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Association of Colleges

City College Norwich Transforming Education in Norfolk

“ My whole world
has changed as
a result of this
project. We’re
doing something
that is reshaping
the educational
landscape



Dick Palmer

Chief Executive of City College Norwich
and Group Chief Executive of Transforming
Education in Norfolk (the TEN Group)

Introduction

When Dick Palmer and his team decided to look at improving quality and cutting costs by sharing back-office services with other institutions, they didn't tinker at the edges. Their vision was simple in essence, though challenging in practice. The main aim was to remove from curriculum teams anything that could distract them from the central job of crafting high-quality teaching and learning experiences. So everything that wasn't teaching and learning had to go – somewhere else!

Vision

Looking back over his journey, Dick Palmer is quick to point out that their eventual ideas for achieving these ambitions were very different from those at the outset. Their challenging and extensive journey has produced a new paradigm for education, certainly in Norfolk, and quite possibly for the rest of country.

The journey

The journey began back in 2009 when the College looked at taking over a failing school. At the time, just 6% of the school's pupils achieved five GCSE passes at A – C, making it the fourth worst in England. Earlham High School was to become City Academy Norwich and leave Local Authority control. With that reformation came the opportunity to choose from whom it bought its back-office services: from a commercial private sector provider, back with the Local Authority, or from another institution within the public education sector – namely the College.

The College (as lead sponsor of the new Academy) helped the school remove all non-core distractions and provided it with the sort of back-office expertise available only to larger organisations. This approach helped Dick Palmer and his team extrapolate a vision of a distraction-free environment for all their curriculum staff, not just those in the school. And if this could work for two organisations, then why not three.. or four..?

As this vision for a new paradigm began to take shape, with the College at the head of the structure and a number of schools below, so the plans started by Government in 2005 to open up the sector to competition were being realised in the new 'freedoms and flexibilities'.

Long-term plans then began to take shape for the eventual addition of another school – Wayland Academy Norfolk – and a new University Technical College (UTC) in 2014 – Norfolk University Technical College. Again, both of these would be structured around the central shared services company. When new grant money became available from the Skills Funding Agency (SFA), the timescale for the project quickly reduced.

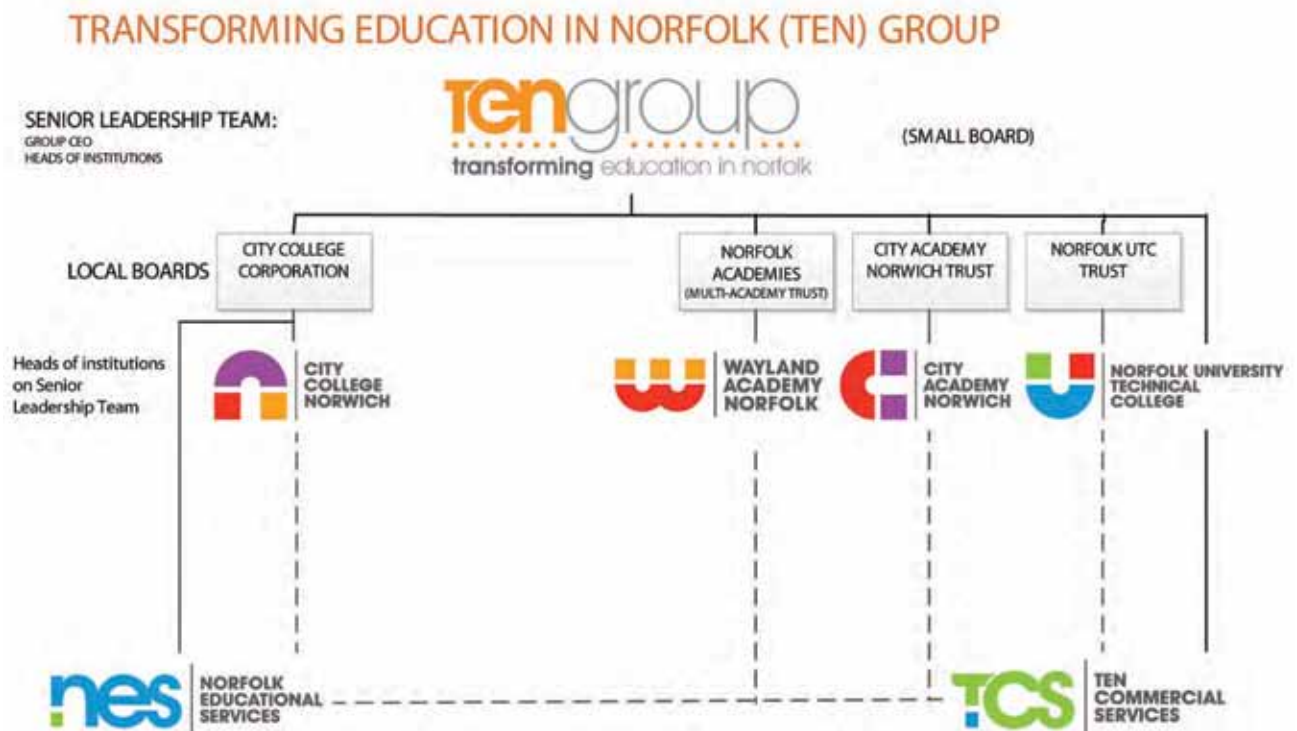
The added benefit for the Further Education (FE) sector of City College Norwich using grant funding for the development of its business model and implementation plan was the whole sector would then have unrestricted access to the model, the legal advice, and the all-important lessons learned.

Shared Services model and legal structure

“It’s been quite a fraught journey, to be honest”, admits Dick. “We started off with a very different model to the one we’ve ended up with”, originally having “the College at the top and the schools underneath”. There was concern from some quarters that the College was putting itself into a position of regional control – a takeover rather than a partnership.

The final vision, was sculpted by the needs of staff, the aspirations of the partners and, most importantly, the legal demands of key stakeholders. By September 2012, the Instruments and Articles of the College and the Articles of Association of the academies were amended. The new education federation, Transforming Education in Norfolk (the TEN Group) was formed – the TEN Group being created as an educational charity. To hear more from Dick Palmer you can view the film produced by the Association of Colleges (AoC) on the shared services section of the AoC website: (www.aoc.co.uk/shared-services/materials/gf-videos)

Dick Palmer reflects “being nimble and willing to adapt”, as the options and restrictions buffeted their ideas, was essential. Original plans to move academic staff over to the new federation were frustrated by the rules surrounding the Teachers’ Pension Scheme. Next was the issue of the 300 business support staff who were prevented from being transferred directly into the new shared services company (Norfolk Educational Services Ltd (NES)). Dick Palmer states “The Local Government Pension Scheme (LGPS) didn’t recognise our new charitable organisation as ‘having any history or credibility’”. Each hurdle eventually shaped the final federation model with its subsets and Trusts, as shown below.



Norfolk Educational Services Ltd (NES) is wholly owned by the member organisations. This new company now provides all services for all partners that are not front-line teaching and learning. Unusually, NES is a company limited by shares rather than by guarantee; going against the trend of many other new FE shared service companies. The two shareholders are the TEN Group (the overarching group) and City College Norwich. The only reason the College is a shareholder is due to the reluctance of the LGPS to recognise the new charitable organisation.

The group decided on the 'limited by shares' option rather than 'limited by guarantee with charitable status' as it gives them certain options in the near future. These include the ability to raise investment and make profits. These profits, or surpluses as Dick Palmer prefers, will be donated to the individual member organisations using the charities rules and, therefore, will not be subject to corporation tax – keeping more money for front-line services.

The cost of the legal advice to navigate the many regulations and develop the model was considerable, but this is now being made available to the whole sector so that other providers can short-circuit the development process if they choose to develop their own regional federations. Full details can be found at this link on AoC's website. (www.aoc.co.uk/shared-services/citycollegenorwich-federationdevelopment)

Leadership, culture and process

Managing business-as-usual, while creating the new vision and structure was something of a challenge; one which began with the governing Board. Governors had to give away their responsibility for governing the College when they agreed to the formation of the overarching federation. Once they had whole-heartedly bought into the idea, the next challenge was the senior team. "They have to walk it and talk it and smell it and drink it", states Dick Palmer.

Finally, all members of staff needed to have their voices heard so that the project could take everyone along, and ultimately be successful. "You have to manage the staff engagement regularly – you can't do it with one roadshow and an email." Dick Palmer met with every member of staff from all partner organisations. He listened to the objections and engaged with their views, using these to shape the project and help it, and the staff, move forward together.

They developed a new suite of processes, including finance systems, HR systems and work-flow systems, by process-mapping and re-engineering their existing routines. This was then used to define the aspiration for a 'third way' that would meet all partners' needs.



Involving a private training provider

The rules surrounding the VAT cost-sharing exception and competitions law mean that private training providers cannot be part of a shared service company as they are subject to VAT, and their involvement would unfairly distort commercial competition. It was therefore a surprise to hear that the partnership wanted to include such a company in the TEN Group. However, Dick Palmer was quick to point out that while the company is classified as a private training provider by the SFA, it is actually a not-for-profit charitable organisation, and therefore does not fall foul of the regulations.

Outcomes for the project

Dick Palmer is clear that the TEN group is a long game, and that the best – improving outcomes for learners – is yet to come. Looking at the early indicators, it's clear to see that the investment in a considered and coordinated education ladder from age five to 19 has been worth it.

A divisive issue, when looking at the progress of pupils from institution to institution, can be the over inflation of their 'attainment' as they leave one school followed by the deflation of attainment when they enter the next. Any such 'massaging' of value-added data is arguably an unfortunate side effect of league tables. The TEN Group, however, are all partners bound together, not just by the federation structure but by a common, single data system that focuses on learners' success, rather than institution success, from age five onwards.

Financially, the partners have already made savings on a range of renegotiated contracts, including buildings insurance and catering. As regards staffing, there have been very limited redundancies during this significant reorganisation. Dick Palmer is clear that this is due firstly to not replacing staff who have left, but also because the shared service processes they now operate are far more lean and efficient. Within the period of the project funding, the team estimate that they have already saved close to £1 million, and forecast a further £3.45 million over the next five years. Details of all the team's strategies and approaches can be found on the shared services section of the AoC website: (www.aoc.co.uk/shared-services/CityCollegeNorwichfederationdevelopment)

What can be said of the failing Earlham High School, now City Academy Norwich? In September 2011, Ofsted commented in its re-inspection report that: "Its improvement has been rapid. Students' achievement is improving well and is good". Indeed, the school's overall effectiveness and capacity for sustained improvement was judged to be 'good'. From special measures to an Ofsted "good" in just three years is impressive.



Outcomes for the Sector - Guide to Federation & Shared Services Development

“There’s clearly a land-grab going on with Academies”, states Dick Palmer. “there are chains and federations of schools being established that can buy services, and clearly the private sector is going to step into this space very quickly.” Dick Palmer is happy with this competitive arena and urges other Colleges and schools to consider the federation model, as its unique selling point is that all monies remain within the public domain, rather than being syphoned off for commercial gain by outsiders. “This is a huge opportunity for the sector to get involved.”

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The model is replicable and expandable. From 2014 it will include the new Norfolk UTC, and could go on to include other FE Colleges, Academies and Free Schools. Dick Palmer states “time will tell if it ends up achieving its end game - as an enabling, transformational service”, but all of the signs so far are good.

For the rest of the sector the benefit from the project is the development of a Guide to Federation & Shared Services Development created by City College Norwich. The Guide is available for all Colleges to access and learn from, available on the shared services section of the AoC website: (www.aoc.co.uk/shared-services/citycollegenorwich-federationdevelopment)





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