

ECC Ltd:

Annual report 2013-14

Foreword from the Chair

During this reporting year we have continued to see challenges and competition within the sector, arising from political change and market pressure. Sometimes these challenges can prompt us to review and improve our practice, and through activities such as our Annual Member Conference the ECC consortium enables members to tap into insights and experience from outside HR and outside our sector.

We have again delivered successfully on our core business: providing expert advice and support in many areas of role analysis, reward and HR. The ECC team has this year worked with 125 diverse member organisations right across the UK.

A key aim during 2013-14 was a continued focus on value for money for members whilst looking ahead to future service development, and our financial resources continue to be managed closely.

This enabled us to avoid any increases in subscriptions for members during a year in which we began to invest in a significant project to commission the next generation of HERA / FEDRA software. Although we will need to monitor our financial position carefully to fund this development, I am confident that the new generation of the software, due to be rolled out to members in 2015, will deliver a much improved user experience for 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
January 2015

ECC'S OBJECTIVES FOR 2013-14

Our vision is an HE and FE community that develops and shares best practice approaches to role design and analysis cost-effectively. To realise that vision 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 that together underpin best practice in people management.

Our objectives for the year were:

- 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**

In the following pages we detail the work carried out by the team to achieve these objectives.

PERFORMANCE AND ACTIVITIES 2013-14

1. Increase member engagement and service take-up

Maintaining member focus

ECC had 125 members at the end of the year.

We welcomed Aylesbury College, Glasgow Clyde College and North East Scotland College into membership during the year. Motherwell College and Coatbridge College merged to become the New College Lanarkshire, and John Wheatley College and Stow College merged to become Glasgow Kelvin College.

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 2013 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.

The membership offering

We remain committed to providing a membership offering 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.

We changed the membership subscription structure for 2013-14, introducing a new Band for our smallest members with turnover of less than £20m.

Every member benefited from a subscription reduction of between 1% and 15% in real terms compared with 2012-13.

Inclusive consultancy

Uptake of 'inclusive consultancy' days provided at no additional charge to members dropped slightly by 1.25 days in 2013-14, with 49.25 days delivered to 50 members. This reflects a fairly mature, stable and consistent use of HERA in member organisations requiring a reduced amount of direct support for the continued evaluation of roles.

The nature of help required related to building expertise with scoring and consistency and data cleansing, verification of scoring and process review.

Paid consultancy

There was a very large increase in member demand for paid consultancy this year. In 2013-14, we delivered 86.25 days' paid consultancy to 13 members (18.5 days to 10 members in 2012-13).

Paid consultancy work involved working on senior staff pay projects, creation of 'generic' role profiles and work on creating best practice job descriptions as well as a major restructuring project.

We also delivered three days to two non-members. One of these interventions related to work on senior roles, as an introduction to a longer term project with a view to the organisation purchasing HERA as an ECC member in future. The second was to support training of trade union representatives with ongoing HERA best practice.

ECC events

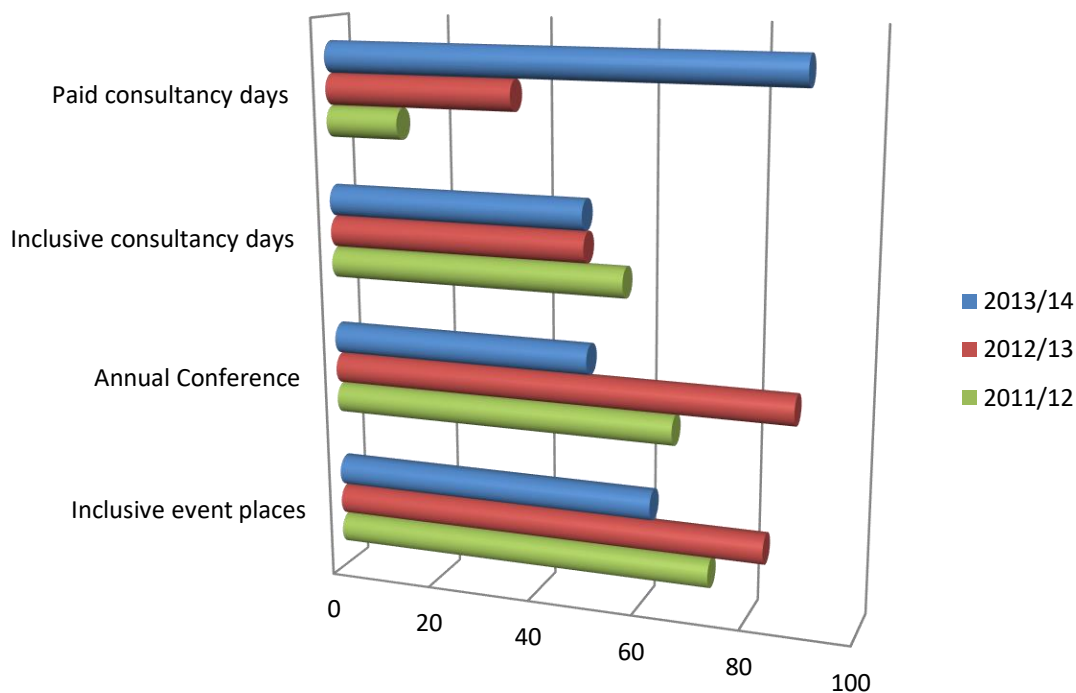
More members used their inclusive places at ECC events, although the total number of delegates reduced.

The programme of National Training events continues to be popular and well-received, providing the skills members need so that they can make best use of ECC's role analysis products. A total of 62 delegates (from 37% of members) attended National Training events compared with 83 delegates (32% of members) in 2012-13. An additional date for the 'Introduction to role analysis' training was added to meet demand during the year. As expected, we saw demand for the current 'Making the most of your ECC database' course decline with the impending software product change.

The Annual Conference in November 2013 was well attended by 40 delegates (from 23% of members), with a smaller number also attending the pre-conference evening event. In a first for ECC, we recorded video podcasts with all the conference speakers, making these available on our website for those who were unable to attend.

Following a one-day ECC Member Convention in March 2015, we will repeat the pre-conference event format with another inspirational speaker prior to our Annual Conference in November 2015.

Consultancy and events uptake over time



This chart demonstrates the rising trend of paid consultancy for project work. Increasingly, these projects are now longer in duration rather than shorter one-off pieces of work. As use of HERA and FEDRA, our core role analysis products, has become embedded within routine processes for sizing roles, there has been a gradual shift towards members requiring support to develop more integrated uses of competencies in other aspects of people management practice.

Services provided by other suppliers and partners

Uptake of services delivered by our third party partners has slightly decreased.

The use of the Labour Market helpdesk and the number of members returning Labour Market surveys have decreased. ECC will be reviewing the Labour Market Data service to see if and where any improvements can be made to engage members and ensure that we provide the service members need.

2. Ensure ECC and its services are valued

The quality of ECC’s relationship with members

Usage of and satisfaction with our core services remains high.

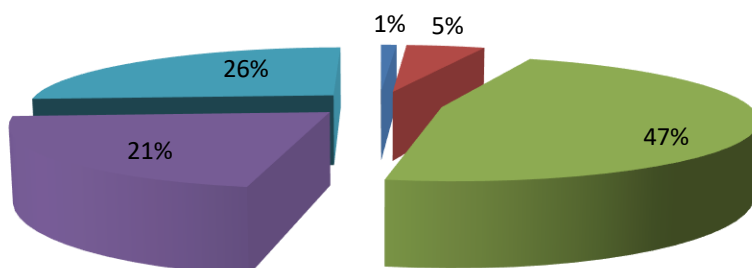
As well as specific consultancy and training assignments, ECC team members spend a large proportion of their time engaging with and providing support directly to our members.

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

Throughout the year, ECC Consultants assess relationships with the members they are assigned to. The aim is to provide an effective way for the team to focus resources to meet member needs. We base our criteria on ease of building and maintaining member relationships, level of contact, ease of rapport and ability to influence members’ thinking.

The pie chart below represents an evaluation of the relationship between individual members and ECC team members and views developed from the uptake of services as a whole. It does not reflect direct feedback from members themselves about ECC and satisfaction with the products and services provided.

% members in each category



■ Category 1 ■ Category 2 ■ Category 3 ■ Category 4 ■ Category 5

Category 5 = Extremely favourable relationship, good rapport and ready uptake of support

Category 4 = Very good relationship, good rapport with less need and uptake for support

Category 3 = Good relationship, good rapport, minimal need and uptake for support

Category 2 = Relationship requires some work, rapport is established after effort, some or no need or uptake of support offered

Category 1 = Relationship requires a lot of work, rapport possible after input with less natural flow, no demand for support

The ECC team evaluation of success with building and developing member relationships is overwhelmingly very positive, with 94% of members being identified as having a good or very good rapport and actively seeking our support and help with products and services.

This leaves 6% of members in the category where the ECC team needs to work harder to develop a good rapport and where members are not readily seeking ECC guidance and advice. We will continue to try and understand how we can be of best use and support to these members.

It would be unrealistic to expect the majority of members to fall in category 5, as ECC has since the beginning encouraged members to become self-sufficient in the use and application of products and their ongoing use.

In addition, ECC has never set out to create a 'member dependency' culture, but rather one where as members embed and develop their use of HERA and FEDRA and the competencies approach, they are empowered to seek guidance and advice where it can add value to future use and development. This works very well in almost every case and recently we have seen economic pressures encouraging more organisations to focus on restructuring and senior pay as well as simple role analysis.

However, we cannot be complacent. In future years we will be looking at the members we have the most productive relationships with and identifying ways in which we can learn from them to inform the way that we work with others.

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 productive relationships from year to year.

Communications and networking

We have extensively revised and relaunched our website, and begun to use social media to extend our reach and maintain communications with members and partners. As well as a LinkedIn group for members, our Twitter account @ecc_nicholas feeds through to the home page of our website. We also intend to use short-term twitter accounts where appropriate, for example when rolling out our new HERA / FEDRA software in 2015.

We have continued to take opportunities to build the consortium's presence and reputation with members and partners, aided by activities such as the 2013 ECC Conference and by hosting a successful business breakfast at the May 2014 UHR Conference, which later featured in the UHR newsletter.

3. Provide services that match future needs

As well as continuously improving our services where we can, during 2013-14 the ECC staff team, with the aid of members, continued to work on the project areas outlined below to enhance a range of service development topics.

- Define and deliver new software
- Further develop senior pay issues
- Develop further our work with the FE sector
- Review and refresh HERA scheme documentation

This groundwork will lead to new service developments in the coming year.

We intend to make a number of minor but helpful revisions to documentation, including the standard Notes for Guidance.

We have also commissioned replacement software to improve the functionality and 'look and feel' of the HERA / FEDRA database. A replacement software product will be rolled out in 2014/15 after the current Towers Watson contract expires. Our priorities for the new software are to improve the user experience, develop appropriate functionality, and reduce ongoing maintenance and support costs.

4. Work effectively

We have fully aligned our planning, budgeting, risk management and performance systems, adopting a simple but effective approach to managing our work.

All of the ECC team are focused on delivery of service to members. Objectives and development plans are in place for the team and for all staff members.

We continue to protect the interests and intellectual property of consortium members by taking swift action to prevent non-member organisations using HERA/FEDRA materials.

We have maintained and strengthened our contact with a number of groups and bodies who are strategically important to our sector and the consortium, and whose work complements 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	HEaTED	TMS
B3sixty	HEFCE	Towers Watson
BUFDG	IUA	Trades Unions
Capita Surveys & Research Unit	Leadership Foundation	UCEA
CIPD	PIPPA-USM	UHR
DCSL	SES	WCN
Global Academy Jobs	Stonefish	

Prudent supplier management helped to deliver minimal increases in member subscriptions for the year. Our contract with Towers Watson runs until 2015 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-group
- Audit and Quality Assurance Sub-group

The Audit and Quality Assurance Sub-group established a risk management process in 2013 that is now fully integrated with ongoing 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 where possible. We maintain reserves to ensure that if, for whatever reason, the consortium has to stop 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 OF DIRECTORS

Board member Mike Moore ended his term of office this year, and Board members Dee Denholm and Peter Mitchell resigned in July 2013.

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

A succession plan is in place 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 2013-14

Geoff Foster (Chair)	University of Northumbria
Julie Lloyd (Vice Chair)	Liverpool John Moore University
Steve Bracher (appointed May 2014)	University of Portsmouth
Alan Charnock	University of Essex
Lee Conlan (appointed May 2014)	Edinburgh Napier University
Stephen Coombe (appointed May 2014)	University of Manchester
Graham Curling	Leeds College of Art
Lesley Donnithorne	University of the West of England
Susan Grant (appointed May 2014)	University of St Andrews
Paul Marshall	University of Hull
Mike Moore	University of East London
Linda Mortimer-Pine	University of Leeds
David Williams	University of Swansea

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

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

Julie Lloyd and Paul Marshall were members of the Audit and Quality Assurance Sub-group.

STAFF TEAM

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. This provides great flexibility and enables ECC to keep overheads as low as possible whilst ensuring effective coverage of member services across the UK.

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. HR Consultant Nina Brannan left in February 2014; in July 2014 the team comprised:



Nicholas Johnston
Chief Executive



Sandra Walton
Senior Consultant



Helen Bartolome
HR Consultant



Kerry Bullen
HR Consultant



Craig Paterson
HR Consultant



Trudy Stedman
HR Consultant



Kiva Falvey
Business Manager



Laura Atkins
Business Support Officer

During the coming year we intend to augment our permanent staff with a small number of Associate Consultants, adding a skilled and flexible resource to our team.

FINANCIAL SUMMARY

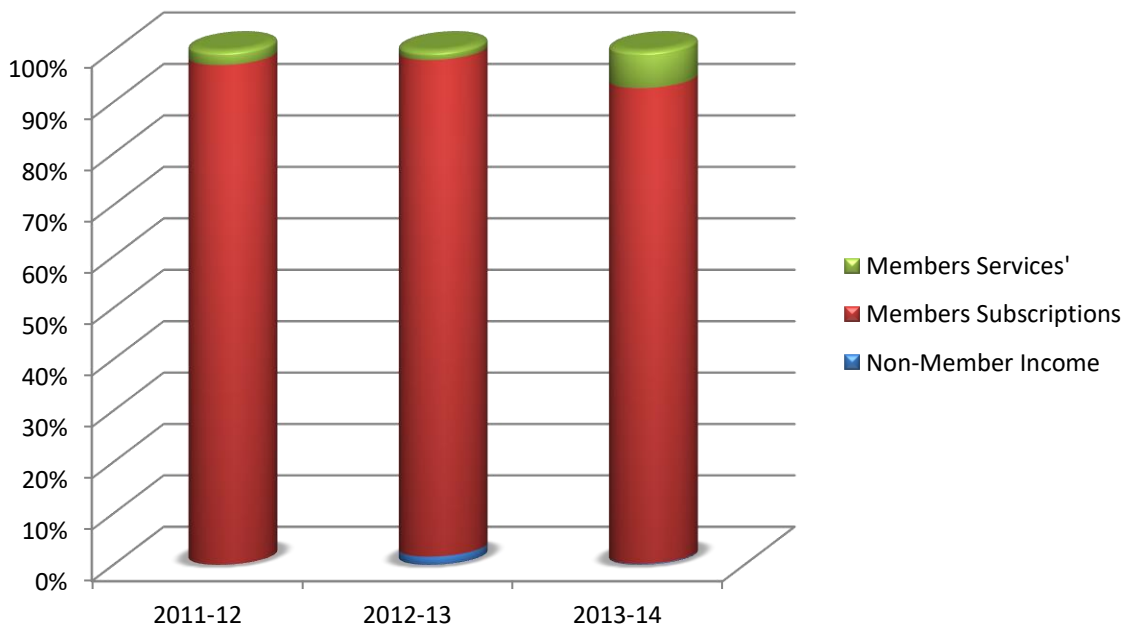
ECC publishes its annual accounts and the Auditor's report as required by company legislation. Copies are distributed at the AGM for approval and can be found on our website. Members can also obtain copies on request.

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. 2013-14 saw the amount of additional earned fee income rise considerably compared with previous years. The member subscription is largely used to recover the fees paid to Towers Watson and Capita for the software licence fee and the Labour Market Data service, as well contributing to the costs of running the consortium and providing additional member services.

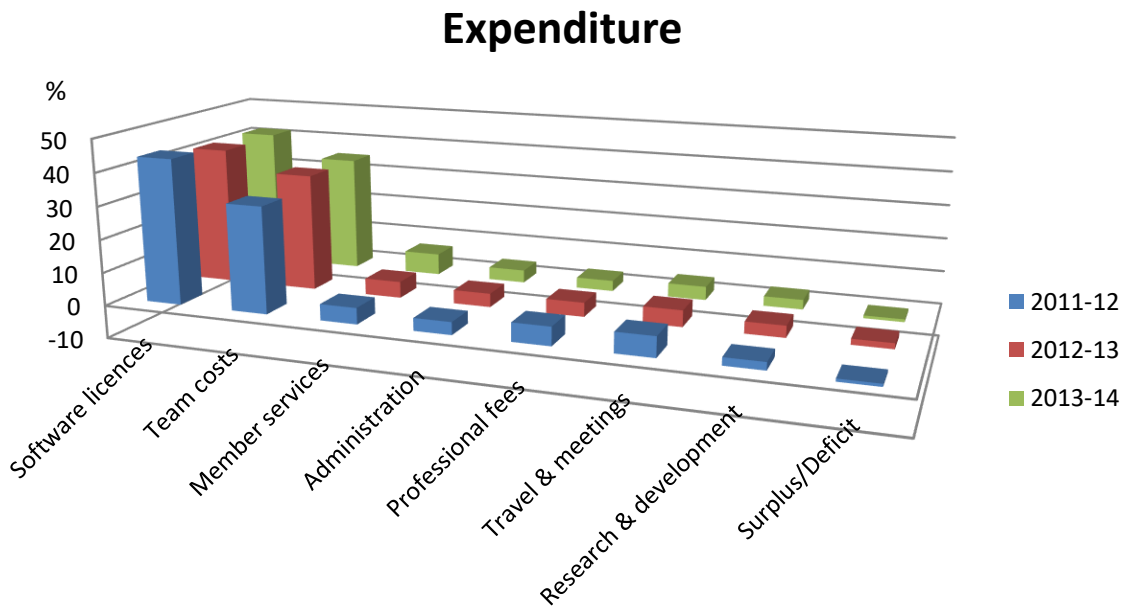
The chart below shows the sources of income for the last three years.

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 2013-14 was £852,751.

Total expenditure for 2013-14 was £859,666.

The overall outturn resulted in a deficit of £6,915 against an agreed budget deficit of £41,395. This is due to higher than expected income, particularly from paid consultancy with members, and controlled underspends across our administration. The £6,915 deficit includes the deduction of interest received 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 to 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 2014-15 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**

Our top priority for 2014-15 is the delivery and smooth implementation of ECC's new role analysis software.

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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or visit www.ecc.ac.uk

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