SUBMISSION FROM PAGE PARK ARCHITECTS

In response to your call for views in relation to the above, we are pleased to respond with the following comments under the themes referred to in that call.

Scale and Growth

Statistics from organisations such as Co-operative Development Scotland will no doubt provide an overview however the extent to which we have been asked for advice and to participate in both formal and informal briefing sessions and seminars on our experience of becoming an EOB would suggest a significant growth in interest across many professional sectors. Perhaps a brief summary of the statistics relative to this professional practice and our exceptionally positive experience with, to date, no perceived drawbacks in relation to becoming employee owned will be helpful in informing your Committee.

Established in 1981, Page Park has grown organically as a traditional practice and at the point of transition to an EOB we were 35 strong and working across many sectors throughout Scotland and occasionally beyond. The reasons for transition were partly to do with succession but, more importantly, were related to an ethos which wished to ensure a long term future within Scotland without future generations being ‘tempted’ to sell out to other companies who may or not be based in Scotland or the UK. We have seen the (generally negative) impact of this with many of Scotland’s best engineering practices with whom we have worked over the years, typically now being owned by north American companies with priorities which have not been aligned with what we require from fellow consultants on a wide range of projects.

Just to note that are projects are significant within the Scottish economy. The new HQ for Scottish Power in Glasgow is one of many in the commercial sector; arts and cultural projects such as The Scottish National Portrait Gallery, Rosslyn Chapel and McManus Galleries, Dundee with impact in the tourism sector; educational work including major projects in the independent schools sector and with most of Scotland’s universities; conservation work such as the restoration of the fire damaged Glasgow School of Art Charles Rennie Mackintosh Building; work with charities and churches such as significant building projects with the Scottish War Blinded in both the east and east of Scotland.

We transitioned to being an EOB on 1 December 2013 so have just completed two years as an EOB. In our first financial year to November 2014 we had the highest turnover and profit we have ever made, now being allocated not to 4 partners but to all employees and also to re-invest and ‘make a difference’ as referred to below. The year just completed has comparable results though perhaps not quite so high in terms of profit but this is largely due to the fact that we have increased in terms of staff employed – now 52 compared to the 35 just over two years ago.

Innovation and Employee Engagement

While we started as an EOB with a very flat and participative structure, we have seen that grow further with everyone now having the incentive of working for themselves within a structure where the key principles are, creativity, integrity and making a difference. A wide representation from all levels within the practice were involved in the transition process and we have ended up with all the shares in the Limited Company being owned by a Trust with a range of objectives (none of which are about maximising revenue or profits) including re-investment in the business, employee benefits and, very importantly, making a difference by setting aside a proportion of profits for charitable purposes – early days but
perhaps typically in future funding an employee to take several months off (still being paid) and taking their professional skills and some funding elsewhere to make that difference, whether in the UK or further afield. Staff have already, on their own initiative, been involved in such work in Peru, Tanzania, Bangladesh and Nepal as well as in Scotland.

Our ethos and culture are not driven by money however that approach has in fact generated more revenue than we could have reasonably anticipated. This has allowed us to consider carefully the relationship between the benefits enjoyed by the higher paid employees and recent graduates and we are in the process of ‘altering the pitch’ of the graph which plots salaries to ensure that ‘fairness’ is achieved across the board, moving away from traditional models of bosses and then all the rest. This internal process has included some of the youngest staff members (and indeed that is typical of all our internal processes in which we have evolved a unique business model), there being absolute transparency across the business on every aspect, including salaries.

These internal benefits are all very well but what of the wider benefits? We are finding that other organisations who are aligned with our ethos and culture across many sectors are attracted to working with us on initiatives which, over the years, we hope will have significant impact on our society and economy. For example, we are currently working with The Simon Community who, in partnership with others, are seeking long term sustainable solutions to the ever-present issues of homelessness. This is not about senior staff leading on everything as per the traditional model but staff at all levels being able to work innovatively in relation to whatever their passion might be ….. and that cannot be a bad thing in terms of societal impact.

**Funding**

In view of what is set out above, we have not had direct involvement in seeking funding in relation to the EOB however it is worth noting that a stated objective of the Trust is to build a financial buffer so that we are no longer dependent on (any) banks ….. or at least have funds in hand to allow appropriate arrangements to be made should recessionary or other pressures hit. Out past treatment by our bank of 32 years was an element in our determination so become a self-supporting community of professionals working co-operatively across Scotland and now (more extensively than in the past) further afield.

**Public Body Encouragement**

Other than to note that Co-operative Development Scotland were extremely helpful in the lead up to our transition to EOB and also since then in working with us and vice versa to ‘spread the word’, we have little comment to make in terms of what public bodies are already doing. We would, however, encourage the Scottish Government to promote and assist in establishing employee owned businesses (of which our particular model is just one example) as we believe it has economic benefit, incentivises people and enhances the sense of wellbeing rather than people being stuck in the traditional ‘us and them’ work context.

Page \ Park
Architects