Unlocking potential through learning

Annual Review 2013-14
Foreword from Jamie Martin, Chair of Governors and Joe Docherty, Chief Executive, NCG
2013-14 has been another busy year for NCG.

We were delighted to welcome Kidderminster College in Worcestershire to the NCG family. As lead sponsor we were also pleased to see the opening of the new £9m Discovery School in Newcastle, which specialises in preparing young people for a career in science, technology, engineering and maths.

Our national training provider, Intraining, improved its rating to ‘Excellent’ in the Merlin Standard for quality and treatment of our subcontractors - one of the highest results recorded to date with a score of 93%.

During the year Newcastle College opened a new £5m Rail Academy - the first of its kind in the North. It will be a regional hub for railway engineering - a major growth sector and a priority area for investment by the Government.

Our youth charity Rathbone Training achieved an overall rating of “Good” for its apprenticeship provision in England in a recent Ofsted Inspection. A considerable improvement on the rating when it joined NCG in 2012.

Newcastle Sixth Form College celebrated an exceptional year after recording a 30 per cent rise in the number of students receiving offers to attend Russell Group Universities and West Lancashire College welcomed a new Principal, Maria Gilling. Maria joined us from the Ofsted Outstanding Walsall Adult and Community College.

With a nationwide network of colleges and training centres, we work with more than 20,000 businesses and 133,000 learners every year, regionally and nationally, to help them reach their full potential and address often highly specialised skills gaps and build a talented workforce through high quality training.

We couldn’t do any of this without colleagues dedicated to our purpose, to unlock potential through learning. Thanks to our partners locally and nationally, to learners and customers and to governors and Advisory Committee members.

Jamie Martin
Chair of Governors

Joe Docherty
Chief Executive
NCG facts

Annual turnover of £179 million

We are a prime and secondary contractor for the Work Programme in three UK regions

We recently merged with Kidderminster College in the West Midlands

NCG comprises six divisions: Newcastle College, West Lancashire College, Intraining, Rathbone Training, Newcastle Sixth Form College and Kidderminster College

Invested more than £9 million in the Discovery School

We recently merged with Kidderminster College in the West Midlands

NCG facts

Newcastle College opened a new £5m Rail Academy

Working with more than 133,000 learners, including more than 23,000 Apprenticeships across the UK every year

NCG
One of the UK’s largest not-for-profit training groups

Rathbone
positive life choices for young people

Employing 4,000 staff operating from 142 locations
through learning
OUR DIVISIONS

With a turnover of more than £179 million, NCG is one of the largest education, training and employability organisations in the UK.

NCG has a clear purpose to unlock potential through learning and we do this through the work of our six divisions.

We listen to our customers’ needs - both individual learners and businesses - and deliver the innovative training solutions they need while maintaining good quality and value for money.

As one of the country’s leading not for profit training provider we invest all our surplus back into improving training and facilities for our learners. Our four colleges and two training bodies have a national reach - this is just a sample of some of the work they do.

INTRAINING
- We work with more than 20,000 employers in the UK across all industries and sectors, ranging from small businesses to large national organisations.
- We have supported more than 22,000 people into sustained employment through our Work Programme, Skills for the Unemployed and Redundant and Work Skills Programme contracts.
- To date we have developed and trained more than 23,000 apprentices.
- We scored 93% and were rated as 'Excellent' in the Merlin Standard for quality and treatment of our subcontractors - one of the highest results recorded to date.

KIDDERMINSTER COLLEGE
- Kidderminster College has a current success figure of 89% which places it in the top 25% of colleges nationally.
- We have a modern town centre campus and have recently invested more than £2.5 million in continuing to improve facilities.
- We have many specialisms including: Creative Industries which has its own record label MAS Records and Ignite, Worcestershire’s Centre for Advanced Training in Dance, Acting, Musical Theatre and Music. We also have our own dance company, Translucent.
- We have recently opened a new £100,000 jobs hub called The Point, to support people into gaining employment as well as offering employers a chance to up-skill their workforce, train staff or recruit an apprentice.

NEWCASTLE COLLEGE
- We have over 18,000 students and 1,150 employees.
- We are one of the largest providers of degrees in the FE sector anywhere in the UK and were one of the first colleges to be awarded Foundation Degree Awarding Powers.
- We are one of the few FE Colleges in the UK to offer full time courses for 14-16 year olds.
- Every £1 learners pay for their education at the College yields £3.40 in higher future wages.
- Our former learners currently employed in the regional workforce contribute £187.5 million in added income to the North East’s economy each year.
- We responded to business customers needs to develop the Aviation Academy at Newcastle International Airport and the Energy Academy based in the hub for subsea and offshore wind in North Tyneside.
- Our Rail Academy opened in September 2014 and will provide high quality training and skills in response to the Government’s multi-billion pound plans to create a rail infrastructure for the 21st Century.
RATHBONE TRAINING
• Rathbone Training is a UK-wide youth charity, focused on helping young people gain the right skills to help them move into sustainable employment.
• The focus of our work is with young people facing personal challenges in terms of their learning and social support needs.
• We reach over 10,900 young people annually across Scotland, Northern Ireland, Wales and England. A recent Ofsted inspection graded us “Good” for our apprenticeship provision in England.
• Our work ranges from specialist provision for young people aged 14+ who are partially or fully excluded from school, to Level 3 apprenticeships.
• We hold the Bronze Fair Train National Quality Standard for Work Experience.

A Levels A-E – Source: DfE Performance Tables 2013/14)
• Newcastle Sixth Form College is ranked as one of the best performing A Level providers in the North East.
• In Summer 2014, nearly 300 students progressed into Higher education after completing their programme of study.
• Over 20% of students achieved places at Russell Group universities.
• We are the only designated IB World School in the North East and recently became a directly licensed centre for the Duke of Edinburgh Award.
• We offer over 35 different A Level subjects to choose from, as well as a programme of GCSEs.
• Based in the heart of Newcastle city centre, our culture is based on support, aspiration and academic achievement.
• Our students choose from a range of over 50 different enrichment opportunities including World Challenge.

NEWCASTLE SIXTH FORM COLLEGE
• Students at Newcastle Sixth Form College achieve above the national average and the average for the Newcastle Local Authority at Key Stage 5. (% of KS5 students achieving 2 or more

WEST LANCASHIRE COLLEGE
• West Lancashire College has over 3,000 further education students, work-based learners and higher education students.
• We are committed to working with the Community Volunteering Service. In 2013/14 our learners clocked up over 2,000 volunteer hours.
• Our £2.3million West Lancashire Construction Academy offers learners the chance to study construction, engineering and motor vehicle trades in purpose-built facilities.
• West Lancashire College continues to develop and grow high quality higher education programmes.
• 100% of West Lancashire College A Level learners secured university and higher education places of their choice.
• WLC worked with 140 HE level learners and delivered 6 Foundation Degrees in association with employers at its campus in Skelmersdale.
NCG Group continues to maintain a strong balance sheet despite a very challenging year against a backdrop of continued significant reductions in public funding. Income in the year was £179.8m generating a surplus of £5.5m, in line with the budget.

As one of the country’s largest not for profit training providers, we continue to reinvest our entire surplus for the benefit of our learners and customers. In 2013/14 we have invested £13.8m in capital expenditure including the following:

• Completion of the Rail Academy which opened its doors to new students in September 2014.
• Continuing the refurbishment of Parsons building at Newcastle College main campus at Rye Hill and completion of the annex.

We continue to improve facilities, equipment, infrastructure and technology across all our centres throughout the UK.
## Group Profit and Loss

<table>
<thead>
<tr>
<th></th>
<th>2014 £'000</th>
<th>2013 £'000</th>
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</thead>
<tbody>
<tr>
<td>Funding body income</td>
<td>116,572</td>
<td>122,694</td>
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<tr>
<td>Tuition fees and education contracts</td>
<td>21,373</td>
<td>16,067</td>
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<tr>
<td>Other income</td>
<td>41,480</td>
<td>39,908</td>
</tr>
<tr>
<td>Investment</td>
<td>323</td>
<td>569</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>179,748</strong></td>
<td><strong>179,238</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenditure</td>
<td>174,292</td>
<td>(172,234)</td>
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<td></td>
<td></td>
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<tr>
<td><strong>Group surplus</strong></td>
<td><strong>5,456</strong></td>
<td><strong>7,004</strong></td>
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</tbody>
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## Group Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>169,120</td>
<td>165,525</td>
</tr>
<tr>
<td>Current assets</td>
<td>54,942</td>
<td>66,686</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(37,339)</td>
<td>(55,865)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td><strong>17,603</strong></td>
<td><strong>10,821</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td>186,723</td>
<td>176,346</td>
</tr>
<tr>
<td>Creditors greater than one year</td>
<td>(20,789)</td>
<td>(12,402)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(5,446)</td>
<td>(6,615)</td>
</tr>
<tr>
<td><strong>Net assets excluding pension liability</strong></td>
<td><strong>160,488</strong></td>
<td><strong>157,329</strong></td>
</tr>
<tr>
<td>Pension liability</td>
<td>(36,335)</td>
<td>(41,157)</td>
</tr>
<tr>
<td><strong>Net assets including pension liability</strong></td>
<td><strong>124,153</strong></td>
<td><strong>116,172</strong></td>
</tr>
</tbody>
</table>

## Group Cashflow

<table>
<thead>
<tr>
<th></th>
<th>2014 £'000</th>
<th>2013 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cashflow from operations</td>
<td>13,734</td>
<td>12,869</td>
</tr>
<tr>
<td>Net interest</td>
<td>(273)</td>
<td>(74)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(13,094)</td>
<td>(13,934)</td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financing</td>
<td>(13,290)</td>
<td>(11,193)</td>
</tr>
<tr>
<td><strong>(Decrease)/increase in cash in the year</strong></td>
<td><strong>(12,923)</strong></td>
<td><strong>(12,332)</strong></td>
</tr>
</tbody>
</table>
EQUALITY AND DIVERSITY

Group staff profile 2013-14

Ethnicity
- BME: 8%
- Other: 92%

Disability
- Disability: 5%
- No Disability: 95%

Age
- Under 25: 8%
- 25-34: 28%
- 35-44: 25%
- 45-54: 24%
- 55-64: 14%
- Over 65: 1%

Gender
- Male: 37%
- Female: 63%
Learner/customer profile 2013-14

Ethnicity
- BME: 17%
- Other: 83%

Gender
- Male: 37%
- Female: 63%

Age
- 16-18: 24%
- 19-24: 24%
- 25-34: 21%
- 35-44: 14%
- 45-54: 12%
- 55+: 5%

Disability
- Disability: 9%
- No Disability: 91%

Gender
- Male: 50%
- Female: 50%
Newcastle College World War One Centenary Event
NCG welcomes diversity - valuing differences in race, gender, sexual orientation, disability, religion or belief, class and age. We actively oppose discrimination, aim to remove all conditions that put people at a disadvantage, strive to improve access and to provide outstanding support.

NCG is committed to ensuring equality of opportunity for all students, customers and employees. We are fully conversant with our obligations under the Equality Act 2010 and have developed a Single Equality Scheme in response to these obligations.
VISIT OUR WEBSITES
www.newcastlecollege.co.uk
www.newcastlesixthformcollege.ac.uk
www.rathboneuk.org
www.intraining.co.uk
www.westlancs.ac.uk
www.kidderminster.ac.uk
www.discoveryschool.org.uk