

ECC Ltd:

Annual report 2014-15

Foreword from the Chair

I am pleased to contribute the foreword to the Annual report 2014-15 as incoming Chair following Geoff Foster's departure from the ECC Board in August 2015. Geoff made an outstanding contribution to the Board over 15 years. Latterly as Chair, he provided excellent leadership ensuring that ECC continues to go from strength to strength. I am delighted to have the support of excellent Board colleagues, including the new Vice Chair, Graham Curling, and all the staff at ECC.

Significantly this year we have developed and implemented the new ECC Online software, on time and to budget. We are confident this will deliver a much improved user experience for every member. This project has been delivered successfully alongside our core business, which has flourished this year.

In addition, this year has seen the development of an exciting collaboration with Universiti Sains Malaysia (USM) in Penang which will result in the delivery of a new training programme by ECC and signals the potential for further collaboration in the UK or Malaysia.

To summarise, I am pleased to be assuming the role of Chair at such an exciting point in the development of ECC's activity. I commend our Annual report to you, our members, with the reassurance that the ECC staff and Board remain committed to delivering a high quality member service and value for money.

Julie Lloyd
Chair, ECC

September 2015



ECC'S OBJECTIVES FOR 2014-15

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 best practice in people management.

The top priority for ECC in 2014-15 was to deliver and implement the new ECC Online role analysis software.

Our specific 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 2014-15

1. Increase member engagement and service take-up

Maintaining member focus

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 March 2015 Member Convention
- views expressed by members during the course of our work throughout the year
- feedback on services delivered
- customer research on specific topics of interest
- heightened contact with all members through the migration to the new ECC Online software

ECC had 125 members at 31 July 2015, with the Institute of Education merging with University College London during the year.

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.

Further work was carried out with members to review the scheme wording and guidance, ensuring that any changes would not affect the scoring of a role. The new guidance is due to be published next year.

The launch of ECC Online

The work to migrate member databases to the new ECC Online software system was completed in line with our project plan by the end of June 2015.

The pilot group of volunteer members was migrated in early February, with the remaining members migrated in batches between early March and June. This phased approach gave us valuable feedback on both the migration process and the operation and functionality of the ECC Online system, and allowed us to time migration to suit individual member organisations.

This approach also enabled us to identify and fix system bugs and glitches whilst continuing with a refined migration process, as well as tweaking some of the functionality of the system to make it more intuitive.

As is normal practice with new software systems, we have identified a number of system amendments based on member feedback since migration and our own use of the system. The ECC Software Project Board has recommended that we continue to plan and deliver these whilst undertaking the necessary research, scoping, planning and decision-making in relation to Phase 2 of the software implementation during the coming year.

Inclusive consultancy

Uptake of inclusive consultancy days for 2014-15 was 55.2 days (45 members)

Uptake of inclusive consultancy days for 2013-14 was 49.25 days (50 members)

During 2014-15 there was an increase in the number of inclusive days delivered; however, this was to fewer members. This is due to software migration support (13 of the 55.2 days were data cleansing and training) delivered to some of the same members on top of their uptake of inclusive days.

Other topics included: HERA and FEDRA training for staff within organisations; scoring roles; reviewing role analysis procedures; developing job description/person specification templates; appeal hearing verification.

Paid consultancy

Members' uptake of paid consultancy days for 2014-15 was 92.5 days (18 members). We also carried out 15.5 paid consultancy days for 3 non-members.

Uptake of paid consultancy days for 2013-14 was 86.5 days (83.5 to 13 members, 3 days to 2 non-members).

During 2014-15 the number of paid consultancy days increased marginally on the previous year, with 3 large projects to 3 members accounting for most of this. The remainder were smaller pieces of work for other members, largely generated as an outcome of increased contact because of the software migration. Other topics included: verification and scoring of roles; restructuring projects; senior pay projects; process review and quality assurance.

ECC events

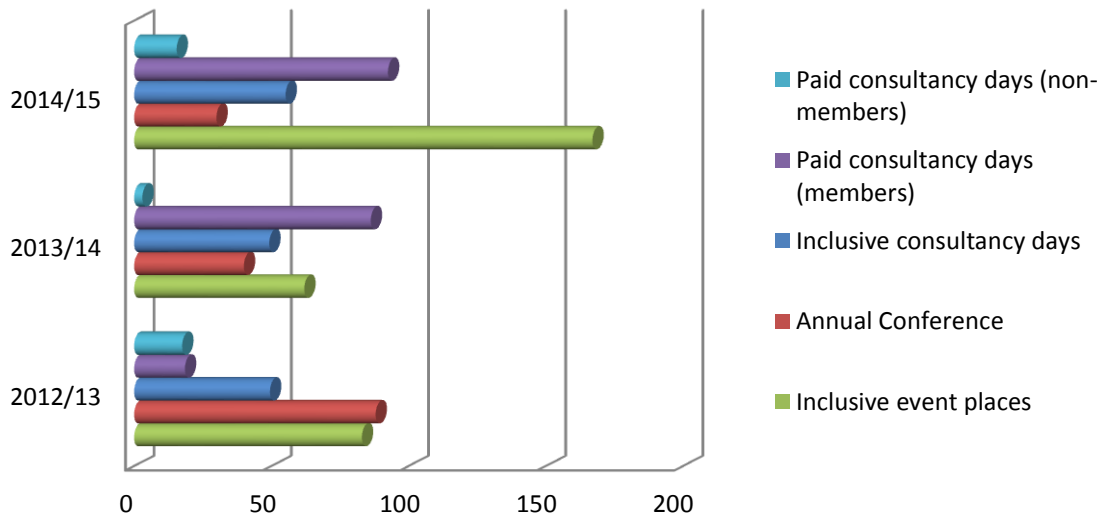
Throughout the year we ran 6 Introduction to Role Analysis events, which all had very positive feedback. A total of 75 delegates from 33 members attended these.

In addition to our standard events programme, we also ran 7 ECC Online demonstration/workshop events. A total of 92 delegates attended from 54 members.

As with previous years, the Introduction to Role Analysis events were very popular, meaning an additional date was added to the calendar to fulfil demand. Some in-house training on role analysis was also delivered, typically driven by HR teams mainstreaming scoring of roles throughout their team rather than it being the preserve of one or two specialists within the team.

A successful ECC Member Convention took place in March 2015, which attracted 30 delegates from 22 member institutions. The full ECC Member Conference and AGM is due to take place on 19 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

The uptake of Capita’s Labour Market Data service is similar to previous years. The number of surveys returned and website log-ins has slightly decreased, although requests for helpdesk uses have slightly increased.

Use of JISCMail remains consistent with previous years (fluctuating by only 10 more posts than the same period last year).

2. Ensure ECC and its services are valued

The quality of ECC’s relationship with members

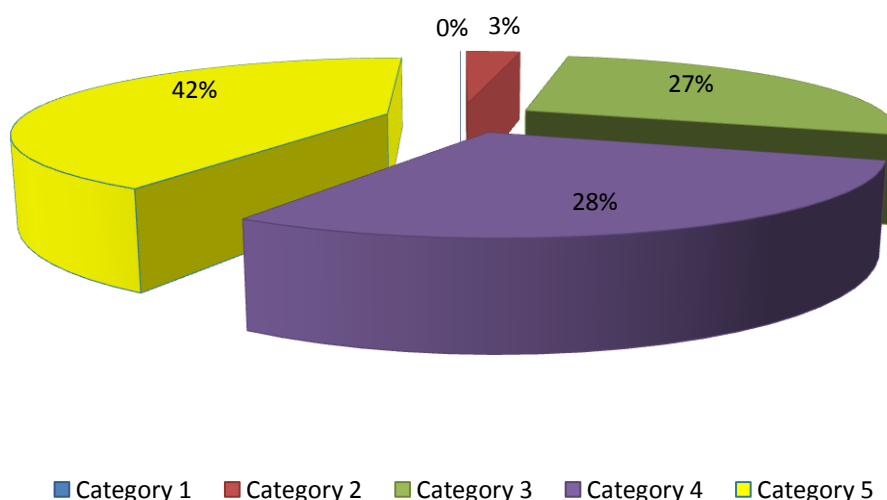
Member use of, and satisfaction with, our core services remains high again in 2014-15. The implementation of the ECC Online software has generated increased engagement with members over the year, with the data cleansing process meaning that contact was made with every member pre- and post-migration.

The intensive level of contact with every member has provided a positive opportunity to inform members of the value of ECC membership and the breadth of services offered. Our experience this year has shown that this has generated an increase in all forms of contact and uptake of products and services.

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 by the ECC team of the relationship between individual members and ECC.

Distribution of relationship pattern 2014-15



- 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 evaluation of member relationship and engagement indicates a very positive relationship with our members, with 42% having an excellent relationship with ECC, and over half (55%) having a very good or good relationship with ECC. These members are likely to have very good rapport with ECC and actively seek our support and help with products and services.

This leaves only 3% 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.

Being active in supporting members throughout their transition to ECC Online has played a major part in member engagement with ECC.

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 continue to update our website, and 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 used a short-life Twitter account to keep members updated when rolling out the new ECC Online, alongside project-specific communications.

We have continued to take opportunities to build the consortium's presence and reputation with members and partners, aided by activities such as the 2014-15 Member Convention.

3. Provide services that match future needs

As well as continuously improving our services and processes, during 2014-15 the ECC staff team worked with members on a range of service development topics:

- Specifying and implementing the new ECC Online software, and identifying potential additional functionality for phase 2
- Further developing support and expertise in relation to senior pay issues
- Continuing to develop our work with the FE sector
- Reviewing and refreshing HERA scheme core documentation

This groundwork will lead to new service developments next year and beyond, ensuring that we continue to anticipate and respond to member needs into the future.

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 ECC staff are focused on delivery of the best possible service to members, with objectives and development plans in place for the team as a whole and for all staff.

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.

Prudent supplier management helped to deliver minimal increases in member subscriptions for the year. Our contract with Towers Watson for the supply of role analysis software ended in July 2015 and our new contract with DCSL was negotiated to be highly cost-effective.

We have maintained and strengthened our contact with 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, and note particularly 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	

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 oversees a risk management process that is 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 for two reasons: firstly to ensure that if, for whatever reason, the consortium has to cease, we can do so without having to call on members for financial support; and secondly we 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

ECC Chair Geoff Foster and Board member Paul Marshall ended their terms of office this year.

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 the ECC Board continues to have the knowledge and skill set required to provide effective governance.

Directors 2014-15

Geoff Foster (Chair)	University of Northumbria
Julie Lloyd (Vice Chair)	Liverpool John Moore University
Steve Bracher	University of Portsmouth
Alan Charnock	University of Essex
Lee Conlan	Edinburgh Napier University
Stephen Coombe	University of Manchester
Graham Curling	Leeds College of Art
Lesley Donnithorne	University of the West of England
Susan Grant	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 Helen Bartolome left in July 2014; and Susanne Bradley joined the team in December 2014. During the year our staff team comprised:



Nicholas Johnston
Chief Executive



Sandra Walton
Senior Consultant



Susanne Bradley
HR Consultant



Kerry Bullen
HR Consultant



Craig Paterson
HR Consultant



Trudy Stedman
HR Consultant



Kiva Falvey
Business Manager



Laura Atkins
Business Support Officer

We have also appointed Associate Consultants, adding a skilled and flexible resource to our team without adding to permanent employee costs.



Helen Bartolome
Associate HR Consultant



Nina Brannan
Associate HR Consultant

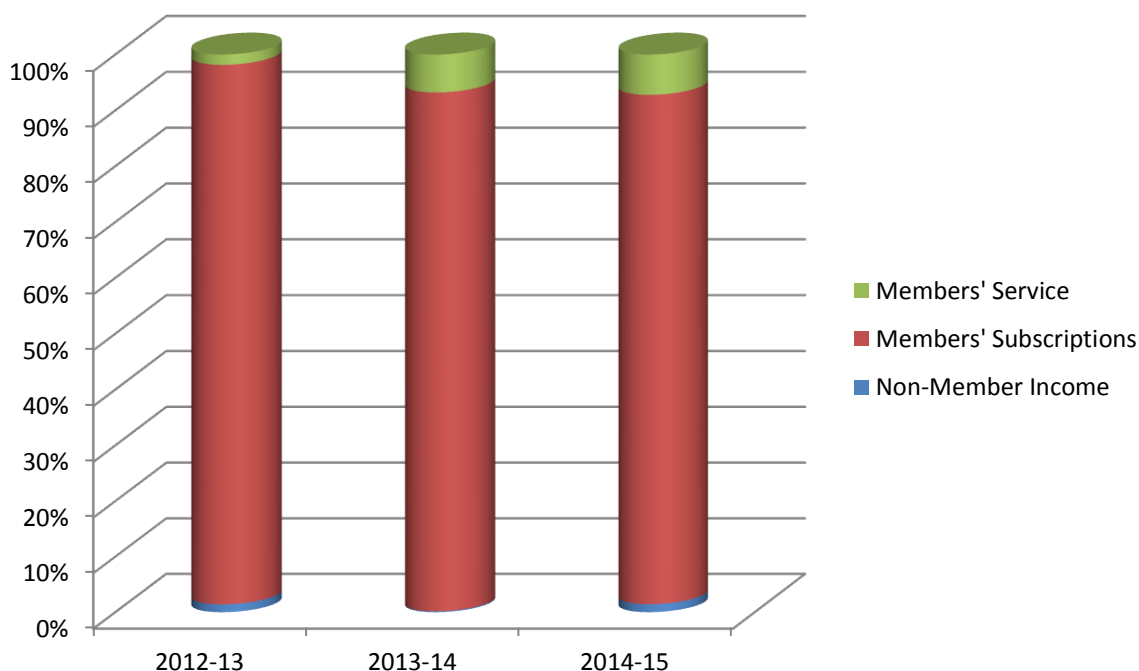
FINANCIAL SUMMARY

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

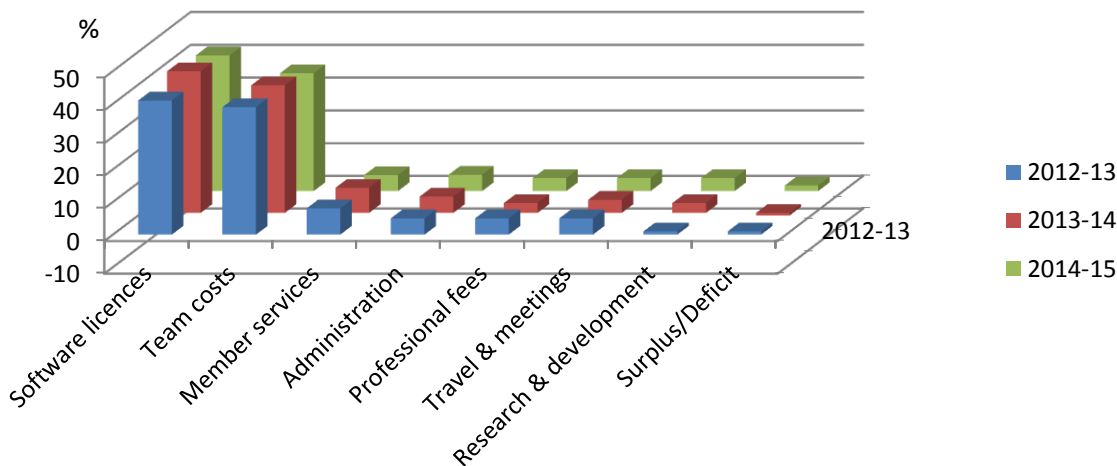
The vast majority of ECC’s income comes from member subscriptions, with a small amount of additional earned fee income, and other sources such as bank interest. 2014-15 saw the amount of additional earned fee income rise considerably compared with previous years. The member subscription is largely used to recover the fees paid to our suppliers for software licences and support, 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.



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

Income and Expenditure Account

Total income for 2014-15 was £855,981.

Total expenditure for 2014-15 was £847,920.

The overall outturn resulted in a surplus of £8,061.

The £8,061 surplus includes the deduction of interest received and similar income.

Capital Account

It was agreed to capitalise the Software Development budget in 2014-15.

The agreed budget was £323,895.

Total expenditure was £318,945.

The overall return resulted in a surplus of £4,950.

The commissioning and implementation of the new role analysis software ECC Online required significant investment during the year. The cost of this was fully met from Reserves, with a small overdraft facility agreed for the June to September 2015 period to cover a negative cashflow at year-end.

THE FUTURE

Policy and practice continues to change rapidly within both higher and further education, with issues such as tuition fees, internationalisation, structural change, pay equality and the drive for efficiency savings all having an effect on HR and management.

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 2015-16 are:

- 1. Effective management of "Business as usual":** member services, consultancy, training, communications and operations
- 2. Improving:** doing what we currently do, better. Building on the momentum we have from working with every member in 2014-15.
- 3. Developing:** completing agreed service improvements and developments already identified
- 4. Moving ahead:** confirming where we need to go in future, and how we are going to get there

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

Developing people, delivering results

For more information

call 020 7430 8368

email contactus@ecc.ac.uk

or visit www.ecc.ac.uk

 Follow us on Twitter @ecc_nicholas

ECC Ltd
3 Gray's Inn Square
London WC1R 5AH
Tel: +44 (0)20 7430 8368
www.ecc.ac.uk

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Consortium Ltd