

ECC Ltd:

Annual Report 2012~13

Foreword from the Chair

In last year's report I noted that the sector was experiencing significant change and economic pressure. We have seen the impact of this on HE and FE policy and funding throughout the UK, particularly through mergers in Scotland and Wales in both sectors. We know that the sector is becoming increasingly competitive and, as a result, will continue to experience structural and financial pressure for some time to come.

As HR professionals I believe it is our responsibility to align people strategy with organisational imperatives. Understanding the nature and structure of roles within our organisations - and ensuring reward is aligned appropriately - remain central to that.

A key aim during 2012-13 has been the focus on value for money for members. In this report covering my first year as Chair, I am pleased that the consortium has again delivered effectively for our membership, and that our financial resources continue to be managed closely.

This has enabled us to reduce subscriptions for most members, with the remainder only seeing a modest increase below the rate of inflation. At the same time we have begun to invest in a significant project to commission the next generation of HERA / FEDRA software, which we intend will deliver a much improved user experience at a lower cost to ECC and to every member.

In summary, I am pleased to again see a positive performance and financial report of ECC's activity. I commend our annual report to you our members, and assure you that the staff team and Board remain absolutely focused on member service and value for money.

Geoff Foster
Chair, ECC Ltd
February 2014

ECC'S MISSION AND OBJECTIVES FOR 2012-13

Our vision is an HE and FE community that develops and shares best practice approaches to role design and analysis cost-effectively. To bring that vision into reality our consortium provides the HE, FE and related sectors with high quality role design and analysis products, and bespoke services.

This enables our members to deliver recruitment, reward management, workforce planning, performance management, career development and related activities to underpin best practice in people management.

Our objectives for the year were:

Membership

1. Provide ECC services that match member needs
2. Increase member engagement and service take-up
3. Build and protect ECC and HERA/FEDRA brands

Leadership

4. Provide clear vision and direction
5. Build and maintain an effective team

Resources

6. Match resources to member, strategic and service requirements

Work carried out by the team to achieve these priorities is described in the following pages.

PRIORITIES AND ACTIVITIES 2012-13

1. Provide ECC services that match member needs

ECC exists to develop and deliver the specialist services that our members need.

This year we assessed those needs through:

- feedback from members attending our 2012 Conference
- views expressed by members during the course of our work throughout the year
- feedback on services delivered
- informal and commissioned customer research on specific topics of interest

The HERA/FEDRA scheme and its usage

Our core business is supporting members in successful implementation of the scheme, and ensuring this underpins their broader HR activities.

Focus groups were held with members in 2013 to review the scheme wording and guidance, ensuring that any changes would not affect the scoring of a role.

We commissioned Capita Resourcing to conduct a survey of current practice related to determining pay for senior staff amongst a sample of our members. The implications of the findings will be progressed with member input in 2013-14.

The HERA/FEDRA software

A series of improvements were made to the software during the year in direct response to member needs. These include extending the 'time out' period from 20 to 40 minutes; improving the process of logging in after a 'time out'; adding a field to record attachments so that these can be reported on; and adding a new user group field called 'inactive users' to make it easier to remove past users' access.

We have begun to identify potential improvements to the 'look and feel' of the software. These are being fed into a project in 2013-14 to commission a replacement software product to be rolled out after the current Towers Watson contract expires in 2014. Our priorities for the new software are to improve the user experience, develop appropriate functionality, and reduce ongoing maintenance and support costs.

The Membership offer

We remain committed to providing a member offer that delivers real value for money for our members. We have used the collective purchasing power of the consortium to secure discounts from suppliers in areas such as e-recruitment, staff surveys, equal pay reviews and online recruitment advertising.

During the year we reviewed our subscription bands and pricing, creating a new band for the smaller member organisations from 2013-14. We delivered reductions in annual subscriptions for many members and modest increases below inflation for the remainder.

Performance management and competencies

We are working with HEaTED to develop standards for Professional Practice and the Student Experience for technical staff in HE. Their standards will enable HEI's to use, map and plan specific development opportunities for existing staff, and to strategically map succession and longer-term career development for the future.

We are reviewing options for revising our existing competency framework, originally developed to support members in translating role requirements into competencies for staff.

We will ensure that members are aware of how the HERA competency framework can be aligned effectively with other frameworks.

Communication and Networking

We will launch our new website in 2013. Our goal is to provide a site that members and partners find easy to use, with up to date news and information. We are also exploring the potential for more interactive elements such as links with supplier websites and appropriate social media. We have created a company profile and group for ECC members on LinkedIn (search for 'ECC Ltd').

2. Increase member engagement and service take-up

This year has seen a positive outcome of our ongoing process and procedures for monitoring levels of engagement and take-up of services.

We improved our process in two ways within the year:

- Instead of four quarterly reports we changed to three reporting periods each of four months duration. This enabled us to improve the efficiency and time spent by team members putting together the statistics and reports
- We introduced a new set of qualitative indicators to measure the relationship that team members have with members to complement the quantitative measures of service uptake

Highlights of member engagement and service take-up for 2012-13

Inclusive and paid consultancy

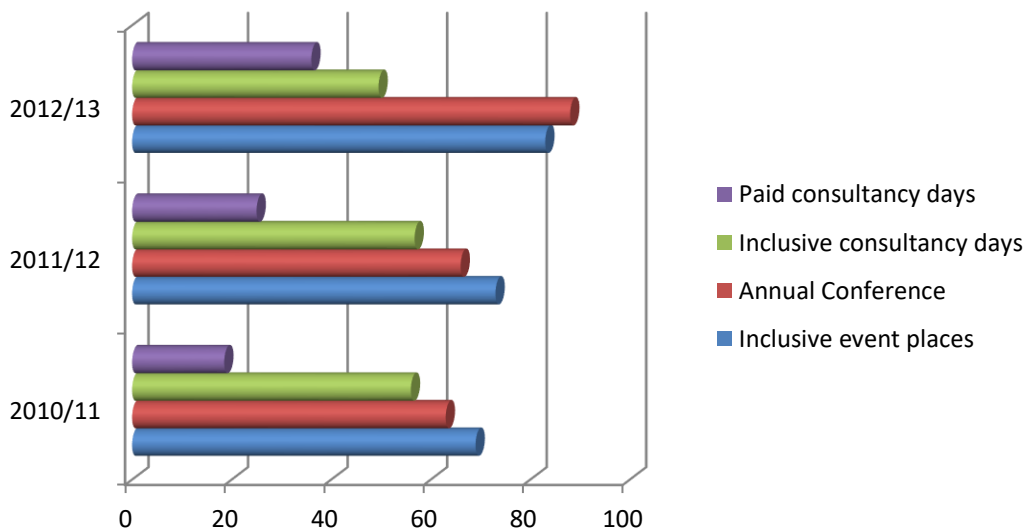
- The uptake of 'inclusive consultancy days' dropped slightly by 2.5 days in 2012-13, with 47 days delivered to 49 members. In 2011-12, 49 days were delivered to 51 members.
- There was an increase in member and non-member demand for paid consultancy.
- In 2012-13, we delivered 18.5 days paid consultancy to 10 members (14 days to 8 members in 2011-12).
- Topics of inclusive and paid consultancy for members included creating generic profiles, redesigning existing roles, organisational restructuring, senior staff pay, merging HR databases and delivering bespoke training.
- There was a considerable increase in paid consultancy in 2012-13 exclusively to one non-member (no paid consultancy was delivered to non-members in 2011-12).

During the year, we delivered 17.5 days of paid consultancy through the HEaTED (Myscience) project. This included the design and development of the standards and scheme with the provision of resource pack to underpin technical staff professional development in higher education.

ECC Events

- Overall there was an increase in demand for places at ECC events.
- The programme of National Training events continues to be successful, providing the skills members need to be able to make the best use of ECC’s role analysis products.
- A total of 83 delegates (from 32% of members) attended National Training events compared with 73 delegates (29% of members) in 2011-12.
- The Annual Conference in November 2012 was well attended with 71 delegates, (from 37% of members) and we introduced a pre-conference evening event which was well received by 17 delegates (10% of members). Peter Cheese, CIPD Chief Executive, outlined the ‘Untapped business value of HR, opportunities for collaboration and risks of being complacent.’ We will repeat the evening event format with another inspirational speaker prior to our next annual conference in March 2014.

Events and consultancy uptake over time



Services provided by other suppliers and partners

- Uptake of services overall has increased.
- The use of our role analysis software, Labour Market helpdesk and the number of members returning Labour Market surveys have increased, providing an ever broader and deeper resource of data for members to access. We had been concerned about a potential decline in interest in this service, and were pleased to see this trend reversed in 2012-13.

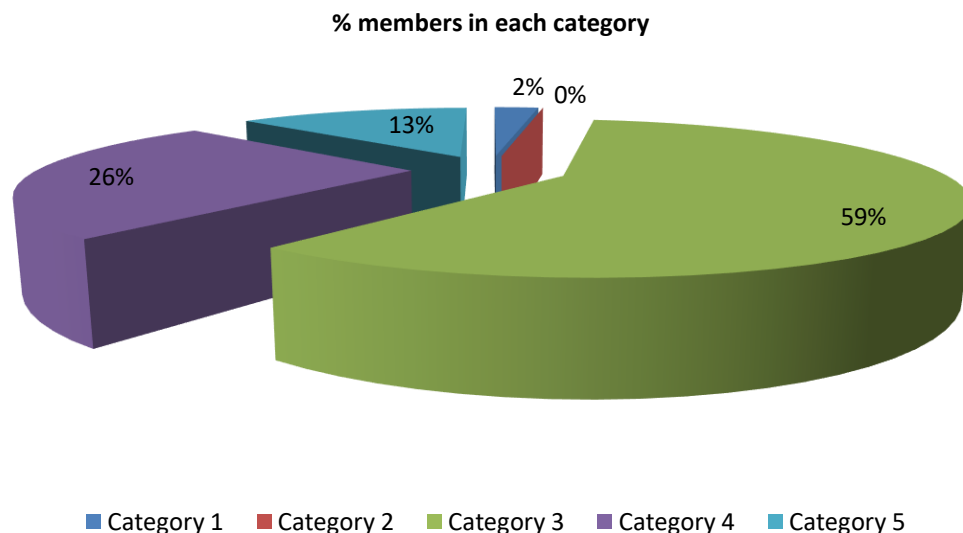
The quality of the relationship that the ECC has with members

As well as specific consultancy and training assignments, ECC team members spend a large proportion of their time engaging with and providing support directly to our members.

The nature of support provided varies from member to member, ranging from providing information and facts to coaching members on the use of the database, role analysis methodology and other uses of HERA.

As mentioned above we changed the criteria for measuring the quality of the member relationship with consultants and the administrative team at the beginning of the year. The aim was to try and provide an effective way to produce information for the team to use and focus resources to meet member's needs. We have based our criteria on the ease of building and maintaining relationships with members, level of contact, ease of rapport with members and ability to influence members' thinking.

Quality of member relationships 2012-13



Category 5 = Extremely favourable relationship overall

Category 4 = Very good relationship

Category 3 = Good relationship

Category 2 = Relationship requires some work

Category 1 = Relationship requires a lot of work

The distribution pattern shows that we have a good or very good relationship with the majority of our members.

This means that achieving and maintaining contact, building rapport and on-going productive relationships are the overwhelming focus of the ECC team in terms of engagement.

We cannot be complacent. In future years we will be looking at the members with whom we have the most productive relationships and identify ways in which we can learn from these

members to help the way that we work with others. Equally, if any members fall into the bottom categories, we will try to understand how we can be of best use and support to these members.

We intend to monitor changes to the pattern of engagement, to understand how relationships can change and identify what we can do to influence this to produce a consistent pattern of healthy relationships from year to year.

3. Build and protect ECC and HERA/FEDRA brands

ECC had 125 members at the end of the year.

We welcomed the Liverpool School of Tropical Medicine into membership during the year, but were sorry to see the University of West London leave the consortium. Due to the changes taking place in Scotland, Coatbridge College took a year's sabbatical from membership.

2013-14 will see further mergers in HE and FE in Scotland and Wales. We are well placed to retain the majority of merged organisations.

We protected the interests and intellectual property of consortium members by taking swift action during the year to prevent an organisation which had left the consortium prior to 2012 from continuing to use HERA materials.

We continue to improve our branding and communications, and 2013-14 will see a relaunched website and a review of publications. We are increasingly taking opportunities to build the consortium's presence and reputation with partners such as UHR, aided by activities such as the 2012 ECC Conference.

4. Provide clear vision and direction

We have fully aligned our planning, budgeting, risk management and performance systems, adopting a simple but effective approach to managing our work. During 2012-13 the staff team completed several 'task and finish' groups exploring a range of service development options.

Following a review by the Board we have set up project groups to

- define and deliver new software
- further develop our response to senior pay issues
- assess the potential to develop further our work with the FE sector
- review and refresh HERA scheme documentation

All these will have appropriate member involvement.

5. Build and maintain an effective team

We have reviewed key roles within the team, and ensured that all staff are focused on delivery of services to members with clear divisions of responsibility. There are objectives and development plans in place for the team and for all staff members.

6. Match resources to member, strategic and service requirements

We have maintained and strengthened our contact with a number of groups and bodies that are strategically important to our sector and the consortium, and whose work compliments our own. Our approach is always to find common ground and identify practical ways in which we might work together for the benefit of our members and the sector as a whole.

We very much value our relationships with all our suppliers and partners, but are especially pleased to report positive and growing relationships during the year with:

Beamans	HEFCE	Towers Watson
BUFDG	IUA	Trades unions
Capita Surveys & Research Unit	Leadership Foundation	UCEA
CIPD	Performance for All	UCISA
Global Academy Jobs	Stonefish	UHR
HEaTED	TMS	WCN

Prudent supplier management helped to deliver minimal increases in member subscriptions for the year. Our contract with Towers Watson runs until 2014 and contains safeguards to moderate future increases and protect the consortium from liability should the number of members reduce significantly.

ECC is a not-for-profit company limited by guarantee. It is governed by a Board of Directors mainly comprising senior staff from member organisations, the majority of whom are from HR backgrounds. Board meetings are well attended and Board Members give their time without payment to support the work of ECC. A small honorarium is paid to the employer of the Executive Directors to compensate for time spent on ECC business.

The Board has three sub-committees:

- Executive Committee
- Remuneration and Employment Sub-committee
- Audit and Quality Assurance Sub-committee.

The Audit and Quality Assurance Sub-Committee established a risk management process last year that is now fully integrated with on-going business planning and monitoring. Risks are assessed and acted upon continuously, with a full risk register review every four months.

We exercise tight financial control to ensure that ECC operates within its budget and continues to reduce operating and overhead costs when possible. We maintain reserves to ensure that if for whatever reason the consortium is obliged to cease operating, we can do so without having to call on members for financial support. We also build sensible levels of reserves to fund essential future developments, respond to unbudgeted in-year increases in demand from members, and avoid having to ask members for additional contributions during the year. The Board closely monitors the amount of money ECC needs to hold in reserves to fulfil its business objectives and sets annual budgets accordingly.

Financial performance for this year is summarised in this report, and the annual accounts are presented to the Annual General Meeting. Members may also obtain a copy on request.

BOARD MEMBERS

Four of our Board members - Bethan Edwards, Philip Henry, Alex Kirk and Laurie Shine - ended their terms of office this year, and Board member Jane Bunce resigned during the year.

We wish all our previous Board members the best for the future and thank them for their contribution to ECC over many years.

In 2012 the Executive Directors developed a succession plan to support the identification and appointment of new directors, ensuring that ECC continues to have the knowledge and skill set required to provide effective governance.

Directors 2012-13

G Foster (Chair)	University of Northumbria
J Lloyd (Vice Chair)	Liverpool John Moore University
B Edwards (Company Secretary) (resigned July 2013)	University of Wales, Newport
J Bunce (resigned October 2012)	University of Northamptonshire
A Charnock	University of Essex
G Curling (appointed July 2013)	Leeds College of Art
D Denholm	Queen Margaret University
L Donnithorne	University of the West of England
P Henry (resigned April 2013)	Independent
A Kirk (resigned July 2013)	John Wheatley College
P Marshall	University of Hull
P Mitchell	School of Oriental and African Studies
M Moore	University of East London
L Mortimer-Pine	University of Leeds
L Shine (resigned July 2013)	Open University
D Williams	University of Swansea

Geoff Foster, Julie Lloyd and Bethan Edwards were members of the Executive Committee.

Geoff Foster, Linda Mortimer Pine, Peter Mitchell and David Williams were members of the Remuneration and Employment Sub-committee.

Bethan Edwards, Paul Marshall and Alex Kirk were members of the Audit and Quality Assurance Sub-committee.

STAFF MEMBERS

ECC's success relies on the efforts and expertise of its skilled and experienced team. The majority of team members work part-time and from their homes. These arrangements provide considerable flexibility and enables ECC to keep overhead costs as low as possible whilst ensuring effective coverage of member services across the UK.

The year saw the following changes in the team:

- Zoë Atkinson, HR Consultant, left in April 2013
- Trudy Stedman, HR Consultant, joined in June 2013.

We remain very grateful for the hard work of all our past and present team members and the commitment and flexibility they show to our members.

In July 2013 the team comprised:

Chief Executive	Nicholas Johnston
Senior Consultant:	Sandra Walton
HR Consultants:	Helen Bartolome
	Nina Brannan
	Kerry Bullen
	Craig Paterson
	Trudy Stedman
Business Manager	Kiva Falvey
Business Support Officer	Laura Atkins

FINANCIAL SUMMARY

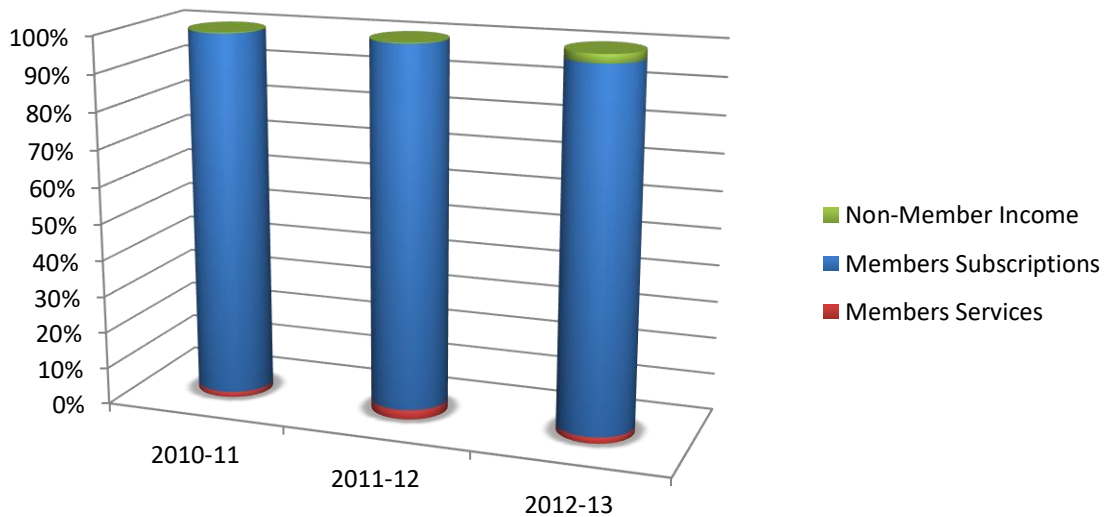
ECC publishes its annual accounts and the Auditor's report as required by company legislation. Copies are distributed at the AGM for approval and can be found on our web site. Members can also obtain copies on request.

Income

The vast majority of ECC's income comes from member subscriptions, with a small amount of additional earned fee income, and other sources such as bank interest. The member subscription is largely used to recover the fees paid to Towers Watson and Capita for the software license fee and the labour market data service, as well contributing to the costs of running the consortium, and providing additional member services.

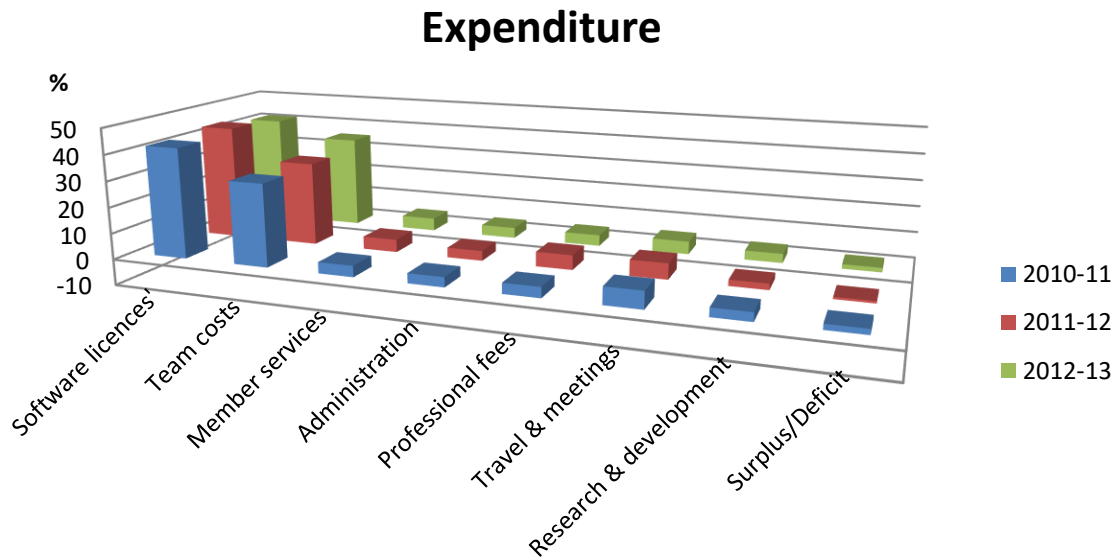
The chart below shows the sources of income for the last three years.

Where does our money come from?



Expenditure

We control operational costs tightly, so we can keep members' subscriptions as low as possible. The chart below shows that the majority of expenditure items relate directly to software licences and staffing, with other costs representing only a small proportion of ECC's expenditure.



Financial outturn

Total income for 2012-13 was £824,196.

Total expenditure for 2012-13 was £815,975.

The overall outturn resulted in a surplus of £7,904 against an agreed budget deficit of £57,527,. This is due to higher than expected income particularly from non-member organisations, and controlled underspends across our administration. The £7,904 surplus includes the deduction of interest receivable and similar income.

THE FUTURE

The higher and further education world continues to present our members with rapid change, uncertainty and significant strategic and financial challenges.

As a consortium of HE and FE organisations we will continue to focus on:

- working with our members to identify the right solutions that meet their changing needs
- providing the best value and services that we can
- identifying opportunities to engage with new members
- exploring ways to generate additional revenue from non-members

Our objectives for 2013-14 are to:

1. Increase member engagement and service take-up
2. Ensure ECC and its services are valued
3. Provide services that match future needs
4. Work effectively

We look forward to continuing to work with our members during the year ahead.

DEVELOPING PEOPLE, DELIVERING RESULTS

FOR MORE INFORMATION
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