

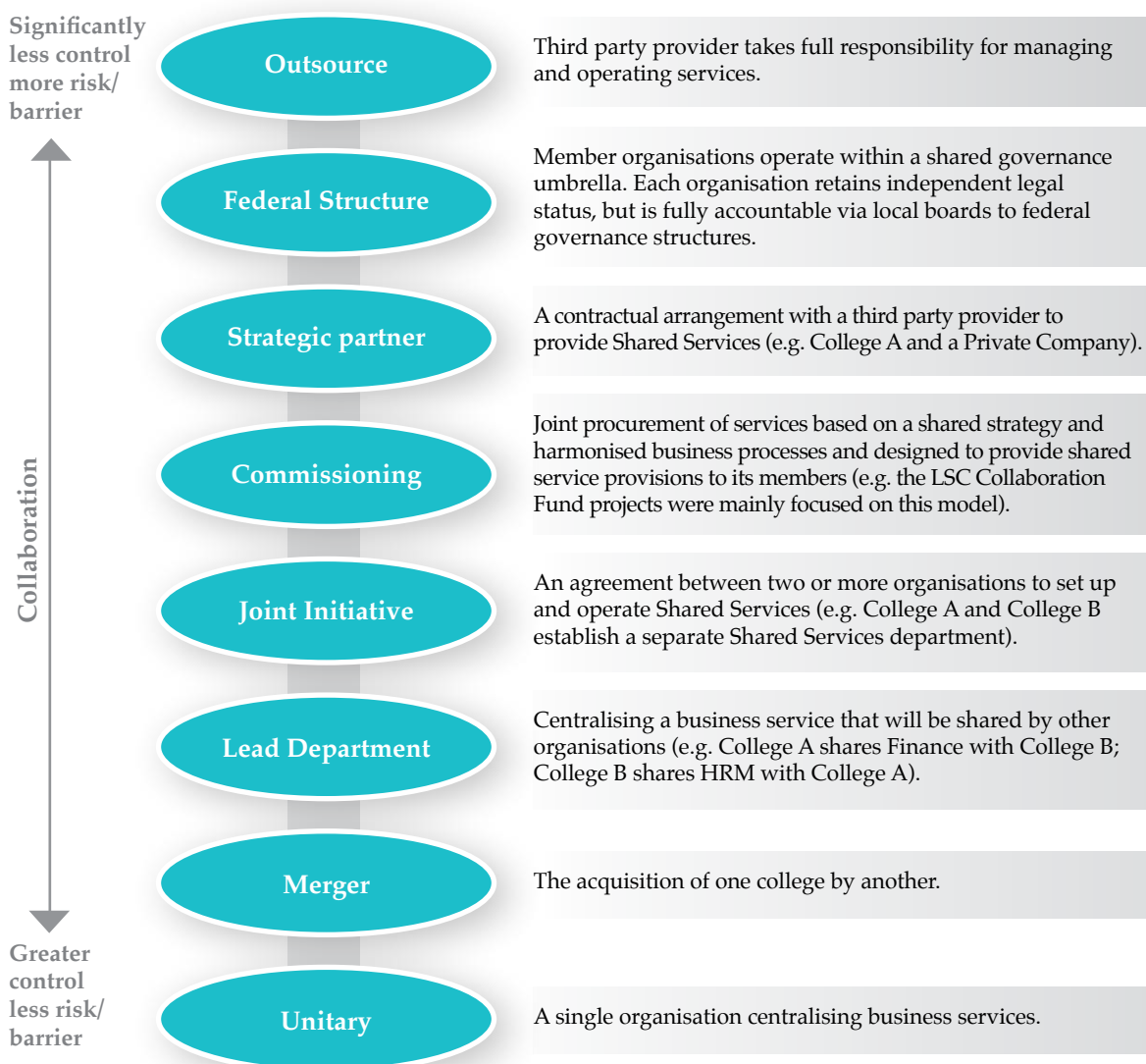
# Annex A – Shared Services Taxonomy

1. Vehicles for collaboration
2. Legal structures
3. Services
4. Glossary

## Vehicles for collaboration

This taxonomy is based on Dr Kathy Bland’s Continuum of Collaboration and Control, as published in *Shared Services Further Education Centric*, 2010. ([www.aoc.co.uk/shared-services/materials](http://www.aoc.co.uk/shared-services/materials)).

### FE Collaboration Structures



Additional colour has been added under each heading. However, due to the complexities of this area and the use and misuse of terms and their synonyms, this taxonomy and the glossary to which it is linked is very much a work in progress. AoC's intention is that this taxonomy will gain increasing clarity and authority as the sector uses and refines it. The continuum ranges from 'unitary' to 'outsourcing'.

## **Outsource**

Third party provider takes full responsibility for managing and operating services.

- **Outsourcing**

## **Federal**

Member organisations operate within a shared governance umbrella. Each organisation retains independent legal status, but is fully accountable via local boards to federal governance structures.

- **Confederation**
- **Federation**
- **Trust**

## **Strategic partner**

A contractual arrangement with a third-party provider to provide shared services (e.g. College A and a private company).

- **Joint committee**
- **Strategic partnership**

## **Commissioning**

Joint procurement of services based on a shared strategy and harmonised business processes, and designed to provide shared service provisions to its members (e.g. the LSC Collaboration Fund projects were mainly focused on this model).

- **Joint procurement**

## **Joint initiative/joint venture company**

An agreement between two or more organisations to set up and operate shared services (e.g. College A and College B establish a separate shared services business entity).

- **Bidding consortium**
- **Consortium**
- **Consortium – corporate vehicle**
- **Distributed centre**
- **Functional centre**
- **Industrial provident societies**
- **Joint company (subscription model)**
- **Joint company (trading model)**
- **Single centre**

## Lead

Centralising a business service that will be shared by other organisations (e.g. College A shares finance with College B; College B shares HR with College A).

- Consortium – unincorporated association
- Joint employment
- Lead body
- Letter of agreement
- Matrix centre
- Memorandum of understanding
- Subsidiary

## Merger

Two or more Colleges join to create one organisation.

- Merger
- Takeover

## Unitary

A single organisation centralising its business services.

- Unitary

## Legal/Governance structures

- Charitable incorporated organisation
- Community benefit society
- Community Interest Company
- Company limited by guarantee
- Company limited by guarantee *with* charitable status
- Company limited by shares
- Co-operative societies
- Limited liability partnership
- Members' subscription company
- Memorandum of agreement
- Mutualisation

## Services

### Discrete areas of work

#### Business continuity

- Account managers
- Demand management
- Disaster recovery
- Electronic document archiving for enhanced business continuity and security
- Service management

#### Curriculum

*Synonym/s: Curriculum development*

*Narrow Term: Course; Learning programmes*

- Course planning
- Course planning files reports
- Course website updates to third-party sites with numerous providers and processes
- Curriculum enrichment
- Curriculum support

#### Customer journey

- Contact centre
- Employer partnerships
- Employer responsive administration

#### Estates

*Syn: Campus Services*

- Contracts management
- Developing systems for building management
- Environment
- Green agenda
- Property maintenance
  - Caretaking
  - Cleaning
  - Energy and utilities management
  - Grounds maintenance

- Room utilisation and optimisation
- Security
- Space utilisation
- Waste recycling
- Statutory regulation compliance
- Strategic asset management

#### Finance

##### *Accounting*

- Credit control
- Debt control
- General ledger

##### *Payment processing*

- Accounts payable
- Accounts receivable
- Cashiers
- Processing bursaries
- Processing withdrawals and transfer
- Rent, rates, service charges
- Running HE returns for HESES and HESA
- Running ILR returns for learner and employer responsive
- Sales invoicing

##### *Reporting*

- Accounting and financial reporting
- Funding reports
- Management reporting
- Transaction recording
- Transaction reporting

##### *Statutory*

- Secretarial duties (company secretary)
- Statutory duties (company secretary)
- Statutory accounts preparation
- Statutory returns
- Tax

### *Strategy*

- Asset management (fixed assets)
- Finance business partners
- Financial development
- Financial planning
- Internal audit
- Invigilation
- Treasury management

### *Others*

- Stock control
- Travel management
- Vehicle fleet management

### **Health and safety**

- Employer workplace assessments
- Health and safety audit
- Health and safety competent person
- Health and safety policy
- Health and safety procedures
- Health and safety workplace assessments

### **Human resources**

#### *HR*

- Absence management
- Administration
- Advice
- CPD administration
- Disciplinary
  - Representation on Disciplinary panels
- Employee relations
- Employment policy documentation
- Equality and diversity
- Grievance
- Health and safety
- HR projects
- Maternity / paternity
- Mediation

- Pensions
- Policy and procedure design
- Professional HR advice
- Project support
- Sickness procedures
- Staff database
- Staff development
- Staff MIS
- Support on panels
- Systems management and reporting
- Termination of employment
- Training in HR practice

### *Occupation Health*

- Wellbeing
- Wellbeing initiatives (including occupational health)
- Workforce data returns

### *Payroll*

- Payroll and benefits
- Payroll services including pension advice
- Payroll terms and conditions

### *Recruitment*

- Advertising
- CRB checks
- Recruitment administration
- Recruitment and selection
- Recruitment Interviews
- Temp Solutions
  - agency for temporary staff

### *Staff development*

- Management training
- Staff training

## **Information, advice and guidance**

### **Information technology**

#### *Development support*

- e-Services
- IT solutions development
- IT systems design consultancy
- Software application development

#### *First line support*

- Application support
- Curriculum ICT hardware support
- Desktop support
- Helpdesk/call centre

#### *Management*

- IT account provision
- IT management services
- Project management

#### *Other support*

- Data archiving *Syn:* External backup/storage
- Data control reports and update queries
- Disaster recovery
- Intranet
- IT hosted virtual learning environments (VLE)
- IT licensing
- IT network and security services
- IT remote back-up
- Managed learning environment
- Server support
- User support

#### *Others*

- Telephone

### **Legal services**

- Insurance

## **Management information**

- CRM database
- Customer satisfaction surveys
- Data control reports and update queries
- Data protection
- Data reviews
- Filing
- Reporting
- Student
- Unique learner number (ULN) management

### **Marketing, new media and communications**

- Communications support
- European project work
- Market penetration reviews
- Marketing
- Multimedia services
- Public relations
- Printing and reprographics
- Sales and marketing
- Website development

### **Procurement**

- Common procurement system
- e-Procurement
- Efficiency measurement model monitoring
- Exams
- Insurance
- Legal contracts
- Preferred supplier list
- Tendering framework documents
- Use of Government procurement cards

## **Reviews**

### *Events*

- Event management
- Events (HE graduation)

### *Exams*

- Achievement processing
- Examination entries and registrations
- Examinations management system
- FE success rate reports and Proachieve
- Secure exam accommodation

### *Recruitment*

- Applications – administration
- Applications management system
- Enrolment and fees
- FE application reports
- FE enrolment reports

## *Other*

- Advice and guidance
- Apprentice vacancies on line
- Apprenticeship training association
- Careers/information, advice and guidance
- Careers resources and staff training
- Coaching and neuro-linguistic programming
- Enrichment
- FE survey (Framework for Excellence)
- First point
- Holistic services
- Library and information services
- Weekly leaver reports
- Work placements

## **Work-based learning**

- Pastoral care 14-16

Glossary	
<b>Preferred term:</b>	<b>Bidding consortium</b>
<b>Definition:</b>	The participating Colleges establish a joint company which would have a limited remit, e.g. to bid for projects. The Colleges do not transfer any of their functions to the company and can choose whether or not to participate in particular projects. <sup>8</sup>
<b>Synonym/s:</b>	Bid vehicle
<b>Related term/s:</b>	Bid writing Joint procurement
<b>Preferred term:</b>	<b>Charitable incorporated organisations</b>
<b>Definition:</b>	CIOs are a new corporate structure designed for charities. Provisions to create CIOs were introduced in the Charities Act 2006. <sup>9</sup>
<b>Preferred term:</b>	<b>Collective agreement</b>
<b>Definition:</b>	An agreement entered into between an employer, or group of employers, and a trade union that is negotiating on behalf of all the employees represented by the union. <sup>14</sup>
<b>Preferred term:</b>	<b>Community benefit societies</b>
<b>Definition:</b>	Public bodies require statutory authority to set up CBSs and to become members. Members hold shares in the CBS, each member has one vote. <sup>9</sup>
<b>Preferred term:</b>	<b>Community interest company</b>
<b>Definition:</b>	Community interest requirements may limit what the company can do. <sup>6</sup> Established for the greater good of the community. They are aimed at social enterprises that do not have charity status. The benefit of a CIC is that the company does not have any financial or growth restraints, as with a charity, and maintains trust within the community which might be lost by trading as a private company. CICs can be a: <ul style="list-style-type: none"> <li>• private company limited by guarantee (not for profit)</li> <li>• private company limited by shares</li> <li>• public company</li> </ul>
<b>Source:</b>	<a href="http://www.hanovercompanyservices.com/prices/community_interest_companies.asp">www.hanovercompanyservices.com/prices/community_interest_companies.asp</a>
<b>Preferred term:</b>	<b>Company limited by guarantee</b>
<b>Definition:</b>	'Most likely model' for shared service. <sup>13</sup> A type of organisation normally formed for non-profit purposes, in which each member of the company agrees to be liable for a specific sum (often just £1) in the event of liquidation.
<b>Source:</b>	<a href="http://www.qfinance.com/dictionary/company-limited-by-guarantee">www.qfinance.com/dictionary/company-limited-by-guarantee</a>
<b>Synonym/s:</b>	Company limited by guarantee <i>not for profit</i>
<b>Preferred term:</b>	<b>Company limited by guarantee with charitable status</b>
<b>Definition:</b>	Being a charity is a matter of status, not of organisational structure. It is possible to secure for a number of different structures. The issue is essentially whether the objectives of the organisation are accepted as charitable by the Charity Commissioners, and it has an appropriate constitution. Because of its not-for-profit nature, a company limited by guarantee with charitable objectives can apply for charitable status.
<b>Source:</b>	<a href="http://www.formacompany.com/en/ukimport/limited-by-guarantee/guarantee-charitable-status">www.formacompany.com/en/ukimport/limited-by-guarantee/guarantee-charitable-status</a>

\*Note: Main sources of definitions can be found at the end of this glossary.



## Glossary

**Preferred term:** **Company limited by shares**

**Definition:** Almost every company formed as a vehicle for a business venture with a view to profit is registered as a company limited by shares. A company 'limited by shares' is a company formed on the principle of having the liability of its members (otherwise known as its shareholders or owners) limited to the balance amount (if any) which remains unpaid on the shares held by its members – section 1(2)(a) of the Companies Act 1985.

**Source:** [www.ukcorporator.co.uk/guidance/G62c.php](http://www.ukcorporator.co.uk/guidance/G62c.php)  
The company would have all of the advantages of a company limited by guarantee but the drawback is the need for equity investment.<sup>11</sup>

**Preferred term:** **Confederation**

**Definition:** In this option the Colleges form a joint company with a board comprising governors from each College. This company would be an advisory body only. It would have a strategic/planning role. It would not do anything operational but could have one or more operational subsidiary companies to which the Colleges would transfer various back/front office/non-core functions.<sup>8</sup>

**Case studies:** Moulton College

**Preferred term:** **Consortium**

**Definition:** A group of independent organisations that join forces to achieve a particular goal, for example to bid for a project or to conduct co-operative purchasing. A consortium goes on to complete the project if its bid is successful and is often dissolved on completion. This form of temporary alliance allows diverse skills, capabilities, and knowledge to be brought together.

**Source:** [www.qfinance.com/dictionary/consortium](http://www.qfinance.com/dictionary/consortium)

**Synonym/s:** Co-operative consortia; Informal arrangements; Informal clustering; Informal collaboration; Loose association

**Case studies:** Accrington & Rosendale; Aylesbury College; North Herts College; Rotherham College;

**Preferred term:** **Consortium – Corporate vehicle**

**Definition:** The Consortium model allows for a number of Colleges to become members of a limited company (most probably a company limited by guarantee). The company will be governed by its constitutional documents, namely its memorandum and articles of association, and will be operated on a day-to-day basis by an appointed Board of Directors.<sup>12</sup>

**Related term/s:** Co-operative consortia; Consortium

**Preferred term:** **Consortium – Unincorporated association**

**Definition:** Unincorporated associations are not corporate bodies and do not normally employ staff. If used as a vehicle for executive partnership, the activities are normally performed on their behalf by one of the members who is then responsible for the activity.<sup>9</sup>

A loose grouping of partners working to own agreed rules (memorandum of understanding) providing communication, dissemination, facilitation and implementation.

**Synonym/s:** Unincorporated association

**Case studies:** Nescot College; Portsmouth College

**Preferred term:** **Contract of employment**

**Definition:** Defined in Reg. 2(1) of the Transfer of Undertakings (Protection of Employment) Regulations 2006 as 'any agreement between an employee and his/her employer determining the terms and conditions of employment'.<sup>14</sup>

Glossary	
<b>Preferred term:</b>	<b>Continuity of employment</b>
<b>Definition:</b>	A continuous period of employment which will result in eligibility for various statutory employment rights. <sup>14</sup>
<b>Synonym/s:</b>	<b>Co-operative consortia</b>
<b>Preferred term:</b>	Consortium
<b>Preferred term:</b>	<b>Co-operative societies</b>
<b>Definition:</b>	Public bodies need statutory authority to set up co-operatives. A society must have at least seven members. Co-operative societies tend to relate to retail, wholesale, agricultural, buy-outs, etc. <sup>9</sup>
<b>Preferred term:</b>	<b>Distributed centre</b>
<b>Definition:</b>	Governed in the same manner as functional centres. A shared services team would be located in each of the Colleges and would perform the full range of the agreed shared service functions. The shared service staff would be part of a separate corporate structure. <i>Exeter</i>
<b>Preferred term:</b>	<b>Due diligence</b>
<b>Definition:</b>	The process by which formal investigations are carried out in relation to the company or undertaking that is subject to the TUPE transfer prior to its transfer. The essential purpose is for the transferee to obtain as much information as possible about the target business. <sup>14</sup>
<b>Preferred term:</b>	<b>Economic entity</b>
<b>Definition:</b>	An organised grouping of resources which has the objective of pursuing an economic activity. <sup>14</sup>
<b>Preferred term:</b>	<b>Employee</b>
<b>Definition:</b>	Defined for the purposes of Reg. 2(1) as 'any individual who works for another person, whether under a contract of service, apprenticeship or otherwise, but does not include anyone who provides services under a contract for services'. <sup>14</sup>
<b>Preferred term:</b>	<b>ETO reason</b>
<b>Definition:</b>	To make a change to terms and conditions after a transfer there must be an 'economic, technical or organisational' reason entailing changes to the workforce for the change(s) to be valid. <sup>14</sup>
<b>Preferred term:</b>	<b>Federation (group structure)</b>
<b>Definition:</b>	A holding company co-ordinating all member Colleges, whilst allowing them considerable independence. This option provides for an overarching company to exercise a degree of control over each of the participating Colleges. <sup>8</sup>  Partners would have to be found for a new federation, or an existing federation would have to be joined. This would offer the opportunity to share out the work to be done across Colleges or other potential partners. It would not need a new organisation but rather Colleges would agree to work together in a federal system.  There would of necessity be no changes to College organisation, and therefore no new structure to drive cultural change. The federal arrangements would have to take into account that some partners would be co-operating within, whilst competing outside, the federal structure if sharing with other Colleges. <sup>10</sup>
<b>Related term/s:</b>	Trust
<b>Case studies:</b>	City College Norwich

## Glossary

**Preferred term:** Federation (soft)

**Definition:** Less formal but still structured partnerships. For instance, the soft federation model could apply where two or more schools want to share key staff, including the perceived benefits of a non-teaching head teacher, but to keep everything else separate, especially governance, whilst still joining together for mutually beneficial activities when appropriate.

**Source:** <http://schoolgoverning.blogspot.co.uk/2011/02/soft-federations.html>

**Related term/s:** Joint employment

**Case studies:** Burton and South Derbyshire College; Worcester College of Technology

**Preferred term:** Functional centre

**Definition:** The outline structure for this model consists of a shared service organisation, which is governed by a shared service board including representation from each of the three partner Colleges. A delivery team with responsibility for each identified shared service will be established. This team will have the responsibility for delivering the service across all three Colleges. Smaller 'front line' teams for each service will be based in each of the Colleges to act as 'on the ground' contacts and liaison. It is envisaged that each College would play host to at least one of the main delivery teams.

Each College would nominate a 'client side' representative to manage the contract with the shared service provider and to ensure that conditions outlined in a service level agreement are being adhered to.

**Preferred term:** Industrial provident society

**Definition:** These give a wide membership an equal stake in the organisation and an equal say in management and other affairs.<sup>11</sup> Members have an equal stake and equal say in management.<sup>13</sup>

**Synonym/s:** Informal arrangements

**Preferred term:** Consortium

**Synonym/s:** Informal clustering

**Preferred term:** Consortium

**Synonym/s:** Informal collaboration

**Preferred term:** Consortium

**Preferred term:** Joint committee

**Definition:** Each College appoints a joint committee as a sub-committee of its Governing Body. The joint committee could be an advisory body only and/or could have formally delegated powers as agreed between the Colleges. The joint committee does not do anything operational, but has only a strategic/planning role.<sup>8</sup>

**Related term/s:** Memorandum of understanding

## Glossary

**Preferred term:** **Joint company** (subscription model)

**Definition:** This is the same as Joint company (trading model) except that the services provided by the shared company are not 'paid for' by the recipient Colleges. The shared company is funded by subscriptions from the participating Colleges and those subscriptions entitle each of the Colleges to receive the relevant services without any additional payment. The Colleges form a joint company(ies) which carries out a range of operational functions. These could include back/front office services but probably not any non-core delivery. Each College could decide whether or not to transfer some of its functions to the joint company(ies).<sup>8</sup>

**Synonym/s:** Jointly owned service organisation

**Case studies:** Yeovil College

**Preferred term:** **Joint company** (trading model)

**Definition:** The Colleges form a joint company(ies) which carries out a range of operational functions. These could include back/front office services and some non-core delivery. Each College could decide whether or not to transfer some of its functions to the joint company(ies).<sup>8</sup>

**Synonym/s:** Joint initiative  
Jointly owned service organisation or partnership  
Joint venture company

**Case studies:** City of Sunderland College; Plumpton College; South Essex College; West Cheshire College

**Preferred term:** **Joint employment**

**Definition:** Two or more organisations sharing the same staff.

**Related term/s:** Federation (soft)

**Synonym/s:** **Joint initiative**

**Preferred term:** Joint company (trading model)

**Synonym/s:** **Jointly owned service organisation or partnership**

**Preferred term:** Joint company (trading model)

**Preferred term:** **Joint procurement**

**Definition:** A narrow service range focussing on procurement. As with a federal structure there would be no need for a new organisation. Cultural change would therefore not be driven by new organisational arrangements. There would be a VAT liability to consider.<sup>10</sup>

**Synonym/s:** Centralised procurement; Shared procurement

**Related term/s:** Bidding Consortium

**Case studies:** ACER; Burton and South Derbyshire College; Brockenhurst College; East Riding College; Liverpool Community College; West Nottingham College

**Synonym/s:** **Lead authority**

**Preferred term:** Lead body

## Glossary

**Preferred term:** **Lead body**

**Definition:** Delegating to a lead authority has been widely used for partnership between local authorities. Debatable whether this is a shared service or a delegation of responsibility. There may be VAT implications for Colleges.<sup>9</sup>

**Synonym/s:** Lead authority; Lead department

**Related term/s:** Memorandum of agreement; Letter of agreement

**Case studies:** Exeter College; West Nottingham College

**Synonym/s:** **Lead department**

**Preferred term:** Lead body

**Preferred term:** **Letter of agreement**

**Synonym/s:** Memorandum of agreement

**Preferred term:** **Limited liability partnership**

**Definition:** May be attractive to specific shared service activity. Partners have limited liability for partnership debts.<sup>9</sup>

The LLP may hold property and limit its liability, but the main problem is that every member is an agent and has authority to bind the LLP. It should also be noted that there are potential limitations on the use of partnership structures in the public sector.<sup>11</sup>

**Synonym/s:** Partnership

**Synonym/s:** **Loose association**

**Preferred term:** Consortium

**Preferred term:** **Matrix centre**

**Definition:** A *matrix* model would be governed and managed in the same way as the *distributed model*. This model would provide for a shared service centre for each of the agreed services with a local presence at each of the Colleges.

**Preferred term:** **Members' subscription company**

**Definition:** 'We consider that from a VAT angle this route is subject to significant technical challenge.'<sup>12</sup>

**Preferred term:** **Memorandum of understanding**

**Definition:** A memorandum of understanding is a legal document describing a bilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action, rather than a legal commitment. It is a more formal alternative to a 'gentlemen's agreement', but generally lacks the binding power of a contract.

**Source:** [www.englishforums.com/English/DifferenceBetweenPartnershipAgreement-Contract/hxxpj/post.htm](http://www.englishforums.com/English/DifferenceBetweenPartnershipAgreement-Contract/hxxpj/post.htm)

## Glossary

**Preferred term:** Memorandum of agreement

*Definition:* A memorandum of agreement (MOA) or co-operative agreement is a document written between parties to co-operatively work together on an agreed project or meet an agreed objective. The purpose of an MOA is to have a written understanding of the agreement between parties. The MOA can be a legal document that is binding and hold the parties responsible to their commitment or just a partnership agreement.

*Source:* [www.englishforums.com/English/DifferenceBetweenPartnershipAgreement-Contract/hxxpj/post.htm](http://www.englishforums.com/English/DifferenceBetweenPartnershipAgreement-Contract/hxxpj/post.htm)

*Synonym/s:* Letter of agreement; Partnership agreement

*Case studies:* East Riding College

**Preferred term:** Merger

*Definition:* Two or more 'equal' Colleges join to create one organisation.

*Synonym/s:* Type-A merger

*Related term/s:* Takeover; Subsidiary

*Case studies:* Easton College; East Riding College

**Preferred term:** Mutualisation

*Definition:* To set up or reorganise (a corporation) so that the majority of common stock is owned by customers or employees.

*Source:* [www.thefreedictionary.com/mutualised](http://www.thefreedictionary.com/mutualised)

*Synonym/s:* Compliant mutualisation

*Case studies:* Birmingham Metropolitan College

**Preferred term:** Organised grouping of employees

*Definition:* An organised grouping of employees indicates a number of employees that are less than the entire workforce and who are deliberately organised for the principal purpose of carrying out activities required by the particular client.<sup>14</sup>

**Preferred term:** Outsourcing

*Definition:* Obtain goods or a service by contract from an outside supplier.

*Source:* <http://oxforddictionaries.com/definition/outsourcing>

*Synonym/s:* Externally managed service; Managed Contracts; Outsourced services; Outsourced management contracts

*Related term/s:* Selective outsourcing; Total outsourcing

*Case studies:* Brockenhurst College; Westminster Kingsway College

**Preferred term:** Relevant transfer

*Definition:* The standard definition of a relevant transfer, contained in Reg.3(1)(a) of the Transfer of Undertakings (Protection of Employment) Regulations 2006, is where there is a transfer of an economic entity that retains its identity.

## Glossary

**Preferred term:** Service provision change

**Definition:** The Reg 3(1)(b) defines three types of service provision change:

- i. activities cease to be carried out by a person ('a client') on his/her own behalf and are carried out instead by another person on the client's behalf ('a contractor')
- ii. activities cease to be carried out by a contractor on a client's behalf (whether or not those activities had previously been carried out by the client on his/her own behalf) and are carried out instead by another person ('a subsequent contractor') on the client's behalf
- iii. activities cease to be carried out by a contractor or a subsequent contractor on a client's behalf (whether or not those activities had previously been carried out by the client on his/her own behalf) and are carried out instead by the client on his/her own behalf.<sup>14</sup>

**Preferred term:** Single centre

**Definition:** This would involve having all of the agreed shared services located in a central shared service centre, providing the full range of services to all of the Colleges. *Exeter*

**Preferred term:** Strategic partnership

**Definition:** A strategic partnership is a formal alliance between two commercial enterprises, usually formalised by one or more business contracts, but falls short of forming a legal partnership, agency, or corporate affiliate relationship.

Typically, two companies form a strategic partnership when each possesses one or more business assets that will help the other, but that each respective other does not wish to develop internally.

**Source:** [http://en.wikipedia.org/wiki/Strategic\\_partnership](http://en.wikipedia.org/wiki/Strategic_partnership)

**Case studies:** Calderdale College; Capel Manor College; Nescot College

**Preferred term:** Subsidiary

**Definition:** A subsidiary corporation or company is one in which another, generally larger, corporation, known as the parent corporation, owns all or at least a majority of the shares. As the owner of the subsidiary, the parent corporation may control the activities of the subsidiary. This arrangement differs from a merger, in which a corporation purchases another company and dissolves the purchased company's organisational structure and identity.

**Source:** <http://legal-dictionary.thefreedictionary.com/subsidiary+company>

**Related term/s:** Merger, Takeover

**Case studies:** Oxford and Cherwell Valley College

**Preferred term:** Takeover

**Definition:** One College subsumes another organisation, typically retaining the main College's corporate structure and branding.

**Synonym/s:** Type-B merger

**Related term/s:** Merger, Subsidiary

**Preferred term:** Transferee

**Definition:** The person/organisation who carries out the activities as a result of the service provision change.<sup>14</sup>

## Glossary

**Preferred term:** **Transferor**

*Definition:* The person/organisation who carried out the activities prior to the service provision change.<sup>14</sup>

**Preferred term:** **Trust**

*Definition:* Trusts comprise one or more bodies or people who agree to take over, without payment, the care, custody and management of assets from founders. Trusts may be used to transfer any responsibilities from local authorities to other partners or to share control with them.<sup>9</sup>

*Related term/s:* Federation (group structure)

*Case studies:* City College Norwich; Stockport College

**Preferred term:** **TUPE**

*Definition:* TUPE is the acronym for the Transfer of Undertakings (Protection of Employment) Regulations 2006. TUPE protects employees' terms and conditions of employment when a business is transferred from one owner to another.<sup>14</sup>

**Synonym/s:** **Unincorporated association**

*Preferred term:* Consortium - Unincorporated association

**Preferred term:** **Unitary**

*Definition:* A single organisation centralising its business services. (Bland)

*Case studies:* Bishop Burton College

8. Barnet College
9. Portsmouth College
10. AoC SS guide [www.aoc.co.uk/shared-services/materials](http://www.aoc.co.uk/shared-services/materials)
11. Mills and Reeves Legal information (link below)
12. Eversheds Legal Report (link below)
13. Legalities of shared services (AoC) (link below)
14. AoC glossary of TUPE terms

AoC legal information page:

[www.aoc.co.uk/shared-services/materials](http://www.aoc.co.uk/shared-services/materials)