Address by Dame Jackie Fisher, Chief Executive, Newcastle College Group.

Delivering Growth and Excellence

Newcastle College Group consists of three divisions – Newcastle College (in the North East of England), Skelmersdale and Ormskirk College (in the North West), and Intraining, based in Yorkshire. Each division has services and strategy delivered into it by Group Services. We have evolved from a regional college with a long history into a national provider of education, skills and employability. We offer a wide range of provision, all focused around services to learners. These include academic and vocational programmes to school leavers, higher education programmes, adult skills training and programmes to enable unemployed young people and adults to seek sustainable employment. Current turnover is around £160m and there are around 70,000 enrolments. There has been significant investment in new state of the art buildings and offices to deliver specialist training. However, further investment is needed. In addition to publicly funded programmes NCG also delivers training directly to employers on a commercial basis.

Over the last ten years the organisation has developed some core objectives which have steered its development. These are widely owned in the organisation and are subject to regular review. Recently, after long debate, we added ‘profitability’ to drive home that we are a commercial, entrepreneurial organisation operating in a highly competitive environment.

Over time we have developed distinctive ways of working which are used throughout the organisation in relation to ensuring quality (which I understand is subject in England to much more rigorous external checking than is usual in Australia), financial planning, business development and performance and e-learning. We have a robust e-enabled shared services platform to support the delivery of services into the operation and to facilitate further expansion. We operate a distributed leadership model pushing responsibility and accountability deep into the organisation for growth and performance.

One of our biggest entrepreneurial opportunities has been the acquisition of a large private provider. Carter & Carter plc, at the time it went into administration in March
2008, was the largest private provider in the UK and its value as quoted on the stockmarket was around £340m. When it went into administration we evaluated it and decided to put in an offer for those parts of the business which we assessed as viable and with synergy to our current operation. We had previously ‘merged’ with a small FE college 120 miles away from Newcastle and had purchased a smaller private provider. We acquired around £60m of contracts from Carter & Carter and cleared out a large number of ‘dead’ files where Carter & Carter had been claiming public funding but for which there was no credible evidence of learner activity. Turning a dysfunctional business into a functional integrated business with high quality data and financial systems, populated by credible and energetic managers has taken us two years. We are now moving to make it a high performing business. This mimics the journey of Newcastle College between 2000 and 2004 and that of SOC between 2007 and 2009 (dysfunctional to functional, functional to performing, performing to realising potential).

We have learned many things which may have relevance to the audience. We have learnt a great deal as an organisation from the organisations we have acquired and this has added more value to NCG than if we had only grown organically. In fact some of our more entrepreneurial business strands could not have taken root in the soil of a publicly funded FE college but could only have grown effectively in a private sector environment, driven by different imperatives and risk appetite. Over the last four to five years, as we have developed as a more diversified business, we have added new skill sets to our capabilities. These include financial analysis and modelling, supply chain management, business development, operating provision at a distance and managing multiple contracts.

In order to ensure all programmes are delivered to a consistent standard we have invested in some key processes around learners and customers, ensuring that the staff / learner interface is managed effectively via management information systems as well as by high quality teaching and learning. All our staff are observed in the classroom annually and work to an improvement plan. This has resulted in outstanding Ofsted inspections of both the colleges and our private training provider with much best practice being cited.
In order to sustain excellence we work hard at ensuring strategy and direction is owned at local levels, that a manager can ‘own’ their part of the business and take decisions which make a measurable difference. We have a hands-on, closing the loop culture, where managers and staff at all levels roll up their shirt sleeves and do whatever it takes to get the job done. We provide lots of coaching and support for our staff and we expect people to work hard and make a difference.

Our staff report high levels of satisfaction and we have a dedicated Human Resources management function which provides access to a wide range of CPD as well as operating NCG policies and procedures and contracts. All of our staff are employed directly by the organisation on a wide range of contracts – at last count we had 70 different staff contracts all with different terms and conditions and three pension schemes (2 state and 1 private). Staff appraisal and performance is linked to pay. Excellent performance is rewarded and poor performance is actively addressed. We operate business excellence awards to recognise the achievements of staff teams and individuals and this culminates in an annual staff recognition dinner with awards.

I believe our staff are confident and proud to work for NCG. We encourage staff to keep learning, to be ambitious and not to rest on their laurels. Most importantly we value staff who can work at pace, with a can-do attitude, who like to solve problems and take manageable risks. We believe we have created an ambitious culture where our managers and staff work effectively to benefit the organisation and our learners.

Shared Services has been an important part of our growth strategy. E-enabled services in relation to financial management, HR management, fleet, IT and telephony, management information, all supported by a help desk, have allowed us to deliver services to all of our 3,800 staff in 100 locations and we have the capacity to operate on a bigger scale without additional significant investment.

The reasons behind investing in Shared Services are clear: it delivers compliance and consistency; improves the customer experience, provides great data and allows us to employ scarce and expert people who, if we employed them at divisional level, would bring a prohibitive level of cost with them. An unintended but welcome consequence has been that when you take the day to day responsibility for finance, HR etc away from
operational managers they are forced to focus on their core job – running programmes and delivering services to learners and customers and managing staff contribution and performance.

As many of you know the UK government changed hands in May and we now have a coalition government. We had developed a strategy to meet the requirements of the previous government and which, with some modifications, we believe may meet the objectives of the new government when their new policy framework emerges more clearly. However, this is still uncertain.

With a fair wind, we would like to grow our commercial activity, grow our higher education programmes via the work-based and apprenticeships route, invest in science, technology, engineering and maths, realise the £44m investment in SOC new build, and merge with other FE colleges that wish to work with us. And obviously to do all of the above or something different if this no longer aligns with government requirements. So our strategy is moving forward but is always open to change.