PROPOSED MERGER BETWEEN KIDDERMINSTER COLLEGE AND NCG
CONSULTATION DOCUMENT
GIVE US YOUR VIEWS
PURPOSE

KIDDERMINSTER COLLEGE AND NCG PROPOSE TO MERGE TO FORM A SINGLE INSTITUTION. THIS PROPOSAL DOCUMENT EXPLAINS HOW THE MERGER WILL TAKE PLACE, AND HOW IT WILL IMPROVE THE FUTURE RANGE AND QUALITY OF TRAINING AND EDUCATION IN KIDDERMINSTER AND THE WYRE FOREST. YOUR VIEWS ARE SOUGHT ON THE MERGER AS PART OF A TRANSPARENT CONSULTATION PROCESS.
YOUR VIEWS ARE IMPORTANT

Proposals to merge two college Corporations require an open and transparent process that meets the requirements of the Education Act 2011.

Public consultation is an essential part of the approval process. It is important that everyone in the community has the opportunity to put forward their views and take part in the consultation process.

We are now seeking comments on the merger proposal set out in the following pages. At the end of this document is a questionnaire and details of how you can feed back your views.

The responses, together with other information, will be fully considered as part of any final proposals that are put forward.

This document is a summary of the proposals, a full copy can be found at www.kidderminster.ac.uk/merger-update or ncgrp.co.uk/consultation

Responses should be made no later than 5.00pm on Friday, 21 March 2014.

Corporation of Kidderminster College
Kidderminster College
Market Street
Kidderminster
Worcestershire
DY10 1AB

Corporation of NCG
West End College,
Muscott Grove,
Newcastle upon Tyne
NE15 6TT
WHO WE ARE

Kidderminster College is a small and successful general further education college. It enjoys good success rates and sound finances. It operates at the heart of its community, in Kidderminster and the Wyre Forest, and enjoys a high reputation for the quality of its provision.

The college conducted a careful and thorough strategic review, and concluded that there are two key options for its future – continued independence or merger with the right partner(s). The college has actively chosen to pursue a suitable merger as the best means, in the current and anticipated environment, to further the ambitions it has for those it serves.

NCG

In 2013 the Corporation of Newcastle College formally adopted its trading name ‘NCG’ as the new name of the Corporation. NCG has evolved over several years through a process of growth, merger and acquisition, into one of the largest providers of high quality education, training, employability and work-based learning solutions in the UK.

There are currently five divisions of NCG: Newcastle College, West Lancashire College, Intraining, Rathbone Training and Newcastle Sixth Form College. NCG is recognised for its strong leadership and management, excellent governance, and is a sector leader in respect of its financial performance.

The organisation has a first rate reputation regionally and nationally, and a commitment to the highest standards of delivery. Over the past ten years, NCG has developed an operational model that is capable of delivering excellent education and skills on a national basis in a wide range of settings, whilst preserving an appropriate level of autonomy.
WHY SHOULD KIDDERMINSTER COLLEGE MERGE WITH NCG?

The strategic review conducted by Kidderminster College1 concluded that a merger with a strong and suitable partner was its preferred option for future development. A merger with NCG will successfully fulfil this ambition, allowing the college to retain its own brand, identity and presence in the local area. The proposal is that Kidderminster College will become the sixth division of NCG, and will operate with a high degree of agreed autonomy within the NCG structure. Kidderminster College will retain its full local identity, current sites and provision, with local leadership provided by the Principal and Senior Management Team. A Kidderminster College Advisory Committee will be established, and a place on the NCG Board will be made available for a representative of that Committee.

The objectives for Kidderminster College within NCG will be to continue with its existing ambitious plans for growth and continuous improvement. The intention will be to:

• Build on the current good financial position.
• Continue the staff focus on the core business of teaching and learning.
• Benefit from shared good practice in raising standards and outcomes for learners.
• Review the accommodation portfolio to develop a coherent and affordable property strategy.
• Utilise NCG’s capacity in IT and e-learning to extend access and improve quality.
• Utilise NCG’s shared services model to provide effective back-office support.
• Create a single integrated learning offer for adults from Foundation Level to Level 7 including employability programmes.

• Strengthen the range and accessibility of vocational learning for young people to support the economic regeneration of the area and improve the career prospects of learners.
• Support progression routes to higher education (HE) and higher skills.
• Engage constructively with business to meet its needs and build reputation.
• Assist local authorities with their imperative to drive up educational standards at all levels.
• Meet the needs of the wider region in key specialist areas.
• Benefit from the activity and contracts of other NCG divisions operating in the wider West Midlands region.
• Build on, and seek to enhance, the college’s current Corporate and Social Responsibility activities.

The merger of Kidderminster College with NCG has the potential to be extremely beneficial to both organisations. Kidderminster College will be able to retain its successful local identity and realise its ambitions for future stability and growth through the support of NCG. NCG will be able to consolidate and enhance current operations in the West Midlands by adding a flagship college base.

MERGER METHOD AND DATE
It is proposed that Kidderminster College will merge with NCG under a model B merger arrangement, i.e. with the corporation of Kidderminster College being dissolved and its assets and liabilities being transferred to NCG. The date of the merger is planned to be 1 August 2014.

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1 When the term “Kidderminster College” is used in this document in relation to arrangements after 1 August 2014 it refers to a Division of NCG operating in West Midlands with a distinctive remit to serve the needs of Kidderminster and the Wyre Forest area.
CREATING THE KIDDERMINSTER COLLEGE OF THE FUTURE

Through a merger with NCG, Kidderminster College will be well positioned to deliver stability and future growth in the provision of education and training in the area served by the college. NCG’s mission is “to develop people through learning and achievement for the benefit of themselves, society and the economy”. To deliver the mission NCG has aligned its business objectives and operational processes to six core values:

- put the needs of the learner and customer first
- innovate and support excellence in learning and employability
- promote diversity and social mobility
- value, involve and invest in staff
- foster strong relationships with employers, partners and communities
- secure our future through strategic investment and profitability

This mission and these values align closely with the current mission and values of Kidderminster College.

CURRICULUM AND QUALITY

Being part of NCG will help Kidderminster College to continue to raise standards of teaching and learning and success rates and identify new products which will meet the needs of local people and employers. The aim is to:

- Continue to align courses to the Government’s new curriculum developments for young people and adults
- Build activity in line with local, regional and national priorities
- Develop the 14-16 offer to meet the needs of young people

- Expand HE provision and as part of doing so introduce Foundation Degrees
- Increase the range of real working environments (RWE) which reflect the skills needs of Kidderminster and beyond.
- Develop effective response to 19+ adult skills and employability needs
- Align quality systems and approaches to deliver whole college engagement in raising standards and apply best practice across the whole of the larger organisation
- Use the experience of NCG in raising standards and institutional transformation to benefit managers and staff at Kidderminster College

FINANCE

Kidderminster College has managed its finances, in an environment that has been tight for the whole of the sector, in a sound fashion, and has steadily improved the efficiency of its operation. It successfully restructured its key manager roles in 2011. The FMCE (Financial Management and Control Evaluation) review, as part of the Ofsted Inspection in 2011, assessed the college’s Financial Planning and Financial Controls as Outstanding. The SFA assessed the financial health of the college in 2012-2013, on the basis of the audited Financial Statements, as Good. The College has self-assessed its financial health for the period of the latest 2-year Financial Forecast as Good.

Kidderminster College has an income of c.£9m per annum; and has made a surplus (excluding FRS17) every year since 2004/05. The college has net current assets in excess of £2m and net assets in excess of £7m. It has c.100 cash days in hand, a current ratio of 3.0:1, and has regularly achieved annual cash inflows from operations.
The college has adopted a longer-term strategy, utilising the Education Funding Agency (EFA) lagged learner number funding methodology, to grow its 16-18 funding allocation. As a result, the college forecasts to be close to break-even in 2013/14 and 2014/15.

NCG is one of the largest and most financially robust education, training and employability organisations in the UK, with an annual income of almost £180m. In the year ended 31 July 2013 NCG generated a surplus of £7m and a surplus before depreciation and amortisation of £20.6m.

At 31 July 2013, NCG had cash and short term investments of £57.6m and net assets (excluding pension liabilities) of £157m. NCG also had around 117 cash days in hand and in 2012/13 generated a net cash inflow from operating activities of £12.8m. NCG’s financial health for the year ended 31 July 2012 was assessed as Good by the SFA and its financial health for the duration of the three-year plan, submitted in July 2013, was also assessed as Good by the SFA.

The resultant organisation, following a merger between NCG and Kidderminster College, will be economically sustainable for the foreseeable future without any reliance on further mergers.

PROPERTY
Kidderminster College relocated to a new, purpose-built, town centre site in 2003 and has continued to invest in facilities for the benefit of learners and staff. It has subsequently successfully completed two £1m+ investments in 2011 and 2012 to create an extension, glass roofed atrium, and social and eating areas. A further £300k investment in the IT infrastructure and equipment began in summer 2013. The college also has an annual routine and planned maintenance budget together with an annual works programme. The Ofsted inspectors commented favourably during the 2013 inspection on the quality of the college’s main campus accommodation. The college has also taken on the lease of additional facilities for motor vehicle work in Kidderminster from 1 August 2013, following the withdrawal of a subcontractor.

NCG recognises that continual investment in estate and facilities is required in order to improve the learner experience and successfully compete for learners in the FE sector. Over the past ten years NCG has invested significantly in improving the estate and facilities of its divisions for the benefit of its learners and communities. As such NCG has a great reputation and significant experience of delivering large, multi-award winning buildings and capital projects to a very high standard, within budget and time constraints. NCG also has significant experience of successfully accessing capital grants in support of these projects and Kidderminster College will benefit from this experience / expertise in relation to any future investments in its estate.

NCG will work with the senior team at Kidderminster College to review the college’s accommodation portfolio and develop a coherent and affordable property strategy. Kidderminster College will have the full support of NCG in the identification of growth opportunities and the development of viable business cases in support of investment.
GOVERNANCE AND MANAGEMENT
Under the merger proposal the name Kidderminster College will be retained and the college will form a new division of NCG. The division will be known as Kidderminster College and will build its new reputation on the strengths of that brand loyalty. The college will have its own Principal who will report to the Chief Executive of NCG. This will enable Kidderminster College to maintain the authority of the college in its discussions with regional and local stakeholders. Through merger with NCG, the Principal of the new Kidderminster College will be supported by the experience and authority of a much larger organisation and all the skills and expertise that reside there.

A Kidderminster College Advisory Committee will be established comprising employers, community interests, local authority, staff, students and other stakeholders to shape the strategy for the college, supported by the professional advice of the Principal. This strategy will be connected to NCG in two ways. Firstly, through the governance process of the merged college with a space on the governing body of NCG made available to a member of the Kidderminster College Advisory Council. Secondly, through the leadership role of the Principal of Kidderminster College as a senior manager of NCG.

As is already the case in Newcastle College and West Lancashire College, the Principal of Kidderminster College will have the responsibilities of a senior operational manager and will be charged with developing and delivering effective relationships with learners, employers, partners and communities.

STAFFING
The future success of Kidderminster College depends on the continuation of a staffing model which ensures efficient, high quality delivery and high levels of staff engagement. Staff and managers will be encouraged to access the comprehensive personal and professional development opportunities already in place at NCG and benefit from NCG’s staff appraisal and development procedures and its Leadership Academy. Via enhanced IT links, staff will benefit from access to NCG’s teaching and learning resources available online through NCG’s intranet.

Under TUPE arrangements, the staff of Kidderminster College will be transferred to NCG on their current terms and conditions. Staff will be fully involved in the merger process through an effective communications strategy. Arrangements for formal and informal consultation with trade union representatives will be put in place to ensure that a full range of staff views are assessed during the merger process.
CONSULTATION
AND DELIVERING
THE MERGER

The proposed merger has developed out of an open and transparent process. In September 2013 Kidderminster College published an Invitation to Express Interest. This document, which was agreed by the Corporation of the college, set out the rationale for a proposed merger and invited interested parties to make a proposal addressing a set of criteria, in a prescribed format. The closing date for responses was the end of October 2013. The proposals received were scored against the published criteria. The proposers were then invited to make a presentation to Kidderminster College and answer questions relating to their presentation and their written proposal. Following this process NCG was selected as the recommended potential merger partner and the decision to support this recommendation was unanimously endorsed by the Corporation of Kidderminster College.

The two parties to the merger fully intend to continue the openness and transparency that has characterised the process thus far. To this end:

- The consultation will comply fully with statutory requirements for the proposed dissolution of FE college corporations
- This Initial Outline Proposal (IOP) will be made available to all relevant stakeholders, and made available publicly via the websites of both Kidderminster College and NCG
- All stakeholders will be invited to respond to the consultation questions relating to the merger proposal
- Kidderminster College and NCG will publish a summary of consultation responses received and, where relevant, its shared intentions to address the nature of those responses
- Kidderminster College will consult with its recognised trade unions over the transfer of its employees to NCG, to meaningfully satisfy its obligations under TUPE

DELIVERING THE MERGER

The experiences of NCG’s successful merger with West Lancashire College and the integration of Rathbone Training into NCG will inform the process of merger between NCG and Kidderminster College. A Merger Project Team has been established comprising of staff from NCG and Kidderminster College to plan and deliver the merger, ensuring high levels of participation from the people who will go on to lead and develop the new Kidderminster College as a division of NCG. The process is being overseen by a Merger Project Board comprising empowered governors and leaders from both organisations.
NCG MISSION
WE AIM TO DEVELOP PEOPLE THROUGH LEARNING AND ACHIEVEMENT FOR THE BENEFIT OF THEMSELVES, SOCIETY AND THE ECONOMY.

KIDDERMINSTER COLLEGE MISSION EXCELLENCE, EQUALITY, ENGAGEMENT.
In 2013, Kidderminster College undertook a careful and thorough strategic review, and concluded that, although it could without difficulty continue as an independent organisation, it should pursue a suitable merger as the best means to further the ambitions it has for those it serves.

Following its announcement in June 2013 of its intention to seek a suitable merger partner, Kidderminster College conducted an open and transparent process to identify the best partner. Formal expressions of interest were invited and these were assessed against a set of published criteria. On 12 December 2013 Kidderminster College’s Corporation identified NCG as its preferred partner for merger, with the aim of the colleges formally and legally coming together on 1 August 2014.

Details of the proposed merger are outlined in this document (on this website), once you have read them fully please answer the following questions:

1. Kidderminster College, as part of NCG, will keep its name and identity and be managed locally by its own Principal and senior staff based in Kidderminster following the merger. Do you support this?
   - Yes
   - No
   - Not sure

2. Kidderminster College runs a broad range of courses for individuals and employers from its main site in Kidderminster. As part of NCG it will seek to broaden and expand that range in the future. Do you support that aim?
   - Yes
   - No
   - Not sure

3. Do you think any group (including students and staff) would be adversely affected by the merger plans?
   - Yes
   - No
   - Not sure

Comment

Continued over page
4. Are you in favour of Kidderminster joining the NCG college and training group in order to realise the benefits set out in this proposal? ☐ Yes ☐ No ☐ Not sure

Comment

5. To merge, the Corporation of Kidderminster College will be dissolved and its assets and liabilities transferred to the Corporation of NCG. The Board of NCG will include a Kidderminster representative and the Principal of Kidderminster College will be a member of the NCG Executive Board. Do you support this? ☐ Yes ☐ No ☐ Not sure

Comment

Use the space below to make any other comments about the plans in this document or to expand on your answers to any of the above:

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Please return this questionnaire to the reception desk at Kidderminster College or West End College, Newcastle. Or please return by post to: Andy Dobson, Principal, Market St, Kidderminster, Worcestershire DY10 1AB or Chris Payne, Director, NCG, West End College, Muscott Grove, Newcastle upon Tyne NE15 6TT.

You can also give a longer response in writing at the addresses above or by e-mail to consultation@kidderminster.ac.uk or consultation@ncgrp.co.uk

YOU CAN COMPLETE THIS SURVEY ONLINE AT:
www.kidderminster.ac.uk/merger-update
www.ncgrp.co.uk/consultation