

Finance & Markets

Staff that have transferred to the University of Essex Commercial Services Limited are far happier

→ “At the University of Essex, we firmly believe that we are best positioned to operate our own commercial activities in-house. We understand the demands and expectations of all of our customers – students, staff and the general public – far more closely than could be expected of a private operator,” states Peter Church, the Director of Commercial Services at the University of Essex. “The obligation of Commercial Services at the University is to create a sustainable trading model which generates incremental surplus for reinvestment in quality facilities, provides the highest standard of customer service delivered by a team of staff who are motivated and fairly rewarded for performance, and enhances the student experience to give the University a competitive edge in the new world of higher fees.”

When Peter Church started at the University of Essex in May 2010, he very quickly identified the need for a more dynamic approach to staff management within the commercial activities of the University. The Human Resources policies and framework, which were ideally suited for academic staff, were not entirely compatible with a commercial business model anchored on succession planning and performance incentives. Peter was very keen to create a new culture with a pay scale reflecting the high street and with management focused on staff retention as a KPI through welfare, training and development rather than unsustainable and costly employment benefits.

Furthermore against the backdrop of rising tuition fees and cuts in government funding for higher education institutions, the University of Essex governing body made it very clear that commercial activities which had always been subsidised by the University coffers would now have to trade as financially self-supporting businesses. In the context of unsustainable payroll to sales percentages across the Commercial Services, this did not seem achievable

within the existing framework.

Peter realized that an innovative solution would be required and this led to the creation in September 2010 of the new trading company – University of Essex Commercial Services Limited (‘UECS’) – an entirely owned subsidiary of the University, which would enable all the commercial activities to be retained in-house but within a structure which supported long-term growth and sustainability.

An intensive period of consultation took place during the autumn engaging employees and the trades unions to explain the vision of UECS. Peter comments: “The focus was on creating a new, dynamic culture anchored on staff welfare and morale, training and personal development, succession planning and rewarding exceptional performance. The vision was very much about a positive cycle of investment in people and facilities to generate incremental surplus, which would in turn support further reinvestment creating a sustainable business model which not only ensured staff retention but also growth and recruitment.”

Between November 2010 and April 2011 in the

The creation of the sustainable university subs





(Left) Wivenhoe House, the management training and conference centre; (Right) The transfer into UECS improved morale at the day nursery; (Far right) The transfer has been a piece of cake!

region of 150 staff were TUPE transferred into UECS from the operating services of hospitality, catering and conferencing, printing and the nursery. The terms and conditions of all existing staff were protected by the TUPE transfer and UECS also voluntarily transferred all existing pension rights. However, it was accepted that in future staff would

be recruited on more commercial contracts which reflected the high street. The significant investment of time in explaining the rationale for the new company, and the focus on job protection, in-sourcing and sustainability ensured that all staff transferred voluntarily into UECS, in many cases feeling excited about the new culture.

As Elaine Dixon, General Manager of the Day Nursery, explains: "I have been in charge of the Day Nursery at the University of Essex for 35 years, but with the recent financial pressures on the university sector in addition to the poor state of the economy, there was a real sense of anxiety about our future. Morale was deteriorating and staff were genuinely concerned about their jobs. However, the transfer into UECS in November 2010 has given us all a new lease of life. Since we became part of the new company, we have had a £60k refurbishment, new uniforms and branding, there has been a real focus on training and welfare, and the morale is the best I can remember. We have already employed 12 staff on the new terms and conditions and there has been no problem integrating them within the team. All of this is happening at a time when other nurseries in Colchester are closing or reducing staffing numbers."

A similar picture can be found within Hospitality Essex, which transferred in April 2011. The General Manager, Tim Morris, adds: "I have been conscious for some time that our payroll to sales percentages simply don't reflect the commercial market place and without the financial backing of the University we would not have a business model which would be sustainable. However with the creation of UECS we can now operate on our own resources. We have been able to compete in the open market and have already secured a high profile external contract to operate all

the catering at the new £28m contemporary visual art and conference centre, Firstsite, which opens in September 2011."

John Wakeman, Chair of Unison at the University of Essex, has also welcomed the changes: "At first we were a little apprehensive about what was being proposed, but the University has taken a great deal of care to explain its plans and to consult widely. I have personally spoken to a number of the staff who have since transferred into UECS and they are all very positive about the new company. When we see so many of our public sector colleagues losing their jobs, I am delighted that at the University of Essex we have a business model which is creating employment in a way which is sustainable for the future."

UECS is currently enjoying a period of consolidation and process review; but plans are being developed to TUPE transfer the remaining 150 Commercial Services staff from accommodation and the sports centre in Spring 2012.

Again the focus will be on wide consultation, job protection and creation, and long-term sustainability. ●

Peter Church

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