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Low Pay Commission,
Via email lpc@lowpay.gov.uk

3 June 2020

Response to the Low Pay Commission consultation

It had been our intention following welcome and productive conversations with Low Pay Commission colleagues throughout 2019 and into 2020, to submit a full response to the Commission's 2020 consultation. Unfortunately, due to the current Covid-19 pandemic, members' time and ability to share their insights to help us create an evidence-based response has been significantly limited. Therefore, we are unable to provide a full response. However, we remain grateful for the invitation from the Commission to participate in an oral evidence session in July. We assure the Commission that we will attend an oral evidence session (as responded over email to Fatima Dudhia) with evidence-based views.

To recap, Community Leisure UK is a members' association solely representing registered charities, societies or community interest companies (with a public benefit asset lock). Commonly called trusts, they deliver public leisure, sport and culture services across the UK, often working in partnership with local authorities. Our 110 members operate over 3,800 facilities that received 233m customer visits last year, with over 100,000 staff and over 17,000 volunteers. Their combined turnover in 2019 was over £2bn. Across the membership 58% of members deliver cultural services and facilities. This equates to 1,100 cultural assets - theatres, town halls, libraries, museums, cinemas etc. We estimate our culture-based members employ over 63,000 staff, engage with 12,000 volunteers, and 400 apprentices.

Please do note the Appendix letter of support for this overview letter from colleagues at CLOA (the Culture and Leisure Officers Association). They represent local authority officers and leaders in the leisure and culture space.

We would welcome in this letter, sharing some views of members who did manage to share their insights and responses to questions posed by the Commission, although this is not a full nor formal response.

With regards to the economic outlook, the arrival of Covid-19 has had and continues to have a serious impact upon organization's future viability, and their ability to meet pay increases:

"Economic outlook is dire. X [town] will be very badly hit by Covid-19 impact with significant redundancies. Wage growth will be very low for the foreseeable future as income levels are anticipated to be lower than prior to the pandemic."

"Extremely challenging, COVID 19 has put a new dimension on business growth, leading to likely changes in staffing levels, pay freezes / benefit freezes. Due to lack of business growth in 2020 now, it is likely that unemployment will go up - driving wages down."

"We have not been able to apply a pay increase for 2 years. A pay increase planned for this year has been put on hold due to COVID but will be revisited depending the recovery. This year we fell below the NLW rate and had to automatically increase 31 colleagues in line with NLW."

"Significant issues at the moment caused by COVID19.... Conditions are likely to get worse due to lower demand from members and health and safety requirements around social distancing Recruitment was an issue prior to COVID and we are unlikely to be looking to recruit in the foreseeable future. We would like to be able to pay the real living wage and face increasing pressure to do so from our LA along with the local and regional pressures"

In our full response to the Commission's consultation in 2019, the challenges of NLW and NWM on recruitment and retention were clear. These challenges remain with regards to the 2020 consultation:

“The annual increase is closing the gap with higher grades and this will impact on future recruitment to these posts unless we apply similar increases to higher grades to maintain a gap that reflects responsibilities, qualifications etc”

“We have been effected greatly by this new rate, both from a positive impact, but also an negative impact - this is linked not just to age, but also to experience - an employee >25 who has much more experience in a role, getting less pay that some who through their age gets more money for doing the same job.”

However, trusts are still seeking ways to ensure where possible, the differentials in rates of pay and recognizing staff's differing job responsibilities:

“The increases in NLW have meant there has been a pay squeeze between entry level roles and supervisory / team leaders. We have reviewed payscales and created a pay differential of approximately 6% which we apply each time the NLW increases.”

With regards to the 2024 target of £10.69 for NLW, there continued to be support for NLW and increasing rates of pay

“Great target but unaffordable”

“It's a fair wage”

But it was viewed that this increase would be particularly challenging due to the impact of Covid-19

“It is very high taking into account the likely economic position and the inability to generate income to cover this. It is likely to lead to redundancies.”

“Given the impact of the coronavirus outbreak and the unknown consequences of leaving the EU, this could be very difficult for our sector as it will increase our wage bill at a time when income may be reduced.”

In relation to lowering the age to 23, this would have significant impacts on members' payroll. Leisure services in particular are large employers of under 25s

“A lot of our job roles attract younger people from ages 16- 22. These are associated with people that are still in education and are looking for part time work during their studies. Due to our opening hours, this increases the attraction to working in the leisure industry.”

It is challenging to draw direct conclusions here due to limited number of responses. We do know, anecdotally, that many members do not carry out age related pay so lowering the age would have little impact. However, for those who do carry out age related pay, this lowering to 23

“We have a young workforce so this will impact on our organisation quite heavily”.

The theme of linking NLW and NMW rates to the economic position due to Covid-19 came through strongly as a fair measure of how wage increases should be assessed and changed. Pre Covid-19 and post Covid-19 world of leisure and culture trusts, could not be more different. Pre Covid-19 many trusts had plans for capital projects, developing services, deepening relationships with their local authority partner and diversifying services. Now, looking ahead over the next two - 18 months, the outlook currently for trusts is exceptionally bleak unless there are significant changes in the Government's financial support programme. Currently member trusts fall between all the gaps, and their focus is on survival.

Members welcome and value the ongoing dialogue and discussion between the public leisure and culture trust sector and the Commission, keeping this dialogue would be beneficial. Our involvement in the oral evidence sessions is critical and is something Community Leisure UK is committed to supporting.

We apologise that we could not produce a formal response to the Commission's consultation. However, we hope the Commission and Commissioners can appreciate the pressures member trusts are currently under,

the speed with which they need to make decisions, and that their limited resource had to be spent on survival and retaining jobs.

If we can help in any other way, please do get in contact on the details below. Thank you for your time and we look forward to continuing to work alongside the Low Pay Commission and the Commissioners in the near future.

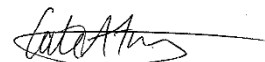
Yours sincerely



Stuart Lockwood
Chair
Community Leisure UK



Mark Tweedie
Chief Executive (in handover)
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Cate Atwater
Outgoing Chief Executive
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Appendix 1 - statement of support from CLOA

Dear Cate,

Many thanks for sharing your response to this consultation.

The Executive Committee of the Chief Cultural & Leisure Officers Association, which represents 330+ senior leaders in the culture sport and leisure sector, will not be submitting a response independently, as the capacity of our members is focused around the urgent response to the Covid-19 pandemic.

However, having reviewed the letter drafted by Community Leisure UK, we would like to endorse this submission.

Yours sincerely,



Val Birchall - Chair of CLOA

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