

A collage of three images is visible on the left side of the page. The top image shows a woman with red hair looking at a display board. The middle image shows a close-up of a document with text. The bottom image shows a woman with blonde hair looking at a smartphone. The background of the entire page is a solid light blue color with a large white circular shape on the right side.

Shared Services in Sussex and Surrey Colleges

“We currently process 582,000 transactions a year, so any further reduction in the cost of processing a single transaction has the potential for significant impact.”

Tim Strickland, Managing Director of Shared Services in Sussex and Surrey Colleges (SISSC) and Chief Executive Officer of FE Sussex

Introduction

Overview and background to the project

One of the salutary lessons from the many FE shared service projects has been that the more providers you include in your partnership, the more difficult it is to be successful. On paper, then, the SISSC project should have had a tough time in achieving its aims, which were to establish a remotely hosted, shared back-office system for eight Colleges.

Supported by the 157 Group and the Association of Colleges (AoC) with a grant from the Skills Funding Agency (SFA), the SISSC partnership set about mapping how each College carried out every type of transaction in their finance, HR and payroll systems. There were no common software applications and no common systems or procedures, but there were well over half a million transactions across the group each year.

The AoC's first case study on SISSC¹ looked at how the group was formed and incorporated, and now, a year on from the end of the grant-funding period, we return to see what the partnership has made of its enormous challenge.

Development

Progress since November 2012

One of the defining characteristics of the most successful shared services projects is not only that they achieve their aims, but that their ambition increases as the partnership gains confidence in the robustness of its ideas.

All eight Colleges committed fully to the process mapping of every aspect of the three target services, resulting in the production of a comprehensive software and IT platform specification for use by the whole group. Detailed operating procedures and policies were also written to guide the work of the central project team which is now located in SISSC Ltd – the shared services legal entity, limited by guarantee, which is wholly owned by the member Colleges.



¹ Davis, T. (2012) Quality Improvement Using Lean and Six Sigma Processes. AoC. Available at http://www.aoc.co.uk/shared_services/material/case_studies

As the detail began to emerge from the teams' process reengineering work, it became clear that there was another closely aligned area of back-office provision which should be brought into the fold. It was found that for every person who applied for a post at one of the Colleges, up to seventy three pieces of paper were posted out to them and, for successful applicants, multiple entries of the same data were then made across the target systems of finance, HR and payroll. From this analysis came the idea for an e-recruitment programme that would remove all traditional paper correspondence and integrate seamlessly with the other new back-office services. Now, for instance, when a new post holder is recruited, their own electronic entry of all personal details directly populates all instances of this data across the system.

E-recruiter is also now used in preference to traditional and costly newspaper advertising, cutting out further 'middle men' and making welcome additional savings. The new addition also links into one of SISSC's other innovations – Staff Availability¹. This is a stand-alone and open-access resource for any regional group of institutions to use to more efficiently manage the availability of part-time staff – cutting out the need for expensive third-party agencies.

That all eight Colleges are still committed to the project is testament to the care and attention the project team and Principals have shown throughout the development phase. From September 2013, SISSC Ltd and its new software and infrastructure have been operational. Two Colleges are on the system and functioning in the new paradigm, with a third College in the process of going live. A further four Colleges will come on stream at a manageable rate over the next six months. The final College, while still committed to the partnership, is delaying active participation for the time being due to internal developments.

Outcomes

Delivery model

Tim Strickland, Managing Director of SISSC Ltd and Chief Executive Officer of FE Sussex, is confident that the team made the right decision about the legal structure they chose: a company limited by guarantee. "It really wasn't a difficult decision for us," says Tim. "We simply replicated the FE Sussex model," the larger and long-established regional partnership to which all eight Colleges belong. "The only difference between the two legal entities is that FE Sussex has charitable status, and we haven't so far found a need to apply for the same with SISSC."

Within SISSC Ltd it is a small team of five staff who look after the management of the common software platform and the transition and integration of each college as it goes live on the system. At the moment, some staff roles are intertwined between SISSC and FE Sussex, including Tim as head of both, but in time it is anticipated that these will separate completely as the new venture grows and becomes self-sustaining.

¹ www.staffavailability.co.uk

Impact on the organisation and staff

Many providers considering sharing services have an instinctive concern over revealing business-sensitive data to what, in many instances, are competing local Colleges. On this point, Tim was quite clear: “If you’re going to get into a sharing relationship, there comes a time in the design phase when you have to have the confidence and trust in your partners to share business-critical information. Now the system is live, we have strict and comprehensive guidelines on confidentiality around current business information so that we don’t unbalance the natural competition between partners.”

“When you’re working on large-scale change-management projects such as this,” says Tim, “you have to be clear about the initial investment made by staff. For instance, if you’re getting a team to develop and implement a completely new chart of accounts, you can’t expect them to still carry on with their day jobs without additional help and resources.”

“We’ve also had to recognise as a group the classic impact of organisational change on the individuals it affects: from incredulity to acceptance to active participation. And this was experienced at every level in every College.”

For Tim Strickland and the SISSC Principals, this project has been about finding a ‘third way’ to do business. Rather than the incremental quality improvement associated with many self-assessment systems, this has been a collaboration across a varied partnership to not simply take the best of the existing approaches, but to solve common issues through innovation. Clearly a back-office project, it’s too early to judge just how much of the central government funding cuts it has absorbed to protect front-line services. However, this project has never been just about saving money; it has a keen, ongoing focus on service improvement. Clearly, once all partners are fully integrated into the new system it will be fascinating to look at the key performance indicators and relative efficiencies of the individual staff teams.

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Savings

Early project savings remain as reported in the last case study, at around £200,000 across HR and payroll and around £0.5 million across the finance stream. Any calculation of continued savings depends on the baseline set – do you continue to calculate year-on-year savings from

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the original cost-base, or re-draw the line each year and look for further efficiencies from there? Either way, Tim Strickland is clear that any group of Colleges could save significant amounts of money through a similar shared service strategy: on software

licensing, capital investment, the maintenance of legacy systems, the running of multiple independent servers, increased staffing efficiencies and even recruitment advertising costs.

Sustainability and expected longer-term impact

As with all aspects of this meticulously planned project, the planning for sustainability has not been left to chance. All eight original partners signed a binding commitment to fund the project's ongoing development and implementation costs up to 2016. Beyond this, the team has produced: "A strong commercial strategy," says Tim Strickland. "Clearly by then the project will be embedded and sustainable, but the more associate members we attract thereafter the more we can reduce the cost per transaction for the whole partnership. Remember, we currently process 528,000 transactions a year, so any further reduction in the cost of processing a single transaction has the potential for significant impact."

There are two levels at which a new associate member organisation could join the partnership: by keeping their own staff and simply joining the new integrated software system, or by outsourcing the whole of their HR, payroll and finance systems to SISSC Ltd. It goes without saying that, being specialists in education and training, the SISSC partnership would be well placed to act as the back-office provider for not only other Colleges, but academies and commercial training providers too.

Replicability for the wider FE sector

Tim Strickland sees no reason why another group of Colleges could not follow the SISSC lead and find similar levels of efficiency and quality improvement through the development of a similar shared service solution.



With thanks to all project partners who contributed to the development of this case study and consultant
Tony Davis, Director,
Learning & Skills Consultancy and Research



The Association of Colleges 2013
2-5 Stedham Place, London, WC1A 1HU
Tel: 020 7034 9900 Fax: 020 7034 9955
Email: projects@aoc.co.uk website: www.aoc.co.uk