

# **Request for City to bring cleaning and catering services 'in house'**

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Submitted by: Unison, City University branch [Unison]

To: City, University of London [City or the University]

## **1. Introduction**

City state on the 'about' page of their website that "[w]hat City does day in, day out, year in, year out is to... contribute to the global good of society". The guiding values of City's Vision & Strategy 2026 commits the University to being a community and to being diverse and inclusive.

City's Equality and Diversity policy commits City "to building and maintaining an environment which values the diversity of its students, staff and all its community." It states that City has, "an attitude that is professional, ethical, friendly and inclusive, a collegial environment of equality and mutual respect." The policy also asserts City's belief, "in the principle of social justice, recognising that discrimination affects people in complex ways and are committed to challenging all forms of inequality"

Unison believes that using private contractors to supply cleaning and catering services contradicts City's values and commitment to equality and diversity. Private contractors do not have to provide their staff with the same pay, terms and conditions, and welfare as City staff. Indeed, pay, terms and conditions, and welfare are worse for cleaning and catering staff employed by private contractors. In effect there is a two-tier workforce at City, an inequality that needs to be challenged.

Unison recognises this inequality as discrimination against members of the City community. Staff employed as cleaners or caterers are disproportionately women and/or black and minority ethnic (BAME). Many are migrant workers. Continuing with the status quo will undermine City's work to build on the institution's Athena Swan bronze award and application for the Race Equality Charter (REC).

Unison believes that cleaning and catering services should be brought 'in house', so staff are employed directly by City and receive the same pay, terms and conditions, and welfare as all other City staff.

Section 2 of this paper will provide the history and current context of 'out sourced' services at City and in the Higher Education sector. Section 3 highlights the disparity in terms and conditions between cleaning and catering staff and City staff. Section 4 considers the disparity in relation to City's Athena Swan bronze award and Race Equality Charter application. Section 5 does the same in relation to the commitments of the Vision and Strategy 2026. Section 6 concludes that City can afford to end the inequality of a two-tier workforce on its campuses by bringing cleaning and catering staff 'in house'. Section 7 requests City enters in to negotiations with Unison on the matter.

## **2. History and current context**

Catering services were 'out sourced' to private contractors first in 2001. Sodexo are the private contractor providing catering services on the Northampton Square campus and Lexington at Bunhill Row. The current contracts to provide catering services end in July this year. City has invited contractors to bid to provide catering service for all of City on a

three year contract.

In 2014, the supply of general cleaning services for the whole of City was out sourced to the private contractor Julius Rutherford. The contract with Julius Rutherford ends in July 2020.

City out sourced cleaning and catering services at a time when many other Higher Education Institutions (HEIs) and public sector organisations were doing so. Since that time, there has been a widespread revaluation of the benefits and ethics of out sourcing. An increasing number of London HEIs have realised the value of directly employing cleaning and catering staff. The University of London, the London School of Economics, King's College London, SOAS, Goldsmiths have all brought, or are in the process of bringing, outsourced staff 'in house'. Many local authorities, including Islington Council, are also bringing contracted service in house.

In the statement released by King's to announce the decision to bring its cleaners and security in house, Professor Ed Byrne, Principal and President, said: "Bringing the people who deliver these vital services onto our payroll and properly into the King's community is the right thing to do... King's, like all great universities, should make a full contribution to society. Our decision to discontinue outsourcing these services is fully aligned with that ambition and our mission to make the world a better place."

In announcing SOAS' decision to stop outsourcing its core support services, including cleaning and catering, SOAS Director Baroness Amos said, "This is a right decision for the institution. We already guarantee the London Living Wage for all our staff whether contracted externally or not. Now putting our whole workforce on same terms and conditions reflects our values of social justice and equality."

### **3. Disparity of terms and conditions**

City provide directly employed staff with generous terms and conditions. Cleaning and catering contractors are required by City to pay their staff London Living Wage, however the contractors are free to decide the pay scales and terms and conditions they offer their employees. The terms and conditions are often the statutory minimum and the pay scales below those of City staff.

To highlight some of the disparity:

- Depending on length of service, a City employee on sick leave is entitled to up to six months full pay and six months half pay. Private contractor staff receive statutory sick pay only. Employees on statutory sick pay receive no pay for 1-3 days off sick in a row. They then get £92.05 per week for up to 28 weeks if off work sick for 4 or more days in a row.
- All City employees have 30 days annual leave, eight bank holidays and four university closure days at Christmas. City has also recently introduced two volunteering leave days for all staff. Private contractor staff have the statutory minimum of 20 days holiday. For the four days City is closed at Christmas they are often obliged to use four days of their annual leave.
- Grades 1-5 City staff are automatically enrolled in a Local Government Pension Scheme, the London Pensions Fund Authority (LPFA). The LPFA is a defined benefit scheme. Private contractor staff are automatically enrolled in the NEST

pension scheme, a defined contributions scheme. It is Unison's position, and a widely accepted opinion, that defined benefit schemes are better for the individual than defined contribution schemes.

- City staff receive a nationally negotiated annual pay rise to cover cost of living inflation. City also rewards staff for length of service with yearly salary spine increments.

On top of the disparity in terms and conditions, cleaning and catering staff employed by private contractors do not benefit from the same progressive policies and guidelines City offers to directly employed staff. For instance:

- City's new family policy with improved maternity, paternity, adoption and shared parental leave provision.
- A flexible working policy that goes beyond the statutory minimum in being open to all staff from the start of their employment.
- Access to harassment advisors.
- Access to staff counsellors.
- Range and depth of development opportunities for City staff, through training courses, mentoring programme and flagship Develop@City day.
- Interest free season ticket loan.
- Salary sacrifice scheme that includes childcare vouchers and cycle to work scheme.

City recognises Unison, along with our sister trade unions, UCU and Unite, as representing directly employed staff. The Recognition Agreement states as its Purpose and Intent that;

*1.1 The University and the Unions recognise that good employment relations have a fundamental role in ensuring the success of the University as a higher education institution. There is a shared belief that the most effective way of conducting collective bargaining, on matters relating to staff is through the route of consultation and negotiation with independent Trade Unions.*

None of the private contractor cleaning and catering service providers recognise Unison or any other trade union at City. Cleaning and catering staff therefore do not have access to collective bargaining on matters relating to staff.

#### **4. City's Athena Swan bronze award and Race Equality Charter application**

Staff employed as cleaners or caterers are disproportionately women and/or black and minority ethnic (BAME). Many are migrant workers. Continuing with the status quo will undermine City's work to build on the institution's Athena Swan bronze award and application for the Race Equality Charter (REC).

In 2017 City achieved the Athena Swan bronze award as part of City's Gender Equality Project and in recognition of City's commitment “to making long term changes which embed positive cultures and behaviours across the institution.”<sup>1</sup> The five academic schools at City are now working towards respective individual applications.

1 Professor Giulia Iori, Chair of the Gender Equality Working Group (GEWG), quoted in “City achieves Athena SWAN Bronze Award”: <<https://www.city.ac.uk/news/2017/may/city-achieves-athena-swan-bronze-award>>

City intends to apply for the REC bronze award. The REC Handbook 2016 advises applicant institutions that:

*A Bronze award recognises that the university has a solid foundation for eliminating racial inequalities and developing an inclusive culture that values all staff and students. A Bronze award acknowledges commitment and preparation to act. Applications should be candid about any issues identified and state clearly how they plan to address them.*

The Handbook also states that the institution's leaders, “need to perceive it [the race equality agenda] as high priority and at the centre of the university agenda.”

City's Gender Equality Project and race equality project cannot ignore the inequality in the terms and conditions of staff employed by the contractors City has engaged to provide cleaning and catering services. Indeed, Unison believes the commitments City has made to gender equality, and will need to make as part of it's REC application, mean City must take swift action to address this inequality.

## 5. City's Vision and Strategy 2026

City is now in the third year of its ambitious *Vision and Strategy 2026*. Underpinning the Vision is a 'People Strategy' that recognises '*valuing and supporting...staff to give of their best will be key to City's success over the next decade*'. Unison share this view. We believe that it is important City demonstrates it values and supports equally all staff working at the University. Having a two-tier workforce only serves to undermine the People Strategy.

The Vision highlights City's five underlying values:

- **Ambitious** sees City as “a place where people seek new challenges and go the extra mile”. We believe City should strive to be an example to others in ensuring all staff working at City are treated equally and fairly. Doing so will demonstrate to all staff that City is an employer that cares, has strong moral values, and is a place to work where it is worth seeking new challenges and going the extra mile.
- **Collaborative** talks of solving problems by “working together for the common good”. We believe we can only work together if we are one City and not a two tier workforce. Bringing cleaning and catering staff 'in house' is for the common good.
- **A Community** sees City as “a place where people have pride in their institution, are respectful, know and are concerned for each other”. We believe City must demonstrate concern for cleaning and catering staff by ensuring they have equal terms and conditions as all City staff by employing them directly. It is disrespectful to ask colleagues to work at City, doing low paid jobs that are vital to the University, and not provide them with the same benefits as other staff. The current situation is not one to take pride in. Indeed, in this respect, the City community should be ashamed of the practice of their institution.
- **Diverse and Inclusive** sees City as “a place where diversity is a strength and inclusiveness is promoted proactively”. We believe having a two-tier workforce where cleaning and catering staff work at City on worse terms and conditions is far from inclusive. Cleaning and catering staff are the most diverse section of staff

working at City. They are disproportionately women, BAME and speak English as a second language. City's current practice could be seen as considering diversity a weakness that can be used to undermine staff terms and conditions.

- **Organisationally self-confident** sees City as “a place that knows its strengths and is open about and strives to address its weaknesses”. We believe outsourcing cleaning and catering services to private contractors is a weakness. It undermines City's Vision & Strategy 2026 goals, it diminishes its reputation, it puts City behind other London HEIs who have brought contracted staff back in house, it damages City's claims to be working towards ending gender inequality in Athena Swan applications and in working towards ending racial inequality in the forthcoming Race Equality Charter (REC) application. We call on City to work with Unison to address this weakness by bringing cleaning and catering staff back in house.

## 6. Conclusion

It is Unison's position that the cost of using private contractors to supply cleaning and catering services, of which 20% is taxed as VAT, is only competitive because private contractors do not provide their staff the same pay, terms and conditions, and welfare as City staff.

The disparity between City staff and cleaning and catering staff is not only unfair, it is discriminatory. It contradicts City's commitments to equality, diversity and community. Many of the cleaning and catering staff have worked at City for several years. Some of the cleaning staff who were outsourced in 2014 have worked at City for over twenty years.

City's financial statement 2017/18 states that “City continues to be financially strong”. A surplus of £14.6 million was recorded in 2018, up £8.1M from a surplus of 6.5M in 2017. A positive cash balance is forecast for this year and, despite strategic risks, there is “a reasonable expectation that adequate resources exists to continue operations for the foreseeable future”.

City does not have to choose between its expressed values and financial stability. The University can afford to end the inequality of a two-tier workforce on its campuses by bringing cleaning and catering staff 'in house'.

Unison recognises that bringing services 'in house' is a large logistical undertaking, requiring resources from Property and Facilities and Human Resources. Unison Greater London Region office has been heavily involved in negotiating in house agreements and process at other London HEI's. The experience from elsewhere can be shared with City to help smooth the process here.

## 7. Unison claim

In 2019, the year of City's 125th anniversary, we request City recognise cleaning and catering staff as part of the City community and address the inequality of a two-tier workforce, by committing to bring cleaning and catering services 'in house'.

We request City enter in to negotiations with Unison over the process of employing cleaning and catering staff directly.