Shared Services in Sussex and Surrey Colleges

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Tim Strickland

Shared Services in Sussex and Surrey Colleges (SISSC) Managing Director, and CEO of FE Sussex

SISSC
Shared Services in
Sussex and Surrey Colleges
www.sissc.org

Introduction

FE Sussex is the collaborative organisation of the 12 post-16 Sussex Colleges. It also has three associate member Colleges in Surrey, all of which are GFEs. FE Sussex's long history of effective collaboration between its member Colleges provided them with fertile ground for exploring the potential of shared systems and services for back-office functions.

The Shared Services in Sussex and Surrey Colleges (SISSC) project started under the Efficiency Innovation Fund and was then further supported in its implementation phase by the 157 Group. The project focuses on improving quality and efficiency while reducing costs in the back-office services of finance, payroll and human resources.

The Colleges

Brooklands College
Central Sussex College
Chichester College
City College Brighton & Hove
East Surrey College
Guildford College
Northbrook College
Sussex Coast College

Starting out

FE Sussex recognised the possible potential of shared systems and services, and was active in exploring ways forward prior to funding being made available. Early on, Sussex Principals agreed on the need to separate this activity from FE Sussex quality improvement work. The result was the formation of SISSC Ltd.

The vision

The SISSC vision has always been to implement common software and transactional processing across member Colleges for the back-office services of finance, payroll and HR management. SISSC Colleges would then be aligned in terms of, for example, Chart of Accounts and HR processing, and, whether staff were submitting an expense claim or producing the quarterly accounts, the procedures and paperwork involved would be the same. The incentives were clear: savings from a single (large) procurement of software and maintenance contracts together with service improvement by adopting the best of the members' practices.

The vision of member Colleges has always been to set up a central shared systems company to facilitate cost savings in back-office services.
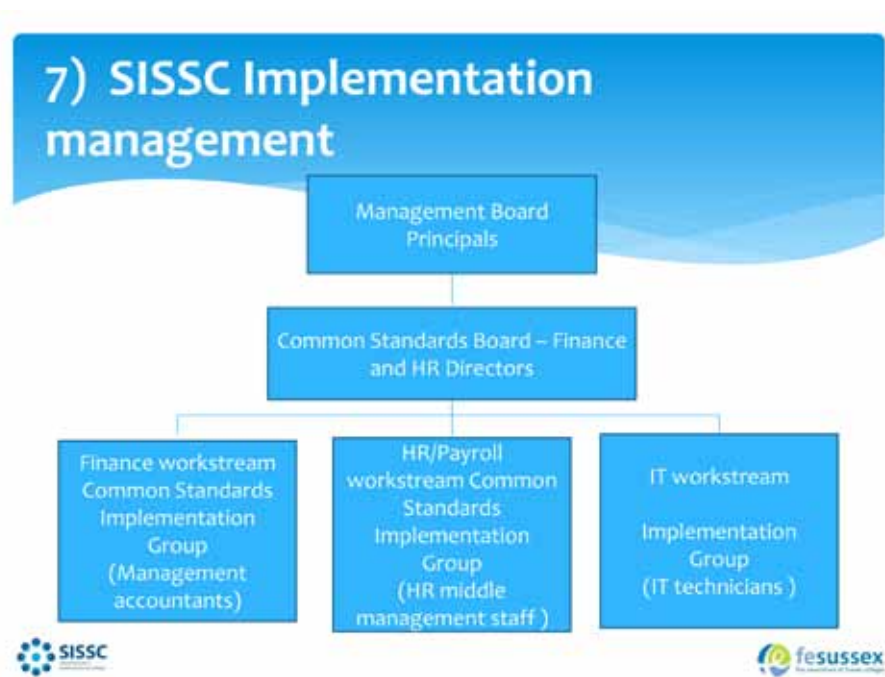
The process of implementation

Phase 1: Feasibility

Over a 12 month period the exploratory stages of the SISSC project researched the provision of software services and practices in its member Colleges, together with the number of transactions being processed. From this early work, a projection of possible savings was calculated and the outline business case developed .

After consideration of the business case, the project started in its present form by setting up the top level management which has developed into the following structure

Phase 2: Development

From September 2011 to March 2012, work connected with refinement of the business case together with the SISSC detailed implementation plan took place. Software specifications for each strand were produced and potential suppliers, who were interested, identified using the OJEU process. Final approval for the implementation of SISSC, and its formation as a company limited by guarantee, was secured when corporation Chairs of the SISSC Colleges signed the legally binding Joint Venture agreements.

While there were many human, technical and change-management challenges to get to this milestone , Tim Strickland, Managing Director of SISSC and CEO of FE Sussex, is keen to pass on one very specific piece of advice for any organisation considering a similar journey.

"You must recognise that no collaboration starts with complete freedom to set its own agenda. If I had to repeat this project I would start by plotting each member College's appropriate corporation committee and sub-committee meeting dates for the next three years. We were delayed so many times in the development stages of the project, waiting for approval or for a particular meeting. Never underestimate the time it takes to secure the signatures of eight corporation Chairs."

Phase 3: The Shared Services model and its legal structure

Following an extended tendering and evaluation period compliant with OJEU procedures, the software and cloud-service provider was eventually chosen. SISSC College operational staff in Finance and HR played a part in the selection of the supplier: Unit 4. Having worked with several of the Colleges already, Unit 4 was able to meet the requirements of the group for both the finance and the HR/payroll strands of the project, so increasing the level of procurement savings for the group.

SISSC is on target for all member Colleges to be on the same shared system from September 2013, the transition being complete by April 2014. Alignment of systems, software, and operational transaction processes has been agreed. The work associated with this standardisation has been a huge time commitment for each of the SISSC Colleges. Finance Directors and HR Directors meet on a weekly basis, and the operational staff involved almost as frequently. There is a large staff development programme to ensure all staff will have full working knowledge of the software by the time their College goes live. Parallel test running is also an integral part of this work.

The on-going operating costs of the SISSC project are paid by member Colleges based on a formula related to the turnover of each College, and (for HR/payroll) the relative number of full-time equivalent staff. Legally, member Colleges have committed themselves via the Joint Venture Agreement to support the project for the next five years.

From the early stages, Principals recognised the SISSC project could be unsettling for staff. To mitigate this, a common communications strategy was adopted which ensured a consistent and accurate message was circulated from all Colleges.

The presence of a strong Chair has been an essential element of the management of the SISSC project.

Project leadership needed to be "Firm, accessible and decisive", says Managing Director and CEO Tim Strickland. "Being able to listen to the arguments, sum up for clarity, put options to a vote, and then move on" were essential to gaining agreement on the significant number of decisions which needed to be taken. "It's vital to acknowledge the amount of time staff need to put into projects of this size. We have many key staff continually working towards weekly progress management meetings." Tim was also keen to highlight the importance of budgeting for highly-skilled and efficient administrative support. "The project continues to require top level administration support and this is provided by FE Sussex using one full-time and one part-time member of staff."

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Outcomes

While it's still a little early to accurately quantify savings, all the signs are good. For the HR and payroll strand, savings are on target at around £200,000 for the partnership at the end of year one (2012). Finance strand savings to date are on target too, at around £0.5 million.

Arguably, however, it's the service improvements for staff and the precedence that has been set that are more significant for the SISSC Colleges' futures. With a common data processing and a fully-hosted solution, including all storage, hardware, software, servers and network components, the team has established a firm base from which any future shared service initiatives can grow easily.

Next steps

Overall, the project has proved to be resilient throughout the development phase. The door to additional Colleges joining the SISSC organisation to benefit from its services is very much open. The SISSC team is keen that the service customer base should grow nation wide, attracting not only other Colleges, but providers in other sectors such as HE and the school academies sector.