



Wessex Education Shared Services Ltd



“Employees have a new focus, a new drive and a new interest in helping to shape the work that they’re doing.”



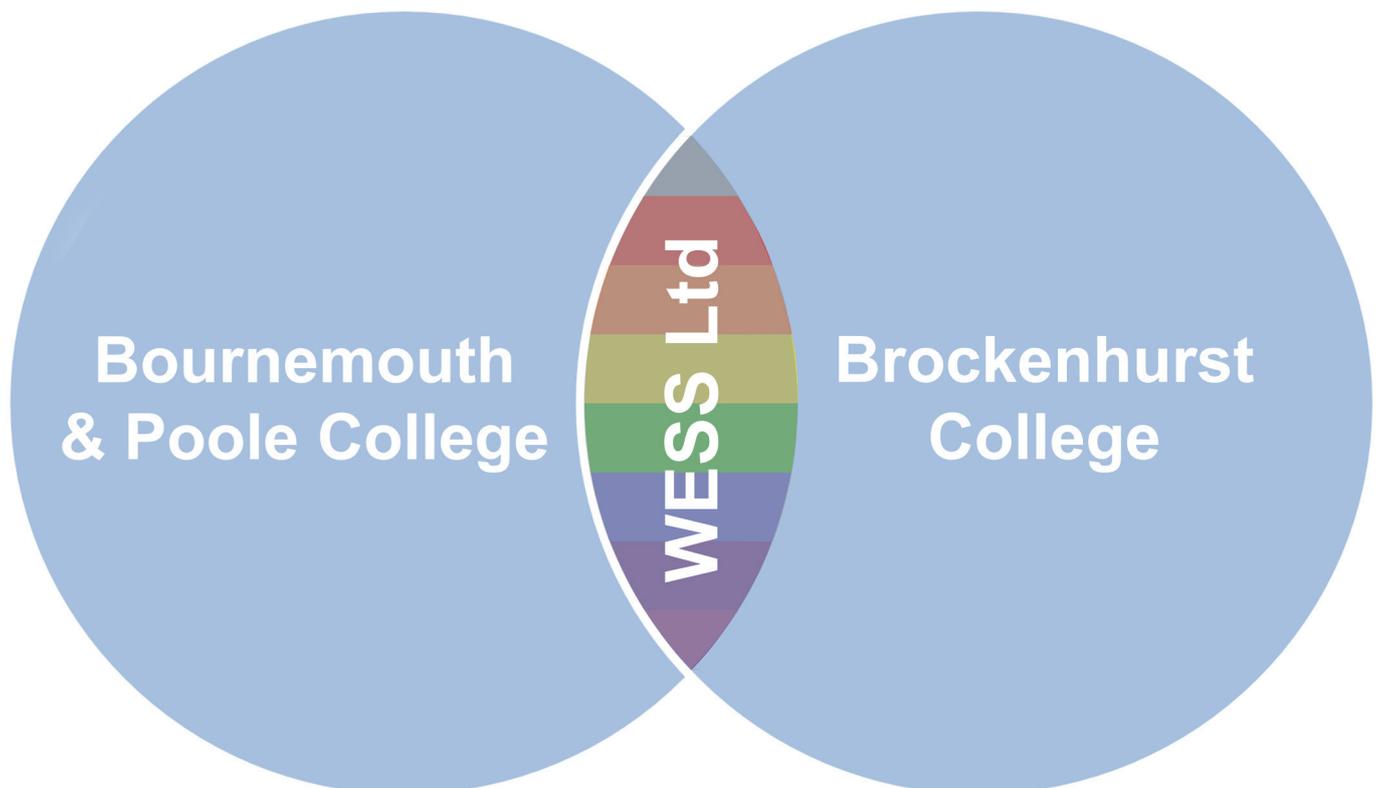
Robin Gadd
Executive Head, Wessex Education
Shared Services Ltd (WESS)

Introduction

Overview and background to the project

In many ways, the WESS project reads as a model approach to shared services, but in a sector where almost every shared service experiment has been unique, this is, of course, a very constraining view. However, it may be worth looking at a definition of shared services to understand the point:

‘Two or more organisations give responsibility for a discrete element of their provision to a separate business unit which is wholly owned by themselves.’¹



Indeed , after a long, involved and fruitful two-year journey, this is precisely what this partnership has now achieved:

- staff previously employed by the two Colleges are now employed by WESS
- processes previously carried out separately in the two Colleges are now carried out centrally by WESS
- greater capacity has been created by WESS to enable greater resilience and further
- improvement of services by reducing dependency on individuals
- savings now generated by WESS are passed back to the partners.

¹ Davis, T. (2011) Efficiency and Innovation Fund Shared Services Evaluation Report: The many faces of collaboration. AoC. Available at http://www.aoc.co.uk/shared_services/materials/reports

This follow-up case study¹ looks at the last twelve months of the journey and how the team realised this ambitious change-management project without the need for any redundancies.

Development

Progress since November 2012

“It was a bit of a leap of faith, at least initially,” says Robin Gadd, Executive Head of WESS, “that there was a way to save money by sharing in this way. As important, or perhaps more importantly, it was the opportunity to build the capacity for change and improvement that was the real driver behind our work.”

The project teams didn't set out to share specific aspects of their back-office functions, but to see if sharing of this kind was actually possible. This led on to the debate 'is sharing of this kind *desirable?*' and following this came the final question: '*how?*'

A keen determination to create efficiencies from service improvement engaged employees in the journey.

In working out the 'how', it was clear that those staff needed to effect the transformation were the very staff the transformation could affect. However, a keen determination to create efficiencies from service improvement engaged staff in the journey.

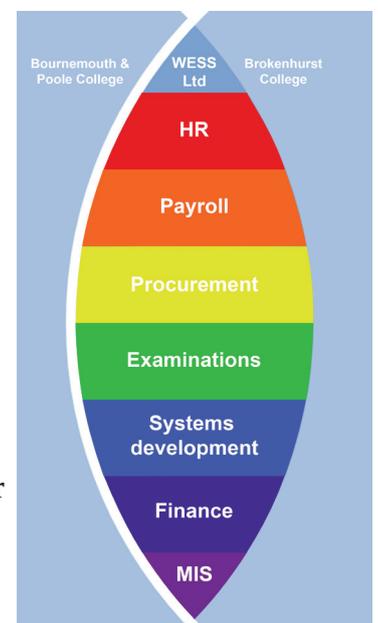
Bournemouth & Poole College and Brockenhurst College became the founder members of WESS Ltd in

November 2012. Whilst this has undoubtedly been a successful journey so far, the final achievements are a pragmatic version of the original vision. Of the five Colleges at the beginning of the research phase, one proved to be geographically too far away and another put itself on hold during its search for a new Principal.

The team was able to avoid redundancies by working with the natural turnover of staff during the research and development phase of the project. Instead of recruiting new full-time staff, an appropriate balance of part-time and temporary staff plugged the gaps, allowing for a re-drawing of structures and roles relatively free of the political considerations normally associated with large-scale change.

From here on in, however, WESS Ltd is no longer a gamble on an unproven concept, but the glowing reality of mission achieved, so far. Now, having concrete proposals rather than ambitious theories makes things much easier, says Robin: “We've already started a dialogue with further potential partners with a view to them joining us either this year or next”.

¹ Davis, T. (2012) The original case study: The Wessex Federation. AoC. Available at http://www.aoc.co.uk/shared_services/material/wessex_federation



There's now also an additional financial incentive for other Colleges to join the partnership. Not only have the original partners completed the hardest part of the project, but any incoming provider could potentially make significant savings due to the advantageous charging structure that will be offered. Service costs for each partner are calculated relative to their base-line starting points. However, as efficiencies continue to improve, the relative difference between original and new partners will give the incoming members a financial advantage due to their pre-entry higher base-lines. Robin Gadd is keen to point out, though, that: "As each new partner joins WESS, the cost per month for the existing members will also reduce." Wins all round.

Outcomes

Delivery model

The final model chosen for the new model of delivery was a company limited by guarantee. "With the benefit of hindsight, we still feel we've made the right choice for our situation," says Robin Gadd. They feel that having the members as the sole focus of business rather than shareholders is a key benefit of their decision and there is no conflict with the public service aims of the Colleges. The partnership didn't feel the need to seek charitable status at this point.

The WESS head office is a part of the Bournemouth and Poole College estate, but in a building that stands alone from the others. Around forty five of the original back-office staff have relocated into the new head office and a further thirty, although managed from the head office, remain in the Colleges to look after the local sections of the supply chain and the all-important interface with learners and staff. All of these staff transferred to WESS under TUPE arrangements.

Impact on the organisation, staff and students

"It's still early days of working through the challenges," states Robin Gadd. "Our employees are really rising to the challenge and actually enjoying it in most cases."

Joining forces to improve the efficiency and effectiveness of back-office services does not, however, alter the competitive environment in which the two partners work. Whilst trust and the sharing of sensitive data was a necessary part of the journey they've completed, WESS's strict confidentiality rules now ensure that partners can only access their own data. Robin Gadd remembers that this and many other contentious issues were effectively broached and solved by following the lead of the two Principals Lawrence Vincent and Di Roberts CBE: "The art of the possible..."

Now into the day-to-day running of the new business, Robin Gadd is clear that the Operations Group is critical to the early successes needed to continually reaffirm the overall mission and to learn about their new approach from the inside: "We're now starting to pick up customer feedback, which we constantly review to ensure that we're delivering on our promise".

Key questions are:

- is the customer having to ask WESS lots of questions?
- where is it costing us money to deliver a service?
- where are the inefficiencies?

As well as getting to know their new charge, the ripples of the original process-mapping strategy are starting to hit other aspects of the Colleges' work and uncovering the potential for more sharing, more quality improvement, and more efficiency gains.

"We have within WESS the 'software systems development team'," says Robin, "and they've started to look with both Colleges at areas of process we could apply technology to, to do things differently, and at greater scale through WESS. We're particularly keen to reduce our reliance on temporary staff – such as staff we need to input data at particular points in the year – and investigating how we might achieve this with smarter use of technology and a self-service approach. It'll be an interesting next step. We've created capacity and sparked a new impetus and opportunity for change. Employees have a new focus, a new drive and a new interest in helping to shape the work that they're doing."

"Staff have a new focus, a new drive and a new interest in helping to shape the work that they're doing."

Robin Gadd also feels it's important to note that not all staff wanted to journey from two small, independent teams into the central service; some chose to leave before the transfer took place. Along with creating more opportunities for career progression in a larger team, there is now much less reliance on individual expertise, and consequently more resilience against knowledge loss from staff turnover. To assist the wider sector Robin and his team have produced a pension scheme briefing paper.¹

The transfer of staff into WESS under TUPE arrangement went largely according to plan, though there was a delay in going live as it took longer to finalise the requirements of the Local Government Pension Scheme (LGPS) than had been anticipated – an issue not unique to this shared service project. It was finally agreed that LGPS membership would be open to anyone who transferred to WESS under a TUPE arrangement, but not to future new recruits. New partner Colleges, however, can transfer their existing LGPS staff into the WESS scheme.

The City College Norwich shared service project also experienced challenges around LGPS, which were ultimately only resolved by changing their planned legal structures around the new TEN Group company². Conversations between Robin Gadd and the TEN Group CEO, Dick Palmer, helped the WESS team focus the conversation with LGPS 'in the right way' to help its staff understand these new FE cost-sharing groups and inter-college partnerships in relation to pensions. To help others in the sector learn from both teams' experiences, Robin will shortly be producing a briefing paper on this area of transition³.

1 http://www.aoc.co.uk/shared_services/material/wessex_federation

2 Davis, T. (2012) The original case study: City College Norwich – Transforming Education in Norfolk. AoC. Available at http://www.aoc.co.uk/shared_services/material/city_college_norwich_federation_development

3 Gadd, R. (2013) Local Government Pension Scheme briefing paper. AoC. Available at www.aoc.ac.uk/shared_services/material/wessex_federation

Savings

“We have a savings forecast tool that we’re continually refining,” says Robin. “It basically says ‘here are our savings predictions; are we on target to achieve them?’ Twelve weeks in, we’re not expecting to need to reforecast downwards!”

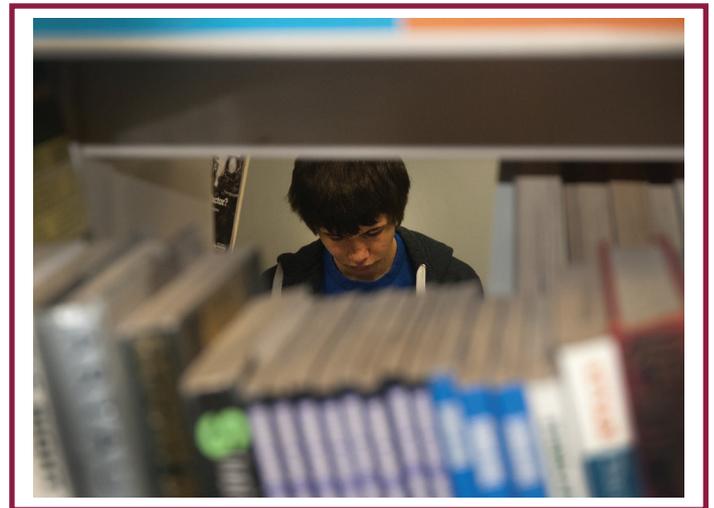
The original savings of 4-5% in year one for payroll and other staff efficiencies are on target, though it is still too early to quantify those around procurement. The new procurement manager joined the team in October 2013 – and will quickly begin to realise the many opportunities the team feel are there for savings. Governors, too, are keen to ensure that as the new organisation finds its feet and gets itself ready for further expansion it firmly embeds an ambitious culture of efficiency alongside its search for service improvement.

Replicability for the wider FE sector

As with all of the AoC managed shared service project teams, there is a strong desire to share with the whole sector the successes, mistakes and discoveries they’ve made, to inform the debates about whether or not to embrace this approach.

To that end, Robin and his team have produced a shared service Change Management Toolkit and a local government pension briefing paper¹. The toolkit covers:

- selecting a change strategy
- creating a change strategy
- impact and readiness for change
- resistance to change
- communication to change
- change transition
- sustainability of change.



“It compliments what some of the other projects have done around toolkits, supplementing the learning around culture and the ways of getting people to work effectively together,” states Robin Gadd. “It’s the tools we used to structure workshops and analytical sessions looking at the soft side of change: driving the context, positive engagement and collaboration.”

Robin Gadd also goes on to say how important individuals are to change management projects – both the architects and the front-line staff. “We’ve been very fortunate that the two principals have been very engaged in this throughout. They’ve done the necessary communications with the governing bodies, and created a mandate for the rest of us to pursue and achieve the vision for where we wanted to be.”

That WESS is a successful change-management project is in no doubt. That the team of change architects saw the whole journey through cannot and should not be underestimated. These wholesale changes take time. If project teams do not build succession planning into their risk strategies, then the loss of a senior post holder could cost them the whole mission.

1 Gadd, R. (2012) Wessex Education Shared Services Change Management Toolkit. AoC. Available at www.aoc.co.uk/shared_services/material/wessex_federation.



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