UNISON calculated local government workers were on average 27.5% worse off than 2010. And this is before the rampant inflation of today.

Thousands of Welsh workers and their families have seen their quality of life shrink as a result and the lowest paid amongst them are really struggling to make ends meet.

Our UNISON Flintshire County branch has described how food bank vouchers have been handed out to council staff, the lowest paid of whom, can now be seen as the working poor.

This severe pay suppression for a decade plus, has left councils, including Caerphilly County struggling to recruit and retain staff because pay so low.

The Westminster government's unfair and counter-productive approach to local authority pay continues to cause real irritation. Unless pay awards are centrally funded by the UK government with additional money, it will have to be met by existing scarce funds (as the award in 2022 was).

### **UNISON Cymru Wales case studies: the reality of private/third party running of leisure services**

Private and third-party organisations can make easy promises in glossy brochures and in the past have convinced councillors by seeming to be shiny and new.

The reality of service provision from outsourced providers is quite different as the thousands of UNISON local government members testify. As these case studies show, outsourcing is never in the interests of local people and their community; it always leads to worsening employment conditions for staff, a reduction in service quality and no democratic say on how services should be shaped to meet the needs of local people. The reasons why alternative delivery models are never acceptable for the provision of public services are explored in more detail on page 19.

#### Threat to rip up staff contracts case study



In September 2019, the threat of strike action hung over Neath Port Talbot (NPT) leisure centres after senior managers at Celtic Leisure told staff they wished to break away from the way pay increases had been agreed for the last 16 years.

Executives said staff including lifeguards; instructors; supervisors; clerical staff and others, had to agree the change otherwise they would be sacked and re-engaged on lesser contracts in 45 days.

Outraged leisure staff organised by UNISON Cymru Wales, voted by 99 per cent in favour of holding a ballot for strike action.

At that time, many employees earned just £9 per hour, and we said if Celtic Leisure staff were forced onto weaker contracts, they would have less money to spend in local shops and this would impact on the local economy.

UNISON called for the council to intervene in the dispute. At that time, it was paying approximately £1.5 million subsidy to Celtic Leisure to run their facilities, which include council-owned buildings. We argued the council had signed up to the Welsh Government's Code of Practice *Ethical Employment in Supply Chains* and that NPT County Borough council should explore all options to return the leisure services back in-house where the council could protect jobs, terms, and conditions, and also bring income into the council.

In the face of a very public local UNISON campaign, Celtic Leisure was forced to back down.

#### Job cuts case study

In October 2020 Greenwich Leisure Limited, which runs leisure services for Cardiff Council, announced it would be cutting 35 full-time jobs because of the effect of the pandemic on leisure centres.

UNISON Cardiff branch reported that staff were devastated, they loved their jobs and what they provided to the local community and the union argued staff would not have been treated in this off-hand manner had they been directly employed by the council.

We appreciated how leisure services had been affected by the pandemic, but that didn't mean local people had given up on their sports centres and swimming pools. In fact, more than ever, Cardiff residents needed quality leisure services as they emerged from covid lockdown for the good of their mental and physical health.

UNISON Cardiff warned when leisure services were privatised in 2016, they would no longer be run principally for the public good and without the council's democratic control, local people would be denied a say in how leisure centres are operated.

In the end, Welsh government's additional pandemic support for leisure meant these job cuts did not happen.

### Lower annual pay awards than directly employed council staff case study

Libraries, leisure, adult education, entertainment venues and parks were transferred from Blaenau Gwent County Borough Council employment to Aneurin Leisure Trust in 2014.

After refusing staff a pay increase in 2017, the Trust offered to boost pay by just 1% from October 2018 to April 2019, rather than from the April 2018 anniversary date.

UNISON Blaenau Gwent branch asked for the Trust to give their workers a pay rise in parity with local authorities (2%) and reported that low pay at the Trust meant some staff had resorted to using food banks. There wasn't a sense the trustees and directors valued their employees; they spent thousands of pounds on gimmicks whilst claiming there was not enough money to provide a decent pay rise. This included £14,000 on a perk box loyalty card for all members of staff which provided discounts for amongst others, washing machines, three-piece suites and take-away coffee. Executives failed to grasp when staff were struggling to put food on the table, a loyalty card that will give you a hundred pounds off a sofa or a few pence off a cappuccino, was of no use.

We said that had staff continued to be employed by the council their pay rise would have been two per cent and questioned why they should be penalised for having been transferred to the Trust.

We complained in the press that Aneurin Leisure Trust had a bloated executive management structure and used consultants. It had four directors, including a HR director for 200 staff. By contrast, Blaenau Gwent County Borough Council employed 3,000 people and did not have a HR director. The Trust started with one director and brought in an additional three in three years.

A UNISON ballot for industrial action, with 88.1% voting in favour on a turnout of 69 per cent, persuaded the employer to concede a much-improved pay offer.

Bizarrely, during negotiations the Trust turned down an offer of financial help from Blaenau Gwent Council that would have mitigated any kind of industrial action.

### Health and safety case study

Library buildings in Blaenau Gwent were transferred to a local community group and the branch reported there have been problems with health and safety and the flushing of toilets. If there are no trained library professionals present, is there any real health and safety duty upon volunteers? More detailed analysis of what volunteer/community-led libraries look like, can be found later page 23.

## **Insourcing**

As illusions about the supposed benefits of outsourcing have been eroded by the reality of contracting services out, there has been a notable turn towards insourcing whereby a public authority takes a service that has been contracted out in-house to be delivered by directly employed staff.

Many councils across the UK have acknowledged operating leisure services themselves provides a guarantee of higher quality service than when they are run by the private or non-profit sector. UNISON is also keen to highlight significant monies might be saved by bringing contracted-out services back in house.

Across the border, several authorities have insourced the management of leisure from both local trusts and commercial providers. These include Wigan, South Ribble, Chorley, Exeter, Shropshire and Barrow councils.

We offer a UNISON Cymru Wales case study here which we think should serve as blueprint for councils across Wales to bring services back in-house, so they are run publicly, by the people who know them best and for the benefit of the communities they serve and not for private profit.

In 2021, the UNISON branch at Neath Port Talbot Council launched a campaign to bring the council's leisure services in-house. The contract with the provider, Celtic Leisure, was due to finish in September and the council started looking for another provider for the next 25 years, instead of considering running leisure services itself.

The service had been contracted out over 20 years previously to Celtic Leisure, leading to attacks on workers' employment conditions, including attempts to move away from the UK nationally agreed (NJC) pay and employment terms. New staff were denied access to the Local Government Pension Scheme and zero hour and casual contracts proliferated. Whilst trying to reduce the pay and working conditions of their staff, senior managers awarded themselves big pay rises.

In an energetic campaign, UNISON NPT branch said local people needed a say in how their leisure centres are operated and that meant the council running them directly. They argued because taxpayers were funding the development of a leisure centre in Neath town centre and new facilities for Pontardawe, Aberavon and the Gwyn Hall, it wouldn't be right for the buildings to then be outsourced to the private sector to claim all the profits. Instead, these services offered a huge opportunity for income generation for the local authority, money which should be reinvested for the good of Neath Port Talbot people.

The branch said, every penny generated should be reinvested to improve community leisure services and not disappear into private pockets.

UNISON commissioned the Association of Public Service Excellence (APSE) to analyse the council's approach to commissioning the service and arguments for putting the service out to tender once again at the conclusion of the contract. The resulting report showed both a failure to achieve predicted savings at the time of winning the contract and exposed failures to adequately consider all options in the tender process and present a clear business case.

We are very proud of the APSE report, [Neath Port Talbot Leisure Procurement](#). Authoritative and persuasive, it explodes myths about how outsourcing can supposedly save councils money. It explains why inflexible outsourced service contracts prevent councils from responding to constituents' needs and describes how outsourcing can seriously undermine opportunities for council revenue generation. The weight of the report caused councillors at NPT to think again and take services in-house and we quote from it extensively here.

“Celtic Leisure is an example of what is often called a leisure trust. Many UK local authorities established these locally run but independent organisations as a way of accessing the relief on national non-domestic rates that is available to not-for-profit providers of sport and leisure services. Whilst such arrangements do not reduce the overall cost of leisure to the public purse, they shift a portion of it to central government, which picks up most of the cost of NNDR relief.

“It is important to be clear that NNDR relief goes to the provider organisation, not to the local authority. Whether or not, and the extent to which, the local authority benefits from it depends on whether the provider passes the saving on in the form of reduced charges. In fact, leisure trusts can have comparatively high management costs and do not always operate as efficiently as expected, meaning that the expected savings do not always materialise. As in all outsourcing arrangements, some costs are duplicated because of the need for a client side to manage the contract for the council. A leisure trust usually has its own chief executive and senior management team for example, mirrored by a Head of Leisure Services or similar within the council. Although it is often argued that the typical governance arrangements of a leisure trust allow for a light touch approach to contract management, it is nonetheless likely that the overall costs of management will be higher than for a directly provided service.

### **The impact of the pandemic**

“The coronavirus pandemic has had a huge impact on leisure services. For many councils this has led to a conclusion that it is a service area that benefits from a high degree of direct control and that the inflexibility of contractual arrangements hinders the ability to tailor provision to changing needs and circumstances. As has been the case at NPT, NNDR relief does not always translate into reduced costs for local authority customers...

“The significance of the pandemic cannot be overstated. In so far as leisure is concerned it has prompted a UK wide re-evaluation of the part leisure provision plays in health and well-being. It is increasingly recognised as a major plank of social policy, and many are questioning the narrow, almost exclusive focus on cost that has driven choices about how best to provide it over the last decade or so. New models are emerging that emphasise the role that buildings-based provision can play in an integrated approach to well-being that includes parks and open spaces, as well as provision for cycling, walking and other activities. These models move away from pure cost considerations to recognise the wider value of such activities and also the potential for value adding synergies arising from their integration.

### **The National Policy Context**

“The newly elected Welsh Government has clearly prioritised Fair Work, as defined by the Fair Work Commission, as a key area to progress during the next Senedd term... The emphasis throughout the statement clearly places fair work and social value at the centre of procurement practices rather than being solely focused on financial savings...

### **Income generation and Commercialisation**

“The Welsh Government has created an environment that encourages and enables local authorities to act in the economic interest of their area. This includes direct involvement as a provider in local economies, which brings with it opportunities to generate much needed additional income to support services. The Local Government and Elections (Wales) Act 2021 provides a much sought-after general power that will open up new potential for traded services, such as leisure, to create new and innovative offers.

“A widely defined leisure and cultural offer has a significant part to play in drawing people into the area. Buildings based leisure facilities, particularly swimming pools, can be an integral element of such an offer and the commercial income generated can contribute to meeting well-being objectives. Fragmenting the management and strategic leadership of the leisure and culture offer by outsourcing elements of it has an inevitable impact on both the ability to generate commercial income and the ability to achieve synergy between different service offers.

### **Value for money**

“Senior managers of the company are likely to have higher salaries than senior managers of the council off-setting any economies of scale derived from them overseeing multiple contracts.”

[Link to report](#)

UNISON members working in NPT leisure services celebrated the decision to take services in-house as heralding a brighter future for the public and staff working in leisure facilities in terms of job security, protecting their pensions and their employment conditions and making it a positive environment for them to work in.

The comments of local politicians at the time are equally telling.

Aberavon MP Stephen Kinnock said: “This decision will not only ensure that our community is able to enjoy the best possible sports and leisure facilities as we emerge from lockdown, it will also deliver the best possible value for money for the taxpayer, whilst ensuring the future stability and sustainability of our vital local leisure services.”

Neath MS Jeremy Miles said: “Over the last year, I have supported calls from staff and the trade unions, for leisure services which are publicly- owned and publicly funded.

“Doing this in a way which is sustainable for the future, offers a range of great leisure services to the public and delivers good terms and conditions for the committed workforce and is an important step in how we react to the challenges of Covid-19.

“This decision will ensure that key services are there for us all, publicly delivered for the future.”

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UNISON press release, [Landmark move to run leisure services publicly could be blueprint for authorities across Wales](#), 2 February 2022

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It's important to note here that Welsh government's preferred option for service provision is now one that is 'publicly-owned and publicly-funded' and it has recognised that quality jobs for local people living in the area means more money being spent on local high streets, so everyone benefits.

It commissioned the Centre for Local Economic Strategies (CLES) to produce a toolkit to help organisations across the public sector in Wales put their commitment to insourcing into practice. This toolkit will help to ensure that insourcing is routinely considered, with buy-in from senior leaders. The Wellbeing of Future Generations Act provides the context for insourcing and the decision-making criteria to apply when doing so.

UNISON Cymru Wales officers provided evidence to CLES, as background prior to the drafting of its toolkit. However, its talk of other delivery mechanisms is deeply concerning.

Our opposition to outsourcing to these and to the private sector, is discussed below.

## **Alternative delivery models are never acceptable for the provision of public services**

Outsourcing library or leisure services spells disaster for local communities and the workforce.

Removing a library or sports centre from local council control and democratic accountability, means people have no say whatsoever about the quality of the service.

If gym prices are cranked up, or opening times restricted, or a sports centre is shut down, you are powerless. There is no-one to complain to because no-one has a duty to listen.

Inevitably, the new company would look to make savings by sacking workers or not replacing staff who leave and squeeze wages and employment conditions — that means cutting the pay of people who live in the local community. Our experience tells us a new company would make wider use of exploitative zero hours contracts. Leisure centre staff are generally low paid young women who work around childcare.

In this way the new organisation creates a “two-tier” workforce. TUPE legislation can offer some limited protection for staff transferred to an outsourced contract, but staff recruited by the contractor after transfer have no such protection. These inferior conditions can translate into lower costs for contractors, which plays a crucial role in offering a cheaper tender and winning contracts.

Outsourcing is a short-term economic fix and cannot benefit people in the long term. If the council is outsourcing to a private company, it would have a free hand on profits, money that would otherwise have been reinvested in the community for the public good. Councils are left with no power to intervene to positively shape the lives of their citizens.

The Westminster government wants to see public services ‘spun out’ into employee-led mutuals and co-operatives as part of their vision for ‘open public services’.

UNISON is very concerned the move to ‘spin-out’ public services, stems from an ideologically driven desire to shrink the state and cut public spending, rather than a genuine desire to maintain strong public services, empower workers and improve service quality.

There is a long and positive history of small organisations like mutuals and co-operatives operating to complement public services. But this has predominantly been in niche areas, through grant funding. Many have struggled to survive in the long-term once financial and technical support has been withdrawn. Much of the UK government’s current agenda is about outsourcing mainstream public services.

UNISON's concern is that most will look to reduce costs at the expense of the workforce and 'soften up' public services for privatisation.

Councils have sought to outsource services to make cost savings. The 'austerity narrative' adds a new level of urgency to making short-term financial decisions. Many people feel that co-operatives, mutuals and social enterprises are simply a 'more acceptable face' of outsourcing.

Claims about increased employee control and empowerment will be made, alongside the case for savings and efficiencies.

Local authorities should be challenged to provide evidence on the following points:

- Is setting up a whole new structure, with all the associated costs, the best use of public funds?
- How will a co-operative, mutual or social enterprise be able to deliver a service better than the local authority?
- If the council wants to empower employees, why not think about working more effectively and co-operatively in-house and devolving more responsibility to employees?

Keeping a service in-house does not mean keeping the status quo. UNISON supports our local branches to pushing for an in-house service improvement plan to be considered as a viable option.

The experience of UNISON branches across the UK with mutuals is not a positive one. They report there is no engagement or consultation with trade union reps; poor business planning and almost always cuts to budgets. There is no legal form or structure, and employee ownership is often a small stake and easily outvoted.

Under EU procurement law and the revised Public Contracts Directive, councils can permit competition for certain contracts to be reserved to organisations such as mutuals and social enterprises. But after three years, these highly desirable contracts need to go out to tender and community run groups can struggle to bid for services again once large private companies enter the bidding process. These companies are experienced at submitting bids and have legal and financial expertise at their disposal.

Procurement is a complex and costly process, and once the contract is awarded, the cost of monitoring it continues. These are additional costs that will have an impact on the council's planned savings.

When a council proceeds to outsource a service, has it made an equality impact assessment of the proposal? A co-operative, mutual or social enterprise will not be covered by the public sector equality duty as it is not a public body, but only the general equality duty. There are questions the diverse needs of the local community will be met.



Local authorities need to be made to think about all eventualities when planning to spin-out services.

- What happens to service users if the co-operative or mutual goes bankrupt? This is a particular concern for services which deal with vulnerable members of the community, such as children or older people.
- If a service fails, will the council commit to taking it back in-house? If so, this commitment should be clearly stated within the spin-offs governance documents.
- What will be the financial and political cost to the local authority of stepping into pick up the service if it fails?

Outsourcing removes direct accountability and councillors are relegated to the position of distant scrutineers when a service is privatised. If a co-operative, mutual or social enterprise is just another form of outsourcing, how will this be any different? Furthermore, to be a true co-operative the enterprise must comply with the principle of 'autonomy and independence' – therefore it must be free from local authority control.

### **Use of volunteers**

Across the UK, there has been an explosion of in volunteer and community led libraries. The use of volunteers means there is a de-professionalisation of the service offered to the public. UNISON has described the luring of local communities to run library services on their behalf without the resources or professional staff that make them tick as 'closure by stealth'

Councils know that closing a library would bring an avalanche of bad publicity, but moving to volunteer, community-run libraries allow them to say they are still meeting the statutory duties to provide a comprehensive and efficient library service under the 1964 Act.

So, instead of closure, councils have proceeded with cuts and hollowing out of the service, volunteers, and automation. But community-run libraries are a route to softening libraries up for outsourcing/alternative delivery methods or closure. The money being offered is not adequate to invest in the service. That means the service deteriorates, so there are fewer users, which allows the council to argue that it might as well be closed anyway. It's a vicious circle. Those hardest hit by closures are the elderly and vulnerable who might not be able to make their way to the only libraries remaining open in the centre of town.

Libraries do not function properly without well-trained and motivated staff and library workers should be at the heart of library provision. Libraries, and the public they serve, need professional paid library staff present at all times because library staff are experienced, trained, safe, objective, multi-skilled, reliable and accountable. They are qualified in knowledge and information management, abide by an ethical framework, and must respect equalities legislation. If trained staff are not available to advise and guide, the service suffers.

Community libraries may be run by the nicest people you could hope to meet, but what they have to offer is potluck. They are volunteers, not experts. Using volunteers is not a sustainable way to run a key service the public relies on. What happens for instance, if volunteers say they are not available? Workers have no contract and there are questions around how reliable they are, whether they are doing the jobs that need to be done, how much training they've had and whether they are protected in the event of an accident.

While volunteers may be useful in supporting paid permanent library staff with specific tasks such as helping with events, coffee mornings, job/role substitution is not acceptable.

If libraries are run by volunteers, no standard service nationwide can be applied.

There are serious additional concerns if libraries are not fully staffed with trained librarians. These include the safety and security of staff and service users, and council property. Dependence on remote CCTV cannot ensure a quick response in case of an emergency and there may not be staff present to guide people to safety in case of fire or flood.

Additionally, there are access and equality issues such as the safety for women, elderly, disabled, those with learning difficulties and vulnerable people. Neither are there guarantees for safety of unaccompanied children and UNISON knows of cases where age limits have been introduced to exclude unaccompanied children during unstaffed hours.

### **Good practice to ensure sustainability of local leisure and library services for future generations.**

More cuts to library and leisure services are not a credible option. If libraries and leisure services are ever in difficulty, the best solution is to devise an in-house improvement plan with staff, trades unions and users, which places the quality of service and users at the core.

A peculiar tax anomaly allows charitable trusts running leisure centres up to 100% relief on business rates, whilst councils pay the full rate. This discount is clearly wrong, and it also means there is less money coming into the public purse.

UNISON wants to work with councils and community groups to maximise use of local libraries and leisure centres and explore how further income could be generated to ensure much-needed services remain open.

We should be demanding world class library and leisure facilities for our children and communities. We need sustained investment in these services, run directly by councils, and sustained investment in the workforce too. Let's make these attractive jobs that people in the community want to apply for.

Council service provision has been so hollowed out, we need to have an honest conversation as a society, about exactly what services local government should provide and how they will be funded, that goes beyond simply providing certain services just to the level of statutory duty.

Welsh government should lead this review, working with councils and trade unions.

The statutory duty on authorities to provide library services needs to be more specific. As it stands, the duty could be interpreted by an authority as needing to provide just one library, which would obviously not be sufficient.

Council employees are passionate about providing a public service. Now we need to reinvigorate local government and democracy by clearly identifying how best our authorities can meet people's needs.