

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

Employment Conditions Committee: 24 April 2006

Report of the Assistant Chief Executive

SICK PAY FOR CLEANERS

Background

1. In 1997 discussions took place with Trade Union representatives on a range of issues associated with the restoration of national terms and conditions for staff employed under CCT arrangements. In particular, Policy (Personnel) Sub Committee on 22 April 1998 received a report on terms and conditions of service for cleaners employed by the Council.
2. The report highlighted the fact that with effect from 1 October 1997 national terms and conditions – including payment of occupational sick pay – had been reintroduced for that group of staff. This replaced the former system whereby staff covering the work of absent colleagues had been in receipt of additional payment, in lieu of occupational sick pay.
3. At that time, cleaners who had previously received the additional cover hours payment had suffered a reduction in pay and were refusing to cover absent colleagues resulting in lower standards of service and lower satisfaction levels for those premises receiving the service.
4. Following requests from cleaners to both the Council and their trade union representatives to reintroduce cover hours payments, a series of meetings were held with all cleaners to establish their views on the matter and a proposal to revert to the previous arrangements.
5. The overwhelming response was in favour of a return to cover hours payments and minute 4 (b) records that “The Director of Property Services stated that the revised arrangements would apply to all cleaners male or female. He added that it was the cleaners themselves who were asking for the change: it had been a conscious decision on their part to ask for it.”

Issues

6. With the exception of small numbers of staff who were ‘protected’ under the previous arrangements and were already in receipt of occupational sick pay, the majority of current cleaning staff employed within Marketing and Tourism, Community Maintenance Services and Schools Service DSU now receive the cover hours payment, but not occupational sick pay.

7. Following representations received from the trade unions representing cleaning staff in autumn 2005, a series of meetings were held with Operational Managers representing the above Service Areas to discuss the consistency of application of the above approach in relation to protection and appointment of new staff to cleaning posts within the Council. The meetings also discussed the estimated costs of restoring occupational sick pay to the affected group.
8. The issue was discussed at a meeting of the Works Council held on 14 December 2005 which agreed that given the background as described above and the financial consequences in relation to reinstatement of occupational sick pay within each of the service areas affected, a further ballot of all cleaning staff would be carried out to determine their wishes on the matter.
9. Further discussion at Works Council on 15 March 2006, however, resulted in a clear statement from the trade unions and members present that they believed that the Council should now reinstate occupational sick pay to all cleaners within the Authority, particularly in the light of work being carried out on job evaluation across all categories of staff employed by the Council and the potential for equal pay claims from individual members of staff adversely affected by any local agreement reached.

Proposals

10. The above position has now been discussed again with managers representing service areas who currently employ cleaning staff, and an agreement reached that it is in the best interests of the authority to proceed with the reinstatement of occupational sick pay for cleaning staff.
11. Further work will need to be carried out to determine the additional costs associated with this decision, although initial estimates have established that such costs are likely to be in excess of £100,000 per annum.
12. It should also be recognised that the trading situation of 'in-house' DSU services such as Marketing and Tourism and Community Maintenance Services differs markedly from that of the Schools Service DSU. As budgets are delegated directly to schools to use as they consider appropriate, they have the clear option not to use the Schools Service DSU but to consider other external providers of cleaning staff, where costs of provision of that service could be considerably lower. The business risk to the Schools Service DSU is that schools may increasingly choose – on the basis of cost alone – to opt for external contractors or providers for their cleaning service.
13. In addition other factors which should be taken into account in reaching a decision would include perceptions that reinstatement of occupational sick pay would inevitably produce an increase in sickness absence levels which would have a direct impact on the quality and output of the cleaning service provided.
14. All of the above needs to be balanced against the risks to the Council of maintaining a current unequal pay arrangement for a significant workforce which is female and low paid.
15. Further, the Council needs to consider what type of employer it wants to be and reinstatement of occupational sick pay is a clear signal to both our workforce and the citizens of Cardiff that we would wish the Council to be seen as an 'Employer of Choice' who treats its employees properly and fairly.

16. It is envisaged that appropriate notice of the revision to their terms and conditions will need to be provided to the cleaning staff affected – at least 12 weeks for the majority of staff. In order to take account of the above, and to provide proper opportunity to prepare for the change, this Committee is asked to approve in principle the reintroduction of occupational sick pay for cleaners.

Investment for Reform/Benefit to service user

17. The reinstatement of Occupational Sick Pay to the Council's cleaning staff will ensure that equity will be achieved with other groups of employees. This proposal reflects the Council's commitment to National Conditions of Service.

Council Policies Supported

18. This report supports a number of key elements of the Corporate Plan.

Advice

19. This report has been prepared in consultation with relevant Corporate Directors and reflects that advice. It contains all the information necessary to allow members to arrive at a reasonable view, taking into account the following advice.

Legal Implications

20. The proposal has contractual implications for those staff where it is proposed to terminate cover hours payments and for whom it is proposed to pay occupational sick pay in the future. The mechanism for achieving this would be to terminate those contracts by reasonable notice and to offer reengagement with a new contract with occupational sick pay provision. This offer would be a defence to any claim for unfair dismissal and would be likely regarded by an Employment Tribunal as a reasonable offer of alternative employment.

Financial Implications

21. The cost of the proposal to introduce occupational sick pay for all cleaning staff will depend upon levels of sickness and further work is still required to determine the additional costs associated with this decision, however initial estimates have established that such costs are likely to be in excess of £100,000 per annum. No budget provision has been made for this and therefore DSUs and service areas will have to meet these costs from within existing budget allocations. The report also notes the potential business risk to the Schools Service DSU as a result of an increase in costs.

Human Resource Implications

22. The reinstatement of National Terms and Conditions (ie Occupational Sick Pay) will address an inequality with a significant number of staff. This needs to be addressed if the Council wishes to be recognised as an Employer of Choice and accords with the Council's core values of Respect and Integrity. Clearly the proposal to reintroduce occupational sick pay would replace existing cover hours payments.

Trade Union Comments

23. The Trade Unions (GMB, TGWU & UNISON) have been involved in a series of discussion meetings for some time on this key issue. They are fully supportive of the Council's proposal to reinstate Occupational Sick Pay for its cleaning staff

RECOMMENDATIONS

24. Employment Conditions Committee is asked to agree:
- (i) in principle to reinstate occupational sick pay for all cleaning staff employed within the authority
 - (ii) a further report be submitted here in July outlining a plan and timescale for implementation, including cost.

JO FARRAR
ASSISTANT CHIEF EXECUTIVE