

Trading Places

Local authority trading companies and their impact on staff



Contents

Executive Summary	3
Introduction	4
LATC workforce	9
Pay and conditions in large LATC employers	14
Case studies	15
Conclusion	24
Appendix	25

Glossary

LATC	local authority trading company
ALMO	arms-length management organisation, an alternative name given to local authority trading companies particularly those providing housing services
ALEO	arms-length external organisation, the name given to local authority trading companies in Scotland
TUPE	refers to Transfer of Undertakings (Protection of Employment) Regulations 2006
LGPS	Local Government Pension Scheme which is a defined benefit (DB) pension scheme
DC pension	defined contribution pension (also known as stakeholder pensions)
NJC	National Joint Council, the body that negotiates rates of pay for local authorities in England, Wales and Northern Ireland
SJC	Scottish Joint Council, the body that negotiates rates of pay for local authorities in Scotland

First published January 2025

UNISON commissioned the research from the Labour Research Department to look at the impact of LATCs on staff terms and conditions,

Labour Research Department (LRD)

Disclaimer

LRD recognises that all research and content we produce is tailored to our clients' specific needs and remains their exclusive intellectual property. Any enquiries about completed work will be directed to them.

Executive Summary

This report is the first UNISON commissioned research to map the extent of the use of local authority trading companies (LATCs) around the UK. The use by councils of separate legal entities, which they own wholly or partly, has skyrocketed since 2011. Whether used as investment vehicles or for the delivery of services, these arms-length organisations have offered councils the promise of cost savings and financial gains as they have struggled under austerity measures.

However, for the workers delivering the services provided by LATCs, the position is less positive. They have been transferred out of direct employment with councils, and have, to varying degrees, lost the pay, terms and conditions, pensions and protections offered by the national agreements (National Joint Council or NJC and Scottish Joint Council or SJC) that cover the main local authority workforce.

Headlines

- 62% of UK councils own at least one LATC;
- there are over 850 LATCs throughout the UK, over half of these are property holding and/or investment vehicles that do not employ people;
- 43% or 384 of LATCs employ people;
- there are over 91,000 workers in LATCs, 4.6% of the local authority workforce;
- nearly 90% or 79,791 of these workers are employed by 105 large LATC employers (companies that employ more than 200 workers) providing services across 82 local authorities;
- the majority of large LATC employers provide leisure, housing or social care services but waste and facilities management also feature heavily;
- over half of the 77 large LATC employers do not use the Local Government Pension Scheme (LGPS) or just have it for TUPE'd workers;
- 42 large LATCs returned information on pay – more than half do not follow NJC or council pay scales.

Introduction

This report is the first UNISON commissioned research to map out the current landscape of local authority trading companies (LATCs) in the UK. Using data gathered from a Freedom of Information request sent to 387 UK councils in 2023, as well as additional research, it outlines: how many companies there are; which councils own and use LATCs; the services the largest companies provide; and how big their workforces are. It also presents any data that councils supplied about the pay and conditions offered by these arms-length organisations. Finally, it looks in more detail at eight of the largest LATC employers.

The aim of this investigation is to explore the scale of this increasingly popular form of public service provision and to improve understanding of the impact that these trading companies have on the terms and conditions of the staff employed by them. LATCs are sometimes used to outsource services, and workers, away from the local council. Conversely, they are sometimes used to bring the provision of services back closer to the council whilst not bringing the services and staff back into direct council control or employment.

Many of these companies start out with a local authority workforce transferred under TUPE regulations. However, once established, the companies are free to set their own pay scales and employee benefits packages for new starters. They can also implement any annual pay increases on their own terms. This puts LATCs and their employees outside the national collective bargaining process (NJC or SJC) that covers most directly employed council staff.

As such, and in a similar way to the practice of outsourcing services to private companies, LATCs are contributing to the fragmentation of the local authority workforce. By taking some workers outside the scope of the NJC national agreement, LATCs are creating a landscape in which staff delivering local authority-related work are on varying terms and conditions depending on whether they are directly employed by a council or employed by an 'arms-length' organisation at which they may not have bargaining rights.

This fragmentation undermines the bargaining power of both LATC staff and the main local authority workforce, particularly where LATCs undercut the terms and conditions of the NJC agreement.

What are local authority trading companies?

Local Authority Trading Companies (LATCs) are separate legal entities that are wholly or partly owned by councils but managed at 'arms-length'. Their numbers have surged in recent years as councils have sought new ways to cut costs and generate revenue in response to funding cuts and austerity measures. However, LATCs also bring challenges related to financial management, service quality, worker pay and conditions, and job security.

The first LATCs were set up in the 1980s and covered services such as sports and leisure (especially in Scotland), transport and urban regeneration. But they are now widely used for buildings management, social care, housing and children's services – and many other activities. As the outsourcing of services has fallen out of favour (due to failures and concerns about value-for-money) the 'insourcing' of services has now become common practice among UK local authorities. By using LATCs, councils can retain *some* influence over service delivery, as well as benefit financially from any commercial gains as the ultimate shareholders. Using an LATC structure does not mean a service and related staff have been fully insourced. However, in some cases, it can be a stepping-stone towards full insourcing.

In 2003, English, Welsh and Scottish councils were given additional powers under the Local Government Act to set up companies to trade with a view to making profit in *any* areas relating to their existing functions. In Northern Ireland, councils' trading powers are limited by the 1970 Local Authorities (Goods and Services) Act.

After 2011, English councils were further encouraged to set up LATCs through additional powers contained in *The Localism Act*. Alongside the Act, the private sector advised councils that LATCs were appropriate for service delivery because of the opportunity to reduce costs, particularly on workers' terms and conditions.

In a report on the benefits of LATCs, accountancy firm Grant Thornton stated that the advantage of using an arms-length company is that they are “not tied to public sector pay agreements” and can adjust remuneration packages “to attract the best staff to provide a better range of services.”¹ Grant Thornton’s report states: “LATCs offer some clear advantages over other service delivery models. They mean councils can keep direct control over their providers, offering an opportunity for any profits to come back into the authority. Equally the chance to change local authority terms and conditions, particularly with regard to pensions, can bring significant reductions in the cost base of the service.”

Types of LATCs

LATCs for managing property or used as investment vehicles

The majority of LATCs are set up by councils to undertake property management, development, and investment activities. Many of these do not employ staff or only have very low numbers of employees. Examples include:

- Brent’s I4B Holdings: Set up by Brent Council, I4B Holdings focuses on purchasing properties to provide affordable housing and generate rental income.
- Croydon’s Brick by Brick: This LATC was established by Croydon Council to undertake property development projects.
- Barnet’s Opendoor Homes: An LATC created to build and manage new affordable housing units.

Service-Specific (Teckal) LATCs

This is where the company’s main activity is to undertake work for the council itself (or a group of councils) and not to trade more widely with other external organisations. These companies are likely to qualify for the ‘Teckal’ exemption from procurement rules – which means that the council can pass work to the company without having to put it out to competitive tender. Common examples include LATCs that provide waste management, social care, and housing services:

- Tricuro (Dorset, Bournemouth, and Poole Councils): Tricuro provides adult social care services, including residential and day care. It was created to integrate care services and improve efficiency.

- Enfield Norse (Enfield Council): A joint venture between Enfield Council and Norse Group, Enfield Norse provides cleaning, catering, and facilities management services to schools and council buildings.

The rules around the ‘Teckal’ exemption were changed post-Brexit for England, Wales and Northern Ireland by the Procurement Act 2023 (the “Act”). Due to come into force in February 2025, the Act will replace the current procurement regime which is based on EU directives with a single unitary framework for all procurement by relevant contracting authorities. The EU-based regulations governing public procurement in Scotland will not be replaced.

One of the reforms in the Act is the move to require any bidding process to identify the “most advantageous tender” rather than the “most economically advantageous tender”. According to Martha Speed and Jamie Dunne, “this change is designed to encourage public sector buyers to take a broader view and consider strategic priorities such as the creation of new local jobs, tackling climate change, and fostering innovation when evaluating tender responses” instead of just going for the cheapest option.

When the Act comes into force, the language around the exemption of LATCs from the full tendering process will change from the Teckal exemption to talking about ‘vertical exemption’.²

Commercial LATCs

These LATCs are set up to generate income by bidding for and winning contracts from other councils, public sector bodies, or even private sector clients. They operate much like private sector companies, focusing on profitability and business growth. Some manage a range of services under one umbrella, often including facilities management, environmental services, and various community services. Examples include:

- NORSE Group: Established by Norfolk County Council, NORSE Group provides a wide range of services, including facilities management, environmental services, and care services.
- Essex Cares: An LATC created by Essex County Council, providing care and support services for vulnerable residents.

Shared Service LATCs

Another model, where councils want to pool their resources and sell goods or services to other councils or public bodies without seeking to operate in a wider market, is the 'shared services' or public-public partnership approach. In this model, the partners do not have to set up a company, and therefore can avoid competitive tendering and the need to TUPE over workers, but often they choose to do so. Examples include:

- Achieving for Children: A joint venture between Kingston and Richmond councils, providing children's services.
- South London Waste Partnership: A collaboration between several South London boroughs to manage waste and recycling services.

The problem with LATCs

Some of these LATCs have been successful, generating a healthy return on investment and delivering recognised benefits and positive outcomes for councils. However, many others have generated negative headlines and a range of criticisms.

There have been reported issues with company governance at councils and several high-profile failures in LATCs³, leading to direct interventions, reviews and inspections by central government. LATCs have also faced operational issues. For example, in 2023 questions were raised about the reliability of financial data provided by Public Sector Partnership Services Ltd (PSPS), a local authority trading company wholly owned by South Holland District, East Lindsey District and Boston Borough councils.⁴

There have also been multiple battles over terms and conditions in LATCs. One example is the Tricuro LATC, set up by Dorset, Bournemouth and Poole councils to provide care for elderly and disabled people. It was criticised by UNISON for announcing pay cuts for already low-paid staff meaning they could lose up to £2,600 per year each.⁵

In 2024, care firm Independence Matters, owned by Norfolk Council, said it was refusing to pass on the full nationally agreed local government pay rise for the first time since it was set up in 2013. UNISON said that this would shortchange its staff by over £500.⁶ Also this year, low paid workers at Barnet Council-owned The Barnet Group voted for strike action when their employer gave them their London Living Wage pay rise six months after it was announced and refused to offer enhanced rates of pay for working nights, bank holidays or overtime rates. The workers had had a pay freeze the year before.⁷

Another common issue in LATCs has been equal pay.⁸ According to UNISON, some councils have transferred workforces that are predominantly female, or have a high proportion of black and ethnic minority staff, into trading companies as a means of avoiding equal pay liabilities. As the women will no longer be employed by the council, the thinking is that they will not be able to compare their pay against male council workers.

The Labour government elected in 2024 has made it clear that councils will need to consider and include those working for contractors when determining their gender pay gap⁹.

Local authority trading companies in the UK

In 2023, a Freedom of Information request was sent to 387 local authorities asking them:

- to list any LATCs that they fully or partly own (and other owners if they are jointly owned);
- the service area they are in;
- whether they employ people;
- the headcount of each LATC;
- their year of founding;
- the number of workers TUPE'd into them;
- to supply information on their pay scales and whether they have workers in the Local Government Pension Scheme.

The results returned were varied, with many councils only supplying partial information and some refusing to disclose any at all. All data was collated into a database which is the source of the findings in this report.

This section covers all LATCs regardless of whether they employ people or not. It is important for unions to be aware of where LATCs exist even where they do not employ workers. This is because the use of LATCs as investment vehicles can create additional financial risks for councils with knock-on effects for the workforce e.g. Croydon Council had to declare bankruptcy in 2022 following bad investments held via LATCs.¹⁰

62% of councils own LATCs

The data shows that:

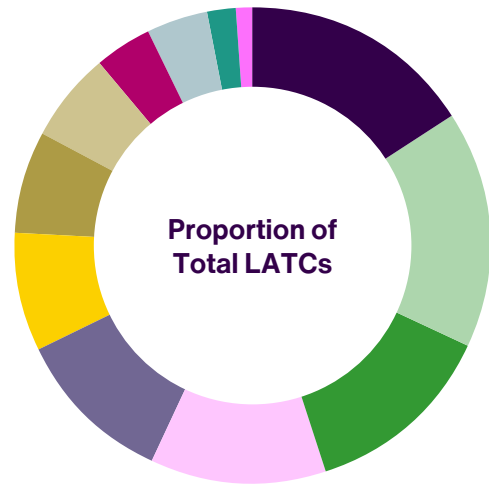
- 239 or 62% of councils responded that they wholly or partly own LATCs
- A quarter of councils do not own them; 95 or 25% said that they have no LATCs.
- 53 councils didn't answer or refused to disclose information.

850 LATCs in the UK

In terms of the total number of LATCs identified:

- The research found that there are over 850 LATCs in total spread across the country, although not all of these employ people.
- Councils returned data on LATCs 882 times, but some of the companies were mentioned more than once as they operate across more than one council, and some are subsidiaries of a larger group of companies. Removing these duplicated companies produces the figure of 850.
- This figure is likely to still be an under-estimate because 53 councils did not respond to the Fol.

LATCs are spread across the entirety of the UK although are more prominent in some regions than others. The following chart shows which regions have the highest concentrations of LATCs operating in them. In this, you can see that the South-East and the East of England have the most LATCs followed by the North-West and London. Northern Ireland has the fewest LATCs.



East of England	16%
South East	16%
North West	13%
London	12%
Scotland	11%
East Midlands	8%
South West	7%
West Midlands	6%
Yorkshire & the Humber	4%
North East	4%
Wales	2%
Northern Ireland	1%

The individual councils with the most LATCs are listed in the table below. Interestingly, out of the councils with the most LATCs, Woking, Nottingham, Croydon, have all issued a Section 114 notice effectively declaring themselves bankrupt¹¹. Warrington and Suffolk have both been in severe financial difficulties.

Councils with the most LATCs

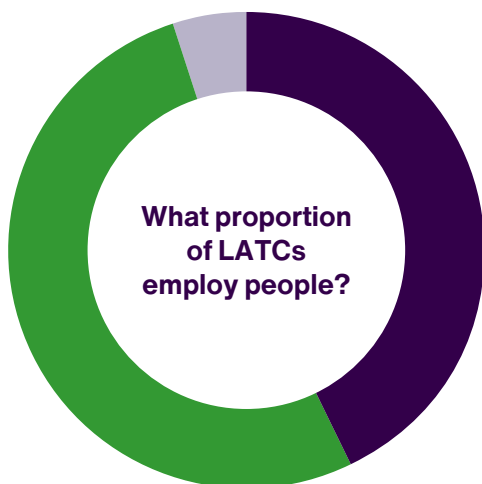
Local authority	No. of LATCs
Woking Borough Council	22
Warrington Council	21
Nottingham City Council	19
Suffolk County Council	17
City of Glasgow	15
Kent County Council	15
London Borough of Barnet	14
North Yorkshire County Council	14
City of Edinburgh	13
London Borough of Croydon	13
East Lothian Council	12
Warwickshire County Council	12
Essex County Council	11
Somerset Council	11
Stirling Council	11
Cornwall Council	10
Cumbria County Council	10
London Borough of Hackney	10
Manchester City Council	10
Portsmouth City Council	10
Uttlesford District Council	10
West Northamptonshire Council	10

LATC workforce

This section identifies the LATCs that provide services and employ people. It focusses specifically on those that employ more than 200 workers – the “large employers” – as these cover the vast majority of the LATC workforce and are likely to be of most interest to unions.

43% of LATCs employ people

- 384 or 43% of the total number of LATCs identified employ workers
 - 463 LATCs or 52.5% of the total do not employ staff and appear to be mostly property or investment vehicles.
 - There are a further 28 where it is not known if they employ people, and 16 where they say they do employ people but do not disclose how many.



- Employ people **43%**
- Do not employ people **52%**
- Unknown **5%**

LATCs employ 91,000 workers

Research identified more than 91,000 workers employed across 384 LATC entities. If the current local authority headcount is 1.89m, this is equivalent to 4.6% of the total sector workforce.¹²

- This estimate was arrived at by adding together all the LATC headcounts where these are known and removing double counting where a company is mentioned more than once, and where headcount was included twice as part of a subsidiary and a parent group.

90% of the LATC workforce are employed by large organisations

Nearly 90%, or 79,791, of the total number of workers are employed by large LATC employers (companies that employ more than 200 workers) providing services across 82 local authorities. These workers are employed across 119 LATC entities – although some of these entities are counted twice as they operate in two regions. Some of the entities are subsidiaries of groups of companies (see below). More detailed analysis and tables with regional breakdowns are set out below.

The largest LATC workforce is in Scotland where there are 24 large employers and 17,156 workers, followed by East of England (12,632 workers in 14 LATCs), and the West Midlands (10,137 workers in 10 LATCs). There are no identified large LATC employers in Northern Ireland, and Wales only has a small total workforce.

Region	No. of large LATC employers operating	Estimated headcount
Scotland	24	17,156
East of England	14	12,632
West Midlands	10	10,137
North West	16	7,994
South West	8	6,685
South East	12	6,107
Yorkshire and The Humber	10	5,441
London	10	5,002
East Midlands	8	4,217
North East	3	2,936
Wales	4	1,484
Grand Total	119	79,791

The councils with the largest LATC workforces can be seen in the table below:

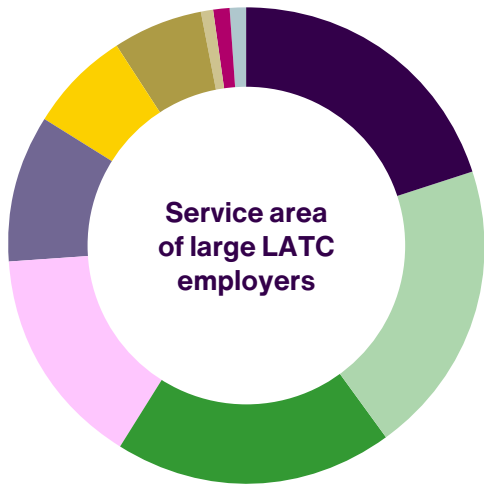
Council name	Estimated headcount
Norfolk County Council	6,094
Staffordshire County Council	4,725
City of Glasgow	3,892
Cumbria County Council	2,968
Sunderland City Council	2,372
Hertfordshire County Council	2,247
Cornwall Council	2,155
City of Edinburgh	2,002
Perth & Kinross Council	1,878
Dundee City Council	1,847
Birmingham City Council	1,818
Royal Borough of Kingston upon Thames	1,793
Bradford Metropolitan Council	1,736
Aberdeen City Council	1,674
Cheshire West and Chester	1,535
East Lothian Council	1,493
Cheltenham Borough Council	1,473
Stockport Metropolitan Borough Council	1,440
West Oxfordshire	1,346
West Northamptonshire Council	1,331

105 large LATC employers (including groups)

When subsidiaries that are part of a group of companies are combined and counted as a single employer (e.g., Barnet Group, Norse Group and Essex Cares Group), there are 105 top employers with more than 200 workers. It is interesting to see the companies as groups even though collective bargaining, for example in Norse Group, is undertaken at subsidiary level. The following table shows the 30 largest LATC employers.

The 30 largest LATC employers

Trading company name	Workforce
Norse Group Limited (parent company)	8723
Tayside Contracts.	2504
Lothian Buses Ltd	2331
Corserv Ltd	2155
Culture and Sport Glasgow (t/ a Glasgow Life)	1895
Birmingham Children's Trust	1818
Herts Catering Limited	1799
Achieving for Children Community Interest Company	1793
City Building (Glasgow) LLP	1667
Vertas Group Limited	1622
Bradford Children and Families Trust Ltd	1500
Sunderland Care and Support Limited	1423
Essex Cares Ltd – Group Company	1314
Cumbria County Holdings Limited owns Orian Solutions Ltd	1258
High Life Highland (HLH)	1063
Northamptonshire Children's Trust	1055
Worcestershire Children First (11447965)	958
Nottingham City Transport Ltd – 02004967	952
Together for Children Sunderland Limited	949
The Barnet Group Ltd (4 subsidiaries)	923
Bristol Waste Company Limited (BWC)	916
Renfrewshire Leisure Ltd One Ren	849
St Leger Homes of Doncaster Limited	836
Ubico Limited	820
Totally local company limited	776
Liverpool Streetscene Services Ltd	725
Peterborough Limited	703
Edsential	700
Reading Transport Ltd	693
Bon Accord Care	678



- Leisure **20%**
- Housing/property **20%**
- Social care or children's services **19%**
- Waste & environmental services **15%**
- Catering/cleaning or facilities management **10%**
- Education **7%**
- Transport **6%**
- Business support **1%**
- Energy **1%**
- IT **1%**

The main service areas of the large LATC employers are shown in the pie chart above. Some 20% of large LATCs are in leisure and culture services and this group includes many Scottish Arms Length External Organisations (ALEOs).

Top 5 large LATCs in leisure and culture services

Council name	Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Other owners if relevant	Year founded	No. of TUPE'd staff when started trading
City of Glasgow	Scotland	Culture & Sport Glasgow (t/a Glasgow Life)	Leisure & culture facilities	1895	n/a	2006	unknown
Highland Council	Scotland	High Life Highland (HLH)	Leisure & culture	1063	N/A	2011	566
Renfrewshire Council	Scotland	Renfrewshire Leisure Ltd One Ren	Leisure & culture	849	OneRen	2003	unknown
Peterborough City Council	East of England	Peterborough Limited	Waste & leisure	703	unknown	unknown	unknown
Dundee City Council	Scotland	Leisure & Culture Dundee	Leisure & culture	597	n/a	2011	264 plus 281 casual.

20% of large LATCs provide property and housing services, including the five companies listed in the following table:

Top 5 large LATCs in housing/property

Council name	Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Other owners if relevant	Year founded	No. of TUPE'd staff when started trading
City of Glasgow	Scotland	City Building (Glasgow) LLP	Wheatley Housing Group's repairs service in the West of Scotland as well as their capital investment programme & Glasgow City Council's own repairs	1667	Wheatley Housing Group	2006	unknown
Suffolk County Council	East of England	Vertas Group Limited	Property services as well as many other services	1622	unknown	2011	Not available
London Borough of Barnet	London	The Barnet Group Ltd (4 subsidiaries)	Housing services	923	unknown	2011	unknown
Doncaster City Council	Yorkshire & The Humber	St Leger Homes of Doncaster Limited	Management of the Council social housing assets	836	unknown	2005	666
Wolverhampton City Council	West Midlands	Wolverhampton Homes	Property management	676	unknown	2005	833

A smaller but significant group of large LATC employers are in facilities management or catering and cleaning. Five of the largest are listed in the table below:

Top 5 large LATCs in cleaning/catering and facilities management

Council name	Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Other owners if relevant	Year founded	No. of TUPE'd staff when started trading
Dundee City Council	Scotland	Tayside Contracts	Roads and winter maintenance, catering, cleaning, janitorial and school crossing patrol services to the communities of Tayside	2504	Perth & Kinross Council and Angus Council	1996	n/a
Hertfordshire County Council	East of England	Herts Catering Limited	Catering in schools	1799	unknown	2013	unknown
Suffolk County Council	East of England	Vertas Group Limited	The provision of education catering, cleaning, grounds maintenance and landscape design; professional and consulting services for schools, facilities management; energy management; property services and health and safety services	1622	N/A	2011	Not available
Cumbria County Council	North West	Cumbria County Holdings: Orian Solutions Ltd	Catering/cleaning	1258	unknown	unknown	unknown
Bristol City Council	South West	Bristol Waste Company Limited (BWC)	Bristol's recycling, waste collection, street cleansing and facilities management company. It was set up to deliver better waste services for the people of Bristol	916	N/A	2015	340

Pay and conditions in large LATC employers

This section covers the information that was gathered on pay and pensions in the large LATC employers. As LATCs are outside the main bargaining arrangements for local authorities, particularly the NJC and SJC agreements, the concern is that the pay and conditions of LATC workers are gradually eroded as companies set their own pay scales for new starters, set their annual pay increases through separate processes, and decide whether to put new employees into the defined benefit Local Government Pension Scheme (LGPS) or a separate stakeholder defined contribution scheme.

It was telling how little data was supplied by councils on the pay and conditions of their trading companies. Many explicitly said that they do not hold this information or that the LATCs, as separate entities, set their own terms and conditions. However, some data was returned, and additional research was undertaken to supplement it. A full list of LATCs where we have information on pay and/or pensions can be found in Appendix 1.

Local Government Pension Scheme Information on pension schemes was identified in 77 of the large LATC entities (out of 105) or 66.7% of the total number identified. Out of this sample, over half or 52% do not use the Local Government Pension Scheme at all or only pay into it for TUPE'd workers who previously were directly employed by the council. This represents a significant erosion of conditions for many workers and the creation of a two-tier workforce within the individual employer and the sector. LATCs that do not offer the LGPS to all employees include groups such as Essex Cares and Vertas and other large employers such as Lothian Buses, Corserv Limited in Cornwall and Herts Catering Limited.

It is positive, however, that 38 LATCs have their entire workforce in the LGPS. Of these, 11 are in Scotland, and at least five are LATCs that run children's services. LATCs offering leisure and housing services also enjoy this benefit.

Number of large LATCs that use the local government pension scheme

In LGPS or other DB scheme?	No of LATCs
Unknown	39
No (or only TUPE'd employees)	40
Yes	37
Total	116

National Joint Council (NJC)

Information on pay rates was identified in 42 large LATCs. Out of these, 23 or 55% do not follow NJC or council rates. However, 19 large LATCs do follow such rates. As Appendix 1 shows, some of these LATCs undertake bargaining separately from national agreements with recognised unions and some are committed to being real living wage employers even if they do not follow the NJC or SJC directly. It is hard from such a small sample to detect clear trends in the erosion of pay in LATCs. However, it is clear that with workers spread over so many employers, the fragmentation of bargaining will make standards harder to maintain.

Number of large LATCs that pay council rates

On council pay rates?	No of LATCs
unknown	76
No	23
Yes	19
Total	118

Case studies

The Norse Group

- **Owned by:** Norfolk County Council – although some subsidiaries are joint ventures with other councils.
- **Service area:** Norse Commercial Services – environmental, highways, transport, housing repairs and facilities management services; Norse Consulting – architecture, design, estates management and building consultancy; Norsecare – care homes in Norfolk.
- **Founded:** 1988 (2006 in its modern group form)
- **Turnover:** £358.6m
- **No of workers:** 8,138 (FOI directed at Norse)
- **Pensions:** just 889 workers are in the LGPS, 11% of the total workforce.
- **Pay rates:** The vast majority of Norse group workers are on a full-time equivalent salary of £20,000 – £29,000. However, a large group within this are part-time or casual staff who earn less on an annual basis. Whilst the group says it broadly follows the NJC pay scales, it also employs staff on the National Living (Minimum) Wage rates.

The Norse Group is the largest LATC in the UK, providing services to over 2,100 customers including local authorities, NHS Trusts, schools and other public sector bodies. The Norse Group provides a comprehensive range of facilities management as well as building design and care services.¹³ All Norse Group subsidiaries are covered by collective agreements with Unite, GMB and UNISON – however, this means that bargaining occurs in subsidiaries rather than nationally. According to the company, Norse Group broadly follows the NJC pay scales but there is some evidence that the group has workers who are paid the National Minimum Wage (which is below NJC minimum)¹⁴. The group also uses a significant number of temporary staff. Although its gender pay gap is improving, in 2023, its mean gap was 15.1% (median 6.8%). In all of its main subsidiaries, bar Medway Norse, women predominate in the lowest paid quartiles.¹⁵

Norse is a participating employer in local government pension schemes (LGPS) but also has defined contribution schemes to which it contributed £7.9m in 2023. The tables below show the numbers of workers in the LGPS and the pay scales of the group. Over half of the group's workforce is part-time and earning less than £20K a year.

Temporary and permanent Norse Group staff showing those in a local government pension scheme

Structure Group	Company group	Number of Employees	Temporary/ Casual/Fixed Term	Permanent	Numbers in LGPS
Norse Commercial Services	Alliance Norse	98	2	97	49
Norse Commercial Services	Amber Valley	58	1	57	6
Norse Commercial Services	Barnsley	490	24	331	53
Norse Commercial Services	Catering	431	44	386	50
Norse Commercial Services	Cleaning	378	24	344	13
Norse Commercial Services	Cleaning London	96	3	93	1
Norse Commercial Services	East Hampshire Norse	84	0	84	2
Norse Consulting Group	Evolve Norse	15	0	15	8
Norse Commercial Services	Facilities Management	284	11	238	10
Norse Commercial Services	Grounds	1	0	1	0
Norse Commercial Services	GYN	69	2	67	7
Norse Consulting Group	Hamson Barron Smith	49	3	46	2
Norse Commercial Services	Head Office	215	30	251	54
Norse Commercial Services	Healthcare	118	5	99	9
Norse Commercial Services	Highways	202	64	136	85
Norse Commercial Services	Infinity	89	6	83	2
Norse Commercial Services	Interprint	6	0	6	0
Norse Commercial Services	Medway	706	27	679	36
Norse Commercial Services	N-Able	33	1	32	2
Norse Commercial Services	Newport Norse	299	7	292	132
Norse Commercial Services	NEWS	202	15	185	2
Norse Care	Norse Care	1667	433	1243	162
Norse Consulting Group	Norse Consulting Group	8	0	8	0
Norse Commercial Services	Norse South East	149	1	145	42
Norse Commercial Services	Norse Waste Solutions	17	0	17	0
Norse Consulting Group	NPS Leeds	61	2	59	8
Norse Consulting Group	NPS Property Consultants	97	5	92	38
Norse Consulting Group	NPS South East	4	0	4	4
Norse Commercial Services	Rochford Norse	69	0	69	0
Norse Commercial Services	Security	100	51	49	0
Norse Commercial Services	South West Norse	751	59	664	69
Norse Commercial Services	Transport	299	11	274	16
Norse Commercial Services	Uttlesford	34	0	34	13
Norse Commercial Services	West Northamptonshire Norse	85	5	80	14

Salary scales of Norse employees

	Banding FTE salary	Banding PT Salary	Banding FTE Salary (ex casuals)	Banding PT Salary (ex casuals)
£0 - £9,999	66	3317	0	2311
£10,000 - £19,999	12	1990	12	1990
£20,000 - £29,999	6704	1852	5902	1852
£30,000 - £39,999	1059	735	938	735
£40,000 - £49,999	299	282	294	282
£50,000 - £59,999	164	140	156	140
£60,000 - £69,999	62	58	61	58
£70,000 - £79,999	37	31	35	31
£80,000 - £89,999	12	12	12	12
£90,000 - £99,999	7	6	6	6
£100,000-£149,999	12	4	5	4
£150,000-£275,000	3	3	3	3
	8437	8430	7424	7424

Tayside Contracts

- **Owned by:** Perth & Kinross Council, Dundee City and Angus Council.
- **Service area:** catering, cleaning, roads maintenance, winter and emergency response, vehicle maintenance, quarry material.
- **Founded:** 1996
- **Turnover:** £92m in 2023
- **No of workers:** 2,504 people in 3,300 posts
- **Pensions:** Tayside (LGPS) Pension Fund – a defined benefit scheme administered by Dundee City Council.
- **Pay rates:** Follow SJC rates (but accounts only disclose pay bands of “Senior Employees”) some localised improvements e.g. on sick pay.

Founded in 1996, Tayside Contracts is an early example of a Scottish ALEO. They follow the SJC agreement on pay scales but a trade union steward says workers “recently negotiated better than COSLA terms on sick pay” (see table below).¹⁶

Tayside Contracts is the largest and longest serving local authority shared service provider in Scotland, serving the 420,000 citizens across the council areas of Angus, Dundee and Perth & Kinross. The company is governed by a Joint Committee of elected members from three constituent councils.¹⁷ It provides services such as catering, cleaning, roads maintenance, winter and emergency response, vehicle maintenance and quarry materials.

In 2023, the company suffered financial difficulties, and one of its councils (Perth & Kinross) agreed to give £1.1 million from its earmarked reserves to Tayside Contracts. The bottom-loaded (i.e. higher percentage increases for lower paid workers) national local government pay award in 2022/23 placed an additional £3m cost on Tayside Contracts.¹⁸

The company blamed wage increases, lower than expected school meal uptake, court ruling costs and rising inflation for its financial problems. The firm’s accounts state that there is a “very real risk that Tayside Contracts will experience similar pressures in 2023/24”.¹⁹

The Terms and Conditions of employment for Tayside are available here: https://www.tayside-contracts.co.uk/_assets/_user/files/Working_With_Us/Terms_and_Conditions_of_Employment_Handbook.pdf

Length of service	Sick pay entitlement
Less than 16 weeks	Nil
More than 26 weeks, but less than one year	5 weeks full + 5 weeks half pay
More than one year, but less than 2 years	9 weeks full + 9 weeks half pay
More than 2 years, but less than 3 years	18 weeks full + 18 weeks half pay
More than 3 years, but less than 5 years	22 weeks full + 22 weeks half pay
More than 5 years service	26 weeks full + 26 weeks half pay

Corserv Ltd (Corserv Solutions, in 2023/4)

- **Owned by:** Cornwall Council
- **Service area:** infrastructure, engineering, jobs, social care, facilities management, inward investment, transport and others.
- **Founded:** 2015
- **Turnover:** £21.4m (2023)(made a loss of £2.4m in 2023)
- **No of workers:** 2,155(accounts say 256)
- **Pensions:** Defined contribution stakeholder pension/ some in LGPS
- **Pay rates:** Real Living Wage employer and has localised bargaining with unions (in care division)

Corserv is a diverse group of Cornwall Council-owned businesses, providing infrastructure, engineering, jobs, social care, facilities management, inward investment, transport and other services. Trade unions are recognised by the group and are consulted as part of an annual pay review process. The company's accounts say that it has 256 employees²⁰, although Cornwall council says it employs 2,155. This could mean that the company employs a lot of casual staff, which is likely as the group runs its own recruitment agencies: Jobline and Talent Tide temporary services.

The group's companies include Cormac, Cornwall Airport Newquay, Corserv Care and Corserv Facilities. These are all brought together under the Corserv banner, where Corserv itself provides shared back-office functions such as human resources, legal and finance. In 2020, the group argued with unions over deferring payments to its care workers²¹. The group is a real living wage employer. Some employees are in the local government pension scheme (LGPS) – others are in a defined contribution scheme. Examples of jobs available in 2024 include:

Operative Grounds Maintenance for Cormac

- Salary: £6,392
- Working Hours: 10per week
- Contract Type: Permanent
- Base: Wheal Eliza Depot, St Austell, PL25 3EB

Cleaner

- Salary: £12.00 per hour
- Working Hours: 10 per week
- Attendance to site is Monday to Friday, 17:00–19:00
- Contract Type: Permanent
- Base: St Columb Major Family Hub

Herts Catering Limited (HCL)

- **Owned by:** Hertfordshire County Council
- **Service area:** School catering
- **Founded:** 2013
- **Turnover:** £39.7m
- **No of workers:** 1,722
- **Pensions:** LGPS only for TUPE'd workers (administered by Hertfordshire County Council), defined contribution scheme
- **Pay rates:** HCL staff have separate pay scales (refused to answer FoI). Job advertisements show that some jobs are on the National Living (Minimum) Wage.

HCL engages in school catering and a broad range of related services. 95.3% of staff work part time / term-time hours and 96.6% of HCL's workforce are female employees. Despite this, it has a gender pay gap of 32.0%.²² The company made a loss of £1.25 million in 2023-24 blaming cost inflation, reduced government funding for meals and the impact of increases to the National Living Wage – which “have driven up labour costs” – and the pressure to recruit and retain staff.²³

The company was banned by Ofsted from employing apprentices in 2021.²⁴ In its 2022-23 accounts, HCL references recruitment and retention challenges and a ‘high staff turnover’. It also points to having to pay its workers during days lost due to strikes by teaching unions. HCL says, “as its staff are on fixed annual salaries, it found it hard to mitigate these labour costs.” This suggests that, if they had been paid hourly and on casual contracts, they may have been docked wages by the company for those closure days.

Example of jobs:

- Catering Assistants required for September 2023 NJC Grade 2 pro rata to term time working (44.85 weeks) 2 positions available: – 30 hours per week (estimated actual salary £14,128 – £14,514) – 15 hours per week (estimated actual salary £7,064 – £7,257)
- General Catering Assistant High Beeches Primary Harpenden 16.25 hours per week (term-time only), £8,180.00 per annum^{25,26}

Cumbria County Holdings Limited (Orian Solutions)

- **Owned by:** Cumbria County Council
- **Service area:** Waste (sold off in 2024) and facilities management(Orian)
- **Founded:** 2012
- **Turnover:** £75.6m
- **No of workers:** 1,710 (number given prior to sale of waste company which had an estimated 300 staff) 1,254 in OrianSolutions
- **Pensions:** Only 11% of staff are in the LGPS
- **Pay rates:** The company does not disclose pay rates but says “As a separate entity we don’t use a local authority pay/grading structure.”²⁷

Cumbria County Holdings recognises UNISON and the GMB. The company’s waste division, Cumbria waste group Limited, was sold off in 2023 and is now privately-owned by the private equity firm Waterland. UNISON was not consulted on the sale which affected 300 workers.²⁸

Orian is a facilities management company owned and influenced by both Cumberland Council and Westmorland and Furness Council. Prior to the creation of Orian, it was part of Cumbria County Council's Facilities Management division. Operating independently since 2013, the company’s strategy is to develop Orian into new markets including business, industry and more commercial market sectors. It serves clients all over Northern England, such as Lancashire, Greater Manchester, Merseyside, Cheshire, Tyne & Wear, Northumberland, and Yorkshire. The company does not use the local authority pay structure and has:

- 60 permanent full time staff members
- 1,194 permanent part time staff members
- 146 temporary contract casual staff members
- 142 employees in a Local Government Pension Scheme
- 410 employees in a defined contribution scheme (Aviva)

School cleaners and catering staff at the company threatened industrial action over pay in 2023.²⁹ According to UNISON the staff, who are mostly low paid women, reported the use of food banks in the last year and missing bill payments.

Vertas Group

- **Owned by:** Suffolk County Council
- **Service area:** integrated facilities management
- **Founded:** 2015
- **Turnover:** £53.2m (Made a loss of £4.4m)
- **No of workers:** 1,775 in 2023, but website says up to 4,000
- **Pensions:** 22.3% in LGPS
- **Pay rates:** The company says it does not have “formalised pay schemes within the Group” but they have 11 pay grades. Vertas Derbyshire has terms and conditions no longer linked to the NJC

The council reported that Vertas Group has 1,600 workers (accounts say 1,775 for 2023)³⁰, although the website says it has a workforce 4,000. (This is likely to include casual workers.) The company has a gender pay gap of 27.5%.

Vertas Group is wholly owned by Suffolk County Council. Since its creation in 2015, the Vertas Group, including Vertas, Concertus Design and Property Consultants, and Opus People Solutions has become one of the largest integrated facilities management companies in Great Britain. It trades in Ipswich and has a jointly owned subsidiary in Derbyshire, which was formed in 2020.

Vertas Derbyshire has staff represented by unions but there is no formal bargaining machinery (2022)³¹. When the joint venture with Derbyshire County Council was formed, a report commissioned by UNISON questioned its legality; specifically, whether the proposal complied with regulations that put a duty on councils to obtain “best value”.³² After transferring to the LATC from Derbyshire County Council, workers saw their pay further eroded when the company failed to implement NJC rises.

The only collective agreement the company has in place is with UNISON for its Educational Transport Service within the Vertas Ipswich Subsidiaries. The number of workers the company has on the LGPS is as follows³³:

Area	No of full time	No of part time	LGPS contribution	Defined contribution	Other Defined benefit	Grand Total
Verse	20	59	6	42		48
Diamond View	8	0		11		11
Oakpark (security)	113	32		99		99
Vertas Environmental	5	1		6		6
Churchill	31	66		85		85
Vertas Derbyshire	87	574	400	114		514
Concertus	105	20	14	102		116
Concertus Derbyshire	28	2	1	17		18
Opus	64	8		63		63
Vertas	348	1227	220	743	17	980
Vertas Ipswich	50	116	21	150		171
Grand Total	859	2105	662	1432	17	2111

Essex cares

- **Owned by:** Essex County Council
- **Service area:** Social care
- **Founded:** 2008
- **Turnover:** £48.6m
- **No of workers:** 1,314
- **Pensions:** They have employees in the LGPS although numbers are not known. They offer a NEST defined contribution scheme to new starters.
- **Pay rates:** lowest pay in June 2024 seems to be £11.75 per hour, £12.69 – £14.69 for care assistants.

Essex cares did not respond to repeated Freedom of Information requests. The company's pay looks to be separate from council rates and it offers a NEST pension (as well as the LGPS for some workers). It does not appear to recognise trade unions.³⁴ The company's accounts say it gave 'inflationary pay rises' in 2022-23 and the company made a profit of £2.9m in that year – part of which was 'net interest from defined benefit pension scheme'.

In fact, the company has been so profitable that its care charges have been called into question by opposition councillors.³⁵ It paid a dividend of £1.7m to Essex County Council in 2023 after posting record profits of £3.65 million in 2023/24 – a record since ECL began trading in 2009.

Ubico

- **Owned by:** Gloucestershire County Council, Gloucester City Council, Tewkesbury Borough Council, Cheltenham Borough Council, West Oxfordshire District Council, Cotswold District Council
- **Service area:** Environmental Services
- **Founded:** 2011
- **Turnover:** £49.8m
- No of workers: 887
- **Pensions:** Some in the LGPS, new starters on a defined contribution pension with Royal London
- **Pay rates:** The lowest pay found is for Street Cleansing Operatives which is £23,500 a year for a 37-hour week. This is £12.21 an hour, higher than National Minimum Wage which would be £22,010.56 annually, and equivalent to the NJC minimum rate of pay in 2024/25.

Ubico delivers environmental services in Gloucestershire and West Oxfordshire. The company employs over 800 staff and operates 900 vehicles and plants over 1,200 square miles. Its pay structure is separate from the NJC bands, some examples of jobs at the company are on page 23.

LGV Driver



Location: Gloucester

Job Type: Permanent / Full Time

Salary: £29,039 - £29,899 Per Annum

Closing Date: Tue, 21 May 2024



[More info / Apply](#)

Fleet Workshop Supervisor



Location: Gloucester

Job Type: Permanent / Full Time

Salary: £43,991 - £45,132 Per Annum

Closing Date: Wed, 22 May 2024



[More info / Apply](#)

Fleet Driver Liaison Manager



Location: Cheltenham or Cotswolds -
South Cerney

Job Type: Permanent / Full Time

Salary: £36,133 - £37,044 Per Annum

Closing Date: Wed, 22 May 2024



[More info / Apply](#)

Grounds Maintenance Driver Operative



Location: Cheltenham

Job Type: Permanent / Full Time

Salary: £23,500 - £23,893 Per Annum

Closing Date: Mon, 3 Jun 2024



[More info / Apply](#)

Conclusion

This report shows that LATCs are now an established and widespread part of the local authority landscape. They employ around 91,000 staff who would previously have worked directly for local authorities. Their growth has contributed to a 'de-standardisation' or fragmentation of pay and conditions, with large variations in terms and conditions offered by the 105 largest LATC employers. While a proportion retain parity with councils and put their workers into the Local Government Pension Scheme, a greater number do not.

Established as a cost-cutting measure for councils, the drive to make these companies financially sustainable and 'competitive' has led to reduced wages, fewer benefits, and less job security as workers become dependent on contract renewals.

In addition, workers transferred to LATCs lose access to the collective bargaining agreements and protections provided under the NJC and SJC. This has resulted in weaker bargaining power for workers, with the terms and conditions of even TUPE'd staff eroding over time and the creation of a two-tier workforce. In turn, the impact of this pool of 'cheaper' labour puts downward pressure on the NJC bargaining process.

It is crucial for workers and their unions to understand the different types of LATCs and how they function, so that they can:

- propose alternative service delivery models to councils considering setting up LATCs;
- better organise workers in established LATCs;
- build public support for ending outsourcing; and
- demand better funded public services.

Appendix

List of LATCs with information on pay and pensions

Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Are staff in the local authority pension scheme?	Council rates?	Notes
West Midlands	Sandwell Children's Trust	Children's services	526	y	?	In pension scheme
London	Achieving for Children Community Interest Company	Children's services	1793	y	y	All staff have access to the Local Government Pension Scheme (LGPS). They also offer some specialist roles that qualify for the Teachers' Pension Scheme and NHS Pension Scheme
Scotland	ANGUSalve	Sport, leisure, culture and ACCESS services	427	y	y	On Scottish local government rates
Yorkshire and The Humber	Berneslai Homes	Social housing	542	Y	y	On NJC pay rates
Wales	Big Fresh Catering Limited	Provision of school meals, hospitality/events and commercial venue (Penarth Pier Pavilion Café & Bar)	234	y	y	Pay linked to council rates
West Midlands	Birmingham Children's Trust	Children's services	1818	Y	?	
Yorkshire and The Humber	Bradford Children and Families Trust Ltd	Children's services	1500	Y	?	
South East	Brighter Futures for Children Ltd	Children's services	567	Y	?	
North West	Brio Leisure	Leisure, health and wellbeing	525	Y	y	Appear to use NJC pay rates
Scotland	City Building (Contracts) LLP	Repair and maintenance services	330	Y	?	In pension scheme
Scotland	City Building (Glasgow) LLP	Housing maintenance	1667	Y	?	In pension scheme
Scotland	Culture and Sport Glasgow (t/ a Glasgow Life)	Leisure and culture services	1895	Y	?	Real Living Wage employer and signed up to fair work charter. Unions present
Wales	Denbighshire Leisure Limited	Leisure services	389	y	y	Same T&C as council
Scotland	East Dunbartonshire Leisure and Culture Trust	Leisure and culture services	226	y	y	Same T&Cs as council
Scotland	Enjoy East Lothian Limited	Sports & leisure facilities/services	329	y	n	Accounts mention that pay rises given elsewhere in the public sector are unaffordable for charity trust
Yorkshire and The Humber	HCAL (Hull Culture & Leisure Ltd)	Leisure, cultural and library services	491	y	?	Pay 'based' on NJC rates
Scotland	High Life Highland (HLH)	Culture, learning, sport, leisure, health and wellbeing	1063	Y	?	Pay is negotiated by four unions. They are signed up to the fair work charter and are a Real Living Wage employer
Scotland	Inverclyde Leisure	Leisure services	336	y	n	Permanent staff in local government pension scheme.
Yorkshire and The Humber	KWL (Kingstown Works Ltd)	Housing repair and maintenance	488	y	?	In pension scheme
Scotland	Leisure & Culture Dundee.	Leisure and culture services	597	Y	?	In pension scheme

Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Are staff in the local authority pension scheme?	Council rates?	Notes
London	Lewisham Homes Limited	Housing management	600	Y	?	Brought back inhouse
North West	Livewire (Warrington) CIC - 07972958	Delivery of leisure, libraries and wellbeing services	356	y	?	Being brought back inhouse
Wales	Newport Norse	Property services	316	Y	y	Same T&Cs as council
East Midlands	Northampton Partnership Homes (NPH)	Property management	276	y	n	Pay rates 'align' with NJC and are negotiated with Unite, GMB, UNISON
East Midlands	Northamptonshire Children's Trust	Children's services	1055	y	?	In pension scheme
North West	One Education Limited (Company number: 07690416)	Pupil and business services to schools, academies and other organisations working in the education and social care sector.	220	y	?	In pension scheme
South East	Oxford Direct Services Ltd	Building services, street cleansing, Waste and Recycling	532	Y	n	Pays Oxford living wage - bargains with UNISON and Unite
East Midlands	Public Sector Partnership Services Ltd	Financial services, HR & payroll, customer Contact, revenues & benefits, ICT, health & safety and procurement	285	y	y	Same T&Cs as council
West Midlands	Solihull Community Housing	Management of council housing stock	297	Y	y	In pension scheme for permanent staff but uses agency workers too. Unions are UNISON and Unite
North East	South Tyneside Homes	Social housing	564	y	y	In pension scheme and unions present but apprenticeship pay less than National Minimum Wage for over 21s (coming back inhouse)
Yorkshire and The Humber	St Leger Homes of Doncaster Limited	Management of the council's social housing assets	836	Y	?	No mention of NJC pay rates but recognises three trade unions; Unite, UNISON and GMB
Scotland	Tayside Contracts	Roads and winter maintenance, catering, cleaning, janitorial and school crossing patrol services to the communities of Tayside.	2504	Y	y	In pension scheme and on SJC rates
North East	Together for Children Sunderland Limited	Children's services	949	Y	y	Same T&Cs as council
London	Tower Hamlets Homes	Housing Services	566	Y	y	Same T&Cs as council
West Midlands	Unitas Stoke-on-Trent Limited	Property management	467	Y	y	Unions blocked further TUPE of staff into LATC in 2018
Scotland	West Dunbartonshire Leisure Trust	Leisure services	225	y	y	Same T&Cs as council
West Midlands	Wolverhampton Homes	Property management	676	y	n	Real Living Wage employer and there is union representation but have own pay bands A-K separate from NJC
West Midlands	Worcestershire Children First (11447965)	Children's services	958	y	?	In pension scheme
South East	Canterbury Environment Company Limited	Waste and street cleansing services	208	n	?	Not in LGPS
South West	Bournemouth Building and Maintenance Limited	Planned maintenance building work	201	n	?	Not in LGPS
North West	Cheshire West Recycling	Waste and recycling collection	310	n	?	Not in LGPS

Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Are staff in the local authority pension scheme?	Council rates?	Notes
East of England	Churchill Catering Limited	Commercial catering services	212	n	?	Not in LGPS
Scotland	Edinburgh Trams Ltd	Operation and infrastructure maintenance of the city's trams	207	n	n	Living wage employer. Unite agreement on pay. Uses DC scheme
East of England	Herts Catering Limited	Catering for schools	1799	n	?	Not in LGPS
East of England	Herts for Learning Limited	Education training	448	n	?	Not in LGPS
Yorkshire and The Humber	New Choices (Bradford & District) Ltd	Employment services	236	n	?	Not in LGPS
West Midlands	Nexus Trading Services Ltd	Personal care	348	n	?	Not in LGPS
South West	North Somerset Environment Company Ltd	Environmental services	246	n	n	Pay below NJC rates in 2022. That year's spot salaries for staff included Operators/loaders on £10.59 per hour, drivers on £13.19 – other salaries are individual. NSEC Ltd staff do not participate in the LGPS.
East of England	Vertas (Ipswich) Limited	Education services, Facilities Management, Property etc	231	n	n	Not in LGPS. DC pensions
East of England	Vertas Derbyshire Limited	Cleaning and Facilities Management	873	n	n	Not in LGPS pension scheme. Use DC pension scheme. Evidence of worsening of conditions post TUPE
East of England	Vertas Group Limited	Education services, Facilities Management Property etc	1622	n	n	Not in LGPS pension scheme. Use DC pension scheme.
East of England	Norwich City Services Ltd	Environmental and building maintenance services	305	Mixed	?	Some who were previously in LGPS scheme. Access to scheme is closed. New starters go into master Trust DC scheme
South East	Cantium Business Solutions Ltd	IT solutions and operations	311	Mixed	n	Mix of LGPS and DC pensions – T & Cs different to council
South East	Commercial Services Kent Ltd	Supply of products and services	516	Mixed	n	Only in LGPS for TUPE
South West	Corserv Ltd	Infrastructure, engineering, jobs, social care, facilities management, inward investment, transport and other essential services	2155	Mixed	?	Only in LGPS for TUPE
Scotland	Edinburgh Leisure	Operation of thirty sports venues across Edinburgh, making a positive impact on citizens' health and well-being	631	Mixed	?	Local government scheme closed to new members in 2008. Pay is £12hr minimum, a Real Living Wage employer
South East	Edseco Ltd	Educational support services	408	Mixed	?	Mix of LGPS and DC pensions, no mention of NJC for pay rates
North West	Edsential	Services to schools	700	Mixed	n	Use local living wage
East of England	Essex Cares Ltd – Group Company	Health and social care services	1314	Mixed	n	Pay totally separate from NJC. NEST pension
East of England	Essex Community Support Ltd (Subsidiary Essex Cares Ltd)	Residential care activities for learning difficulties, mental health and substance abuse	756	Mixed	n	Pay totally separate from NJC. NEST pension

Region	Arms-length organisations/ trading companies belonging to council	Principal activity	Current headcount	Are staff in the local authority pension scheme?	Council rates?	Notes
East of England	Essex Employment and Inclusion Limited (subsidiary Essex Cares)	Residential care activities for learning difficulties, mental health and substance abuse	311	Mixed	n	Pay totally separate from NJC. NEST pension
East Midlands	Futures Advice, Skills and Employment Limited	Employment services	347	Mixed	?	Mix of LGPS and DC pensions
London	Greener Ealing Ltd. Wholly owned LATCO	Environmental services, refuse collection, street cleansing, grounds maintenance	350	Mixed	?	Mix of LGPS and DC pensions
London	Greenwich Service Plus Ltd	Maintenance & repair of motor vehicles, passenger transport, facilities management, security	425	Mixed	?	Mix of LGPS and DC pensions
West Midlands	Hoople Ltd	Business support services	511	Mixed	?	Mix of LGPS and DC pensions. Company has 435 agency workers
Scotland	Live Active Leisure	Leisure services	628	Mixed	n	Mix of LGPS and DC pensions. Real Living Wage Employer
North West	Liverpool Streetscene Services Ltd	Highways maintenance, street lighting services, street cleansing, grounds	725	Mixed	y	LGPS only for TUPE'd staff. Workers represented by GMB and Unite
Scotland	Lothian Buses Ltd	Transport	2331	Mixed	n	Some employees in LGPS but not all. Unite fighting for parity pay with City drivers
East Midlands	Nottingham City Transport Ltd - 02004967	Transport	952	Mixed	n	Unite bargaining
South West/ South East	Publica Group (Support) Ltd (Teckal company)	Business services	653	Mixed	n	In 2022, the rates for Publica jobs seem to be below NJC for lowest paid (and above for the highest) LGPS only for TUPE'd staff, those who have been directly employed by Publica since then have a stakeholder pension
East Midlands	Rykneild Homes Ltd	Management and maintenance of council housing stock	241	Mixed	n	Mix of LGPS and DC pensions. Living Wage Employer: completely out of the NJC
North West	Sefton New Directions Limited	Adult social care	373	Mixed	?	Mix of LGPS and DC pensions.
East of England	Southend Care Ltd	Adult social care	363	Mixed	?	LGPS only for TUPE'd staff, new staff on DC pensions
North East	Sunderland Care and Support Limited	Social care	1423	Mixed	n	LGPS only for TUPE'd staff. The GMB took action after new staff kept out of LGPS in an equal pay claim
South West	Tricuro Support Limited & Tricuro Limited	Management of residential care facilities and community care, nursing services and Occupational Therapists working from hospitals.	505	Mixed	y	Use zero hours contracts., Employees originally TUPE'd across are in the LGPS, employees since are enrolled in a stakeholder pension scheme
South West	Ubico Limited	Environmental services	820	Mixed	y	In 2022, the pay scales seem to follow the NJC bands. Only TUPE'd staff are in the LGPS. New employees are enrolled with Royal London.
Scotland	West Lothian Leisure Ltd (brand name is Xcite)	Leisure services	444	Mixed	n	WLL participates in the local government pension scheme for 65 of its staff. The rest of its 316 permanent and 128 casual staff are in a DC scheme. Real Living Wage Employer

Endnotes

- 1 <https://www.grantthornton.co.uk/insights/the-rise-of-local-authority-trading-companies/>
- 2 <https://www.lexology.com/library/detail.aspx?g=7ba8fd0c-0a05-468e-8ec0-76933d9870ad>
- 3 https://localpartnerships.gov.uk/wp-content/uploads/2023/07/Local_Partnerships_Local-authority_company_review_guidance_2023_edition.pdf
- 4 <https://www.room151.co.uk/151-news/concern-raised-over-reliability-of-data-and-expertise-of-council-run-firm-providing-financial-services/>
- 5 <https://UNISONwestsussex.org.uk/news/lac-threatens-staff-pay-cuts/>
- 6 <https://eastern.Unison.org.uk/news/2024/02/norfolk-county-council-owned-care-company-trying-to-shortchange-staff/>
- 7 <https://www.barnetUnison.me.uk/wp/2024/02/29/social-care-and-repair-workers-87-vote-yes-to-action-on-pay/>
- 8 <https://www.localgovernmentlawyer.co.uk/employment/312-employment-features/56287-outsourcing-the-problem-equal-pay-and-local-authority-trading-companies>
- 9 https://assets.publishing.service.gov.uk/media/67168202720eec5582849b8e/Impact_assessment_ensuring_outsourced_workers_included_gender_pay_gap_reporting.pdf
- 10 <https://www.theguardian.com/society/2022/nov/22/croydon-council-declares-effective-bankruptcy-for-third-time-in-two-years>
- 11 <https://www.bbc.co.uk/news/uk-politics-66878229#:~:text=Nottingham%2C%20Birmingham%20and%20Woking%20councils,within%20five%20years%20without%20reform>
- 12 <https://www.local.gov.uk/sites/default/files/documents/Workforce%20Infographic%202023%20-%2030%20October%202023.pdf>
- 13 <https://norsegroup.co.uk/about-us/>
- 14 <https://uk.indeed.com/cmp/Norse-Group/reviews?ftopic=paybenefits>
- 15 https://www.local.gov.uk/sites/default/files/documents/NG_GenderPayReport_2024-65e88f3094429.pdf
- 16 Conversation with a Unite steward at Tayside
- 17 <https://www.tayside-contracts.co.uk/aboutus#:~:text=About%20Tayside%20Contracts&text=We%20are%20governed%20by%20a,quarry%20materials%20and%20a%20Signshop>
- 18 <https://www.dailyrecord.co.uk/news/local-news/tayside-contracts-projected-financial-deficit-29541418>
- 19 Tayside Contracts, annual accounts 2022-23
- 20 Corserv Limited, annual accounts 2023
- 21 <https://www.falmouthpacket.co.uk/news/18428172.unions-row-corserv-defers-pay-talks-care-workers/>
- 22 https://www.hcl.co.uk/_files/ugd/de81f6_a2e07728f01346b9b1bf8283a2cb02fe.pdf
- 23 HCL annual accounts 2023
- 24 <https://feweeek.co.uk/esfa-suspends-another-14-providers-from-recruiting-apprentices/>
- 25 <https://www.hcl.co.uk/vacancies>
- 26 FOI request to company'
- 27 FOI request to company'
- 28 <https://www.bbc.co.uk/news/articles/c842vdgk3g3o>
- 29 <https://www.newsandstar.co.uk/news/23601301.school-cleaning-catering-staff-cumbria-strike-pay/>
- 30 Vertas Group, annual accounts 2023
- 31 <https://eastmidlands.Unison.org.uk/news/article/2020/07/independent-report-questions-legality-derbyshire-county-councils-proposed-joint-venture/>
- 32 <https://eastmidlands.Unison.org.uk/news/article/2020/07/independent-report-questions-legality-derbyshire-county-councils-proposed-joint-venture/#:~:text=But%20a%20report%20produced%20by,to%20obtain%20%E2%80%9Cbest%20value%E2%80%9D>
- 33 Info from a FOI request
- 34 Essex Cares Limited, Annual Accounts, 2023
- 35 <https://www.essexlive.news/news/essex-news/local-care-charges-questioned-after-9366312>

