Policy Briefing: Students' Union UCL should lobby UCL to bring all outsourced support staff in-house

Date: November 2022
Audience: Welfare & Community Zone

What is the current situation at UCL related to this proposal?

The outsourcing of staff
Outsourced staff members are employees employed by an external provider who have a contract with Students' Union UCL or UCL to deliver specialist services. Many companies do this in order to reduce their HR workload, offer additional flexibility, and reduce overhead costs. Current outsourced services at Students' Union UCL and UCL include cleaning, portering, catering and security. These services have been managed by external providers since 2000, in line with many other higher education institutions in the UK.[1]

Cited benefits of keeping staff outsourced include: 1) improved job flexibility; 2) higher take home pay (due to comparatively lower pension contributions); 3) no HR overheads (e.g., training, recruitment, National Insurance contributions); 4) faster hiring/ improved ability to cover empty shifts.[2]

Bringing these staff 'in-house' would mean that they are directly employed by Students' Union UCL or UCL. This would entitle them to the same benefits as all other UCL employees (e.g. pension contributions, pay, holiday entitlement, etc.). UCL-University and College Union (UCL-UCU) continues to support the demands for these staff to be brought in-house.[3]

The policy proposal has three main asks. These are dealt with individually below:

i) Acting on the Board of Trustees' recommendation to bring cleaning staff in-house
Currently, the Union outsources their cleaning staff to an external company. This provides the Union with access to industrial machinery without having to buy them outright or source space to store them. It also relieves the Union from direct line-management/ professional training responsibilities.

In the summer of 2021, Students' Union UCL's Board of Trustees recommended that the cleaning staff should be brought in-house. This has not yet been actionable due to a five-year contract that they were part-way through.

For their services, the Union pays the company that employs the cleaning staff the London living wage. This is in line with Union policy.

ii) Revisiting the decision to continue the outsourcing of security staff at the Union
The Union's decision to outsource their security staff is based on the size of the organisation; currently, they only use security in their limited number of licensed premises (e.g., IOE, Mulley's, Phineas), and these hours are both irregular and unsociable. These staff are all trained to work with licensed premises, have

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[1] https://www.ucl.ac.uk/human-resources/pay-benefits/working-external-providers
[2] https://www.outsourcinginsight.com/7-benefits-of-outsourcing-staffing-services/
[3] https://www.ucl.ac.uk/ucu/news/2022/jun/ucl-ucu-annual-general-meeting-voting-reminder-motions-debate-draft-minutes-2021-agm

where more happens

specific security licenses, wear body cameras, and have specialist security knowledge. The current set-up allows the security staff to work at a variety of premises throughout their week based on their preference/ own availability. Additionally, because the outsourced security company has a pool of staff available when required, this set-up is beneficial to the Union as it means that staff absence does not impact on the staffing of shifts. This is important as a lack of security staff may result in venues being closed at short notice due to a lack of safety, as well as the security staff themselves being financially impacted due to the extremely limited number of hours that the Union would be able to offer them.

UCL student media have reported that there have been allegations of sexual harassment, intimidating behaviour, and "abuse of power" by outsourced security staff at UCL premises. However, there have been no reports made to the Students' Union of this happening in relation to security guards employed by Students' Union UCL.[4]

Previously, the Union has used the same outsourced security staff as UCL. However, this agreement was ceased due to their lack of expertise with young people/ inebriated young people. Consequently, the current security staff were brought on with this specific focus in mind.

iii) Lobbying UCL to follow suit by supporting industrial action by trade unions seeking to end outsourcing at UCL

Currently, this aspect of the policy is contingent on the Union enacting points i) and ii). However, it may also be possible to lobby UCL to bring outsourced staff in-house without the Union doing so itself.

In 2019 outsourced cleaners and security at UCL won additional rights and conditions, including annual leave entitlement, parental leave, pay grading, sickness benefits and pension contributions. Regarding the implementation of these additional rights and conditions, in October 2019 UCL management said that by August 2021 "pay and core benefits" for outsourced staff would match that of directly employed workers; however, it has been reported that these improved conditions are yet to be fully realised.[5, 6] According to the Independent Workers Union of Great Britain (IWGB), outsourced cleaners still face "precarious zero-hour contracts and overworking, following sweeping redundancies at the start of the pandemic", and outsourced security staff face "regular attempts to change their working hours without consultation, as well as repeated payroll errors".[7]

In May 2022, over 100 outsourced cleaners and security staff at UCL and London School of Hygiene and Tropical Medicine (LSHTM) protested in order to demand "dignified pay and an end to exploitative outsourcing at UCL".[8] This campaign has persisted into autumn 2022, with outsourced security staff at UCL from the IWGB union voting unanimously to take strike action over pay and union recognition.[9]

What would change if the policy was successful?

i) Acting on the Board of Trustees recommendation to bring cleaning staff in-house

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[4] https://cheesegratermagazine.org/2022/02/25/violated-harassed-ignored-abuse-in-halls-by-ucl-security-guards/
[5] https://www.ucl.ac.uk/news/2019/nov/equalised-pay-and-benefits-confirmed-ucls-security-cleaning-portering-and-catering-staff
[6] https://www.socialist.net/outsourced-university-workers-bring-them-in.htm
[7] Ibid.
[8] https://iwgb.org.uk/en/post/outsourced-workers-protest-at-university-of-london-in-fight-for-dignified-pay-and-end-to-exploitative-outsourcing/
[9] https://freedomnews.org.uk/2022/09/27/security-staff-at-university-college-london-to-strike-over-pay-as-part-of-campaign-against-outsourcing/

If the Union were to adopt this, currently outsourced cleaning staff would be brought 'in-house' and be directly employed by Students' Union UCL. This may offer cleaning staff additional employment benefits (e.g., additional job security, increased employer pension contributions). Additionally, these staff would then be directly accountable to the Union. The Union may have to wait until their current contract expires to do so.

At present the cleaners are all employed part-time, and they would not necessarily TUPE across to the Union. TUPE stands for the Transfer of Undertakings (Protection of Employment) Regulations and its purpose is to protect employees if the business in which they are employed changes hands. These regulations may not necessarily apply if this change is made.

ii) Revisiting the decision to continue the outsourcing of security staff at the Union

If the Union were to adopt this, currently outsourced security staff would be brought 'in-house' and be directly employed by Students' Union UCL. This may offer security staff additional employment benefits (e.g., additional job security, increased employer pension contributions). These staff would also be made directly accountable to the Union.

Currently, the outsourced company guarantees that all shifts are staffed. If this policy is successful, this would result in a lack of agency 'bank' staff which may lead to SU venues experiencing closures when there are unforeseen staff absences (e.g., sickness, bereavement). Furthermore, there would be no full-time positions required due to the low level of security cover required.

iii) Lobbying UCL to follow suit by supporting industrial action by trade unions seeking to end outsourcing at UCL

If the Union were to adopt this, the Union would lobby the University to bring their staff 'in house'. If this was successful, the staff would be directly employed by UCL. This may offer their staff additional employment benefits (e.g., additional job security, increased employer pension contributions). Additionally, these staff would then be directly accountable to the University. UCL may have to wait until specific contracts expire to do so.

What is the relevant national / international context to this situation?

UCU have made a four-point case against outsourcing, arguing that: 1) outsourcing has a detrimental effect on staff and therefore on quality; 2) outsourcing is risky and entails hidden costs; 3) the potential cost savings are exaggerated; 4) outsourcing represents an "unacceptable gamble with the reputation of colleges and universities".[10] Considering UCU's claim of there being a detrimental effect on quality, research has shown that "artificial fragmentation of an integrated service can lead to major quality downsides", particularly within university or hospital settings.[11]

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[10] https://www.ucu.org.uk/media/5876/Fighting-privatisation-toolkit-Making-the-case-against-outsourcing/pdf/ucu_privtkit_makingthecase.pdf
[11] https://www.academia.edu/5124590/Shared_business_services_outsourcing_Progress_at_work_or_work_in_progress_Professor_of_European_Employment_Relations

Additionally, in recent years there has been increased strike action from outsourced staff at the University of London and other universities across the country; demands for these staff include being brought 'in-house'.[12]

As evidenced by current job advertisements, there is existing precedent for bringing outsourced support 'in-house' at universities including Durham University and colleges at the University of Cambridge and University of Oxford (such as cleaning and portering staff), however outsourcing of certain student support roles (such as security staff) is common across the sector.

In support of maintaining outsourcing, cost and expertise are regularly cited as two major factors which enable universities to focus on their core business whilst specialist providers effectively deal with their own area. Additionally, outsourcing of staff may reduce risk for the institution. Neal Grant, Head of Business Development at Derwent Facilities Management (a third-party provider of estates management) writes: "delivering to industry-recognised best practices, providers can almost guarantee [meeting] a compliant standard for the university. This means any potential reputational damage from non-compliant services […] is removed entirely and the university can be sure they are adhering to all legislative standards".[13]

Are there any legal implications to this policy proposal?

Yes. As a charity the Students' Union has an obligation to properly manage its finances and protect against financial risks. The Students' Union Board of Trustees would have to assess whether bringing staff 'in house' would present a significant financial risk which may go against the Union's obligations as a charitable organisation.

Does this relate to any existing SU policy?

No.

Are there any financial, resource or stakeholder / public relations issues with this policy proposal?

Yes, the Students' Union would need to consider the financial implications of bringing staff 'in house' including, but not limited to, existing contracts and additional incurred costs. For example, as well as a significant initial investment to purchase industrial standard cleaning machinery, there would be increased cost from hiring a cleaning managing and supervisors, alongside the additional overheads that this would entail (e.g., pension contributions, pay-roll costs, national insurance, infrastructure, employee support and contract costs).

It is important to note that the SU as a charity does not make a profit; any surplus income is fed back into the organisation to provide services for students. A significant financial impact could jeopardise the Union's ability to provide services for students and to pay staff members. It could have adverse consequences on student service provisions, and the capacity to invest further in the student experience. The Union would either need to source additional income or reallocate existing funding from other sources.

Are there any sustainability implications to this policy proposal?

No.

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[12] https://www.twinfm.com/article/outsourced-university-workers-have-announced-yet-another-round-of-industrial-action

[13] https://universitybusiness.co.uk/facilities/facilities-management-the-pros-cons-of-outsourcing/

Are there any equity and inclusion implications to this policy proposal?

If workers are brought 'in-house', UCL and the Students' Union will be legally responsible for ensuring fair and equitable working conditions for these staff and have more control over the support provided for these staff members and their working conditions.

Currently, all outsourced staff at UCL and Students' Union UCL are on zero-hour contracts. Given that research from the Trades Union Congress (TUC) has found that zero-hour contracts are deepening gender inequalities and "tightening the grip" of structural racism on the labour market, bringing the staff in-house may improve the working conditions for these individuals.[14] However, feedback received by the Union shows that outsourced security staff are happy with their current employment set-up.

What would the next steps be if the proposal passed?

If the policy is passed the Union would bring their cleaning and security staff 'in house', as well as lobby UCL to bring their outsourced staff 'in house'.

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[14] https://www.hrreview.co.uk/hr-news/zero-hour-contracts-encourage-structural-racism-says-tuc/141007