PUBLIC CONSULTATION
PROPOSAL FOR A MERGER BETWEEN NORTHUMBERLAND COLLEGE AND NCG
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Proposals to merge two colleges require the support of the Skills Funding Agency (SFA) and approval by the Secretary of State. 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; the Skills Funding Agency is now seeking comments on the merger proposal set out in the following pages. Statutory notices were due to be published by May 2011 and a copy of the notice is included as an appendix to this document.

Responses can be made via the online survey, the providerreorganisation@skillsfundingagency.bis.uk mailbox or directly to Geoff Russell at the Skills Funding Agency by 5.00pm on Friday 17 June 2011. The responses, together with other information, will be fully considered by the SFA. If the merger proposal is supported it will be passed to the Department of Business Innovation and Skills for approval by the Secretary of State. Consultation responses will be included in the proposal papers at both stages.

Responses should be made no later than 5.00pm on Friday 17 June 2011.
It has become apparent that Northumberland College cannot continue as an independent college within the FE sector. The College is financially weak and too small to operate in a way which both provides for the learning needs of its community and respond to the current government agenda for post-14 education and training. After careful consideration, the Corporation Board of the College determined that it should seek a merger partner and attracted several expressions of interest. At the conclusion of a rigorous selection process, the Corporation decided that a merger with NCG should be pursued. NCG is the trading name of the Corporation of Newcastle College.

Our joint vision is to create a high performing college that meets the learning and skills aspirations of the communities which it serves. Through investment in the learner and the development of capacity and expertise, we would create fit for purpose facilities to provide a broad range of vocational courses for young people and adults leading to further and higher education or employment. In addition to the provision delivered from the Northumberland College campuses, we would develop a comprehensive and responsive programme for adults which would be delivered in the workplace to meet the needs of employers in Northumberland.
This vision would be achieved through the energetic pursuit of the College’s mission, delivered through a set of six clear business objectives that would guide the College’s decisions:

These are to:

- 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
SUMMARY OF MERGER PROPOSAL

This consultation document outlines the vision and rationale for the proposed merger between Northumberland College and NCG.

The Corporations of both Colleges believe that a merger between Northumberland College and NCG would create a unique opportunity for the Northumberland community and have a major impact on the greatly needed economic regeneration of the local economy. Our vision for the merged college is that it would be:

• A local college meeting the needs of the local community
• A well-regarded and successful college with a range of provision designed to meet the needs of all of its learners
• A college with an appropriate range of accessible vocational learning for young people to improve the career prospects of learners and support the economic regeneration of the county
• A college with clear progression routes from courses for beginners to higher education offering local people an opportunity to study locally and attracting people into Northumberland
• A college with Real Working Environments which reflect the needs of Northumberland and beyond
• A college with an effective response to 19+ adult skills and employability needs
• A college with appropriate resources to facilitate its growth
• A college with high standards and outstanding performance
• A college offering first class and responsive services to business
The Corporation Board of Northumberland College selected NCG as its preferred merger partner at the end of a thorough and searching process. A number of potential partners were considered however it was concluded that merger with NCG had the most probability of success and that joining NCG through merger provided the most direct approach to sustaining a Northumberland College presence. NCG demonstrated strengths in terms of:

- academic excellence
- recent merger experience
- capital project expertise
- financial strength
- management capacity
- realistic planning/effective performance management
- consultation and partnership

Based on the detailed selection process undertaken by Northumberland College, an initial outline proposal was considered by the Skills Funding Agency (SFA). The Agency agreed that the proposal should be taken forward to the next stage of public consultation.

The consultation process is being carried out in parallel with independent due diligence studies into the financial and legal position of both institutions.
MERGER PARTNERS

NORTHUMBERLAND COLLEGE IS LOCATED IN THE NORTH EAST OF ENGLAND AND IS WITHIN THE NORTH EAST SFA AREA. IT HAS A MAIN SITE IN ASHINGTON AND ADDITIONAL SITES AT KIRKLEY HALL, ALNWICK AND BERWICK-UPON-TWEED.

NCG’s Head Office and Shared Services operations are based in Newcastle upon Tyne. Its main Divisions are Newcastle College in the North East, Skelmersdale and Ormskirk College in the North West and the Intraining Group Ltd with its head office in Sheffield and operating from over one hundred locations throughout the UK.

Based on the financial strength and management expertise of NCG, the proposed merger is seen as an opportunity to strengthen the management and curriculum provision in Northumberland and to re-establish the college’s financial stability.

Further details about the colleges can be found on their respective web sites at www.northumberland.ac.uk and www.ncl-coll.ac.uk as well as in published prospectuses and course information available from both colleges.
THE LEGAL PROCESS

FORMAL LEGAL MERGER WOULD TAKE PLACE ON 1 JANUARY 2012 BY THE DISSOLUTION OF THE CORPORATION OF NORTHUMBERLAND COLLEGE AND THE TRANSFER OF ITS ASSETS AND LIABILITIES TO NCG
The merger would raise standards and deliver relevant courses which would meet the needs of local people and employers. Working together, the two colleges aim to:

- Align curriculum to the national priorities of the coalition government
- Build activity in line with regional and national priorities
- Develop a structured 14-16 offer in partnership with local schools
- Increase participation rates for 16-18 year olds in vocational FE qualifications including those not in employment or education
- Create Real Working Environments (RWE) which reflect the skills needs of Northumberland and beyond

- Develop effective responses to 19+ adult skills and employability needs
- Support the expansion of higher education provision
- Develop quality systems and approaches which deliver whole college engagement in raising standards
- Transfer NCG experience of raising standards and institutional transformation to managers and staff at the new Northumberland College
- Work in partnership with schools, community groups, training providers and other partner colleges to maximise opportunities for further education and training in the county.
Northumberland College
Close collaboration with employers, schools, the local authority, community groups and Higher Education Institutes enables a broad range of courses to be provided within the college and across Northumberland. The largest funded subject area is land-based provision which is substantially delivered at Kirkley Hall. The college works in partnership with high schools across the county to provide programmes for pupils aged 14-16. Most of the learners aged 16-18 study full time. In 2010-11, the total number of learners is 3,780 of which 1,400 learners study full time and 2,380 study part time. The College is a major provider of Skills for Life programmes.

A range of higher education courses are delivered at the Ashington and Kirkley Hall campuses in partnership with Northumbria University, the University of Sunderland and Sheffield Hallam University.

NCG
NCG currently comprises three Divisions operating from over one hundred locations throughout the UK:

Newcastle College is a further and higher education college based in Newcastle upon Tyne. Its subsidiary company, Newcastle College Construction Ltd operates training facilities in Merseyside and East Midlands. It offers a wide range of high quality provision from Entry Levels to Level 7, including the largest offer of Foundation Degrees in the UK.

Skelmersdale and Ormskirk College (SOC) is a
further education college based in West Lancashire which offers some higher education courses. Whilst provision primarily ranges from Levels 1-3, provision is also offered at Entry Level and at Levels 4 and 5. Supported by NCG, SOC offers a number of successful Foundation Degree programmes.

The Intraining Group Ltd is a wholly owned subsidiary company with its head office in Sheffield. It delivers a wide range of skills and employability programmes throughout the UK. It operates through three operational units which cover, Employability, Work Force Development and Commercial Services.
BENEFITS

NCG WOULD WORK WITH NORTHUMBERLAND COLLEGE AND USE ITS ACADEMIC, MANAGEMENT AND FINANCIAL STRENGTH TO IMPROVE PROVISION IN NORTHUMBERLAND

The local campuses would be developed to ensure that they are capable of expanding to meet demand and supporting the community. After the merger, Northumberland College would become a full partner in the NCG community. Benefits of the merger will be:

• Stabilisation of the financial position in Northumberland College

• A strengthened senior management team

• A coherent and affordable property strategy developed

• Growth to match local delivery to local needs

• Ongoing support for Northumberland County Council in its imperative to drive up educational standards at all levels

• The range and accessibility of the learning offer strengthened for young people and adults including employability programmes

• Utilisation of NCG’s capacity in IT and e-learning extending access and improving quality

• Utilisation of NCG’s Shared Service model reducing costs

• Practical support from NCG’s nationally recognized outstanding curriculum expertise

• Expertise gained from the developments leading to the award of Beacon Status

• The opportunity to replicate NCG’s proven quality and delivery systems adapted to Northumberland’s needs

• The more effective operation of Northumberland College supporting future investment in accommodation and resources
The legal form of the merger considered most appropriate involves the dissolution of the Corporation of Northumberland College and the transfer of its assets and liabilities to NCG. The management teams of both NCG and Northumberland College are committed to work collaboratively to achieve a successful merger. They would build upon the strengths and experience of both NCG and Northumberland College and work together towards achieving a merged college by 1 January 2012.

Planning for the new Northumberland College would ensure minimum disruption for students. For new students enrolling for September 2011, the proposed programme will have been prepared and published in the autumn term 2010. As a result, new students would have good, early information on which to make course choices. For students already studying at the college in 2011, arrangements would be made to ensure that they can complete their current courses, with the same staff and on the same site wherever possible.
Our objectives for the new Northumberland College would be to:

• Stabilise the financial position
• Refocus staff on the core business of teaching and learning
• Prioritise investment in the learner
• Reduce staffing costs to sector levels and strengthen senior management
• Review property portfolio and develop coherent and affordable property strategy
• Utilise NCG capacity in IT and e-learning to extend access and improve quality
• Utilise NCG Shared Services model to reduce back office costs
• Ensure high professional standards and a disciplined environment
• Create a single integrated learning offer for adults in Northumberland 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 county and improve the career prospects of learners
• Engage constructively with business to meet their needs and build reputation
• Assist Northumberland County Council with its imperative to drive up educational standards at all levels
• Support the County Council in its drive to secure fast broadband for the county to facilitate access to learning
• Ensure productive relationships between the senior teams of Newcastle College and Northumberland College to ensure decisions are made in best interests of the learner
• To seek to engage with Tyne Metropolitan College to plan the curriculum offer North of the Tyne to ensure learners can benefit from a comprehensive range of provision against a background of public funding reductions
GOVERNANCE AND MANAGEMENT

Northumberland stakeholders would influence the college through a Northumberland College Advisory Committee made up of employers, community representatives, local authority members, staff and students. Within the overarching policy framework determined by NCG, the Advisory Committee would shape local strategy for the college and provide a local forum for the discussion of key strategic issues affecting Northumberland.

A member of the Committee would take up a seat on the NCG governing body. Staff and students would be eligible for election to the full range of NCG committees and meetings. Staff and student focus groups would be established to provide feedback to both the Advisory Committee and the NCG Corporation Board.
ESTATES AND FACILITIES

UNDER THE LEADERSHIP AND MANAGEMENT OF THE NEWLY MERGED COLLEGE, WE PLAN TO IMPROVE THE FUTURE FOR LEARNERS IN NORTHUMBERLAND BY CREATING A SUCCESSFUL COLLEGE, AT THE HEART OF ITS COMMUNITY, WITH CAPACITY TO GROW IN THE FUTURE

The Governing Bodies of both organisations consider that Northumberland College can only meet its obligations to learners if there is investment in each major site. To do this there would need to be significant financial support forthcoming from the SFA or another partner.

We believe that there is the opportunity to create a modern, vibrant small to medium size college at the heart of its community with capacity to grow in the future – with growth being recognised and embedded as a major driver of the College’s redevelopment philosophy.

As cash becomes available through the more effective operation of Northumberland College, it would be invested in improving accommodation and resources. This would allow the accommodation at Ashington to be cosmetically refreshed and it would be possible for some re-organisation of space to fit curriculum areas. Initial costings suggest this would total in excess of £3m to implement. In addition there would need to be an immediate investment in Information Technology (IT) of around £1.5m to improve teaching and learning and management processes. This plan is deliverable over two to three years.
NAME

AFTER MERGER THE COMBINED INSTITUTION WILL SEEK TO CHANGE ITS NAME TO NCG. NORTHUMBERLAND COLLEGE WOULD CONTINUE TO BE USED AS THE NAME FOR THE COLLEGE IN NORTHUMBERLAND
Trade Union representatives would be consulted throughout the merger process and be kept well informed about developments. There is very little difference in the arrangements for staff contracts between Northumberland College and NCG. However, staff would be transferred to the employment of NCG on their current terms and conditions in line with TUPE legislation. Existing staff consultation arrangements would be used at Northumberland College to ensure that staff are fully engaged in the merger process. A communications strategy has been put in place.

The exact staffing complement required for Northumberland College would be, to some extent, dependent on student numbers. However, it is anticipated that some savings may be made in business support staff costs through redeployment, restructuring and as a result of staff turnover. While there may be some reductions through the more efficient organisation of teaching groups, this should be more than counter-balanced by expected growth in student numbers.
This strength would provide a firm basis for the development of the merged college which would make early additional investment in the development and maintenance of effective IT links between campuses and improved access to IT. In addition, as Northumberland College regains financial stability, investment in its expansion would be made on the same terms as at other NCG sites.
CONCLUDING STATEMENT

The Corporations of both Northumberland College and NCG are totally committed to the development of a successful and thriving college in Northumberland which meets the needs of its local community and contributes to the economic and social regeneration of the area.

These proposals for merger would result in:

- Significant benefits to learners, staff, employers and the community
- A strong and sustainable college which can respond effectively to the education and training challenges of the 21st Century.
Statutory Notice – Further and Higher Education Act 1992

The Chief Executive of Skills Funding hereby gives notice in accordance with the provisions of section 51 of the Further and Higher Education Act 1992 (the Act) as amended by the Apprenticeships, Skills, Children and Learning Act 2009, of the draft proposal that the Secretary of State under section 27 of that Act should by order provide for the dissolution of the further education corporation of Northumberland College and the transfer of the property, rights and liabilities of that corporation.

Dissolution of the corporation is proposed, at the request of the corporation of Northumberland College in order that the college may merge with Newcastle College. It is proposed that the property, rights and liabilities of the corporation to be transferred to the corporation of Newcastle College which proposes to change its name to NCG.

The date proposed for the dissolution is 1 January 2012.

Provision will be made for all students at Northumberland College who have not yet completed their courses of study by the date of the proposed dissolution to complete their studies at Northumberland College which will operate, post merger, as a division of NCG, assuming that the name change is approved.

A copy of the draft proposal is available free of charge from me and will be sent to any person who requests it.

In accordance with the provisions of section 51 of the Act, representations may be made to me by 17 June 2011. Representations can be made at http://skillsfundingagency.bis.gov.uk/providers/allthelatest/consultations/ or in writing to providerreorganisations@skillsfundingagency.bis.gov.uk or to:

Geoff Russell, Chief Executive of Skills Funding
Cheylesmore House, Quinton Road, Coventry CV1 2WT

Date: 16 May 2011
Signed:

Statutory Summary of the Draft Proposal (Notice)

SINGLE DISSOLUTION MERGER
 Comments on the draft proposal are invited through a consultation being managed by the Skills Funding Agency as part of its statutory role in college mergers. The Agency will analyse the responses received, publish a consultation report and ask us to take the responses into account when writing our final merger proposal.

All the consultation information and links are available at the Skills Funding Agency website at http://skillsfundingagency.bis.gov.uk/providers/allthelatest/consultations/

Or, if you prefer, responses can be made in writing to:

Geoff Russell
Chief Executive of Skills Funding

Skills Funding Agency
Cheylesmore House
Quinton Road
Cheylesmore
Coventry
CV1 2WT

Or by email to

Providerreorganisations@skillsfundingagency.bis.gov.uk

The consultation starts 16 May 2011 and the deadline for responding is 17 June 2011.

The consultation report will be published at http://skillsfundingagency.bis.gov.uk/providers/allthelatest/consultations within two weeks of the end of the consultation period.

If you have any problems responding to the consultation, please use the contact details above or telephone 02476 82 5791 to let the Agency know.
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