

SP 10

Blaenoriaethau ar gyfer y Pwyllgor Cydraddoldeb,
Llywodraeth Leol a Chymunedau
Priorities for the Equality,
Local Government and Communities Committee
Ymateb gan: Unison Cymru/Wales
Response from: Unison Cymru/Wales

Introduction

- 1.1 UNISON Cymru/Wales is Wales' largest public sector trade union. UNISON has 100,000 members working in public services across Wales. We welcome the opportunity to feed into the National Assembly Wales priorities for the Equalities, Local Government and Communities Committee.
- 1.2 We represent full-time and part-time staff who provide public services, although they may be employed in both the public and private sectors. Two thirds of our members are women and our members work at every level in public services. Our members in local government include people working for local councils, schools, libraries, social care and private companies.
- 1.3 This paper will outline issues UNISON has identified as being a priority. We will also respond to the Committee's proposals for the longer term programme where those impact our members.

Alternative Delivery Models in Public Services

- 2.1 UNISON is opposed to privatisation and outsourcing of any public-provided services to private companies or to cooperative or mutual providers. Public services should be retained within the public sector and provided by directly employed public sector staff. Quality public services need to be adequately funded, accessible to all, efficient and democratically accountable.
- 2.2 Unprecedented financial problems coupled with demographic and environmental pressures call for a fundamental rethink of the future role of local government and the long term effectiveness of local government services.
- 2.3 The 'enabling model' has prevailed in local government during the past decade, especially in England but more and more now in Wales, fostering a largely unchallenged assumption that becoming a commissioner rather than a provider of services makes 'common sense'.
- 2.4 UNISON believes this approach will signal the end of local government as we know it and many practitioners and commentators are beginning to question the assumption that this is the best way to meet the demands of complex policy and practical issues. In fact, it can contribute to problems by fragmenting services

and leaving 'hollowed out' authorities lacking capacity to intervene in accountable ways to meet the needs of their citizens.

- 2.5 Attempts to promote outsourcing to cooperatives or mutuals as friendly, reasonable sounding alternatives to privatisation are dangerous and misguided. Such models are often aligned with an ideology where authorities divest themselves of capacity to deliver directly. They may also fail to marry proactive community leadership with the ability to ensure the needs of those communities are being met in a cohesive way. Furthermore, outsourcing of any kind will inevitably lead to privatisation because contracts cannot be longer than three years; after this time private companies can bid for the work.
- 2.6 Outsourcing means democratic control and accountability to the local community is lost. Outsourcing offers no long term protections to public service workers' terms and conditions, which would be the first thing targeted by a cooperative or mutual looking to make savings. The unsustainability of public service mutuals means that workers can at any point be made redundant or transferred to another employer with potential loss of protected terms and conditions and pension rights.
- 2.7 No evidence exists that mutuals have delivered any better social or value added outcomes than a comparative public in-house provision or implemented true democratic control by staff, shareholders and stakeholders.
- 2.8 The Welsh Government's alternative service delivery proposals fail to apply price-quality ratio award criteria, address funding shortfalls or prove that in-house service improvement plans cannot deliver savings. If local government services are in difficulty, in-house improvement plans should be initiated which place the quality of the service at the core, not a profit motive.
- 2.9 The Equalities, Local Government and Communities Committee could look at the impact that outsourcing to cooperatives and mutuals have on the quality of service being delivered, the workforce, and the wider community. This evidence can then be considered by the Welsh Government to inform their approach to alternative delivery models in public services.

Local Government Reorganisation and Reform

- 3.1 The Equalities, Local Government and Communities Committee has rightly identified local government reorganisation and reform as area to be included in a long term programme.
- 3.2 Local Government reorganisation should only be progressed if there is clear evidence of financial and service benefits, including the optimum size of a council to ensure efficiencies and sustainability is maximised.

3.3 UNISON has also called for adherence to Health Board boundaries to facilitate health and social care integration.

3.4 Any restructuring/reorganising costs should be centrally funded, utilizing the 'invest to save' model, to avoid worsening the current local authority funding crisis which has seen services cut or dramatically reduced and thousands of staff made redundant.

3.5 Trade unions must be involved in any reorganisation and the Public Service Staff Commission should oversee any Local Government restructuring to ensure fair treatment and no detriment to staff. As part of this process the Commission should introduce a pan-Wales job evaluation scheme to ensure an objective and equality proofed harmonization of pay across newly organized councils.

The Ensuring Council Model

4.1 Unprecedented financial problems coupled with demographic and environmental pressures call for a fundamental rethink of what the future role of local government should be and how effective services can be provided in the next decade and beyond.

4.2 The Equalities, Local Government and Communities Committee should advocate for the creation of the Ensuring Council as a logical alternative to existing practices. The principles of the Ensuring Council have been honed and tested out through the Association of Public Service Excellence (APSE) with council officers, elected members and experts from local government bodies.¹

4.3 An Ensuring Council shows how the principles of stewardship, maintaining core capacity to provide services, municipal entrepreneurialism, collaboration, local political accountability and social justice can connect strong core values with strategic decision making and efficient delivery of services.

4.4 UNISON believes that Ensuring Councils would offer local authorities and their communities a positive way forward in Wales and this approach should be a central principle in any restructuring or refocusing of Local Government in Wales.

Maximise Local Government Finance

5.1 In addition to the Ensuring Council model, local government finance needs to be maximised in order to protect the services that communities across Wales rely on.

5.2 The Welsh Government has provided significant protections to health budgets in Wales and these protections should be extended to local government budgets.

¹ See 'The ensuring council: An alternative vision for the future of local government', The Association for Public Service Excellence (APSE), for full and detailed explanation of the Ensuring Council.

Local Government services are essential for healthy people and communities and local government revenue must reflect that.

5.3 Furthermore, UNISON believes that Councils would benefit from greater flexibility to enable additional finances to be raised in a fair and reasonable manner.

5.4 Methods to maximise local government finance could include progressive reform of council tax would make it fairer and would remove the need for local council tax support²; tough measures to tackle tax evasion and uncollected taxes; greater freedoms for councils to borrow money: empty property and brownfield land taxes; powers for local authorities to introduce small local taxes such as tourism and environmental taxes; more flexibility for Councils to spend money on public services as they judge appropriate to local needs; longer term financial planning with the Welsh Government providing three year funding settlements; support for Councils to promote income generation through trading and providing new paid for services both to the private sector and individuals; a more robust approach to the review and collection of business rates in Wales with Councils being able to retain a proportion of increased revenue resulting from a more effectively administrated business tax regime.

EU Funding

6.1 UNISON is also in agreement with the Equality, Local Government and Communities Committee's plans to focus on EU funding of tackling poverty programmes.

6.2 UNISON is also aware that European Structural Funds and other EU funds are directly or indirectly supporting the activities of local authorities in Wales. We are currently undertaking our own research into levels of funding in each authority in order to assess the impact on council services and council jobs.

6.3 We would encourage the committee to also consider the way forward for affected council services and council jobs beyond EU membership.

In-work Poverty

7.1 UNISON supports the Equality, Local Government and Communities Committee's proposal to include in-work poverty as part of the longer term work programme. UNISON has consistently called on the Welsh Government to address the issue of in-work poverty. Wales should be a living wage nation³.

7.2 Public sector workers across Wales have experienced long-term pay restraint, which has inevitably resulted in some public sector workers experiencing in-work

² In 2013 the average lowest band council tax, for properties worth up to £44,000, amounted to 1.9% of the property value, falling to 1.5% for properties worth £44,000-£65,000, then falling to just 0.5% of capital value for properties over £424,000.

³ UNISON promotes the use of the Living Wage Foundation rate of £8.25 per hour outside of London.

poverty – particularly those who work in work in outsourced services.

Furthermore, as women make up the majority of the public sector workforce, it is clear that women will be disproportionately affected by long-term public sector pay restraint.

7.3 Many people suffering from in-work poverty are likely to be more heavily reliant on public services within their communities. An effective and efficient public service demands a well-trained, committed and reasonably rewarded workforce. Staff are the greatest asset of public services in Wales and should be recognised as such.

Conclusion

8.1 UNISON Cymru/Wales welcomes the opportunity to feed into the priorities for the Equality, Local Government and Communities Committee.

8.2 We understand that this consultation exercise is to set the future work for the committee and we would welcome the opportunity to feed in further detail and evidence to inquiries relevant to UNISON members and public services.