

## **Manchester City Council Report for Information**

**Report to:** Economy and Regeneration Scrutiny Committee – 5 March 2024

**Subject:** The LTE Group Update: Strategy and Performance

**Report of:** John Thornhill, Chief Executive, LTE Group.  
Rachel Curry, Principal Manchester College & Group Deputy CEO

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### **Summary**

The LTE Group supports education, skills and professional development through eight key organisations. This paper provides strategy and policy updates from the LTE Group and an update from one organisation within the Group, The Manchester College.

The updates are focused on the Committees area of interest as follows:

- 1) An update on key policy and strategy developments
- 2) An update on The Manchester College's (TMC) progress, performance and contribution to Manchester's work and skills outcomes since the last update in 2023.

### **Recommendations**

Members are asked to consider and comment on the information in the report. To note the request to develop a senior working group in the City, to focus on the urgent and growing crisis on capacity, for 16-18 year old places for vocational and technical education from 2023 to 2030.

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**Wards Affected:** All

<p><b>Environmental Impact Assessment</b> -the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The LTE Group is a partner in Greater Manchester’s commitment to becoming a carbon neutral city region by 2038. The group has targeted a significant reduction in carbon emissions and is on track to meet its target in support of the City’s wider agenda. Updated figures are attached for review in later sections. This majors on evolving a greener estate and buildings but also through investing in more IT and digital delivery for colleagues and learners, reducing journeys and travel, investing in training for new green initiatives such as new facilities for apprentices working on electric buses through the Total People division.</p>
<p><b>Equality, Diversity and Inclusion</b> - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>	

<p><b>Our Manchester Strategy outcomes</b></p>	<p><b>Summary of how this report aligns to the OMS</b></p>
<p>A thriving and sustainable city: Supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>The LTE Group is a key economic contributor within the city not only as one of the City’s largest employers employing more than 3000 people. Over half of whom live, work and vote in the City. The Group through wages, supplier spend, or partners spends over £160 million in the economy every year. We also underpin Manchester’s Skills and Economic plans, support reduced reoffending and access to work for ex offenders, progression for apprentices, and the Groups headquarters that support wider UK activity is based in Manchester employing many professionals in IT, HR, Marketing, Finance, Web development and more. The Group also creates jobs and opportunities through its large scale infrastructure investments and its work with partners to place newly qualified learners in jobs with employers.</p>
<p>A highly skilled city: world class and home grown talent sustaining the city’s economic success</p>	<p>The Group supports over 80,000 learners a year, and via The Manchester College supports 20,000 people in Manchester to be</p>

	<p>equipped with the right skills to be employed within the Manchester and Greater Manchester economy. The College delivers to around 12,000 students each year (c. 6,000 16-18 year olds, and the remainder being adult students), with 91% of its students progressing to a positive destination in further study or work in 2023. The Group supports thousands of employers and over 2000 apprentices annually.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The Group advocates access for all and via The Manchester College assures a non-selective approach, connecting Manchester communities to key growth sectors within the city. The Manchester college supports a host of other social initiatives beyond traditional education. Such as support for NEET, looked after children, high needs learners, immigration, youth/gang violence and is embedded into the wider city ecosystem of community support.</p> <p>The College's student cohort is in the lowest quartile of all Colleges based on Index of Multiple Deprivation 2019 (lowest 5%). 79% of The Manchester College's 16-18 year old student population are from widening participation postcodes, and 74% of adult students. 55% of 16-18 year olds are from a minority ethnic group, and 62% of adults. In 2022/23 49% of 16-18 students entered the College without GCSE English Grade 9-4 compared to 70% across colleges nationally and 40% of 16-18 students entered the College without GCSE maths Grade 9-4 compared to 62% across colleges nationally. Students positively progress within the College regardless of starting point, with 94% of 16-18 students progressing to positive destinations in 2023. It is all the more impressive that The College achieves outcomes that are now in the top 10% nationally.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>The LTE Group and Manchester College has a strong commitment to environmental sustainability. This is embedded within the management of the existing estate, the new estate and changing employment practices to support flexible or hybrid working,</p>

	promotion of public transport and reduced journeys. The Group supports access to the our pass travel support scheme for thousands of Manchester young people every year.
A connected city: world class infrastructure and connectivity to drive growth	The LTE Estate Strategy has delivered new world class assets across the city that will continue to support our growth ambitions over the next decade and beyond. In developing the estate the Group has worked in partnership with Manchester City Council to release land for several hundred much need homes and extended office accommodation in key areas of the City helping support new infrastructure development for the future.

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- LTE Group Inspection Report 2019
- LTE Group white paper for skills, devolution and communities 2024

## 1.0 Introduction

This paper provides an update on two key themes:

A general LTE Group Strategy and policy update and a specific update from one unit of the group.

The work of the college, our performance in support of local residents and employers, in particular a very significant and growing issue about lack of capacity for the booming population of 16-18 year olds.

### 1.1 LTE Group strategy and Policy

**1.1.1 Pay** – members will have noted pressure on pay in most public sector organisations over the last year. I'm pleased to report that through a combination of efficiencies, cost savings and some funding increases we were able to offer improved pay settlements across the group this year. For Manchester based colleagues the improved offer was 7% consolidated with a further top up to 8.25% with an extra in year payment. This was helped by the first consolidated increase in many years from GMCA in adult education funding. Whilst this is very welcome we remain concerned that Manchester and GM lag other cities such as London and Birmingham in the resources allocated to residents and workers under the devolved adult education arrangements. Outside of Manchester we were able to pay 9% fully consolidated.

**1.1.2 Prison education and resettlement** – Members received an update at our last scrutiny meeting on our work with over 3000 residents in various prisons across the UK, our work to educate and upskill people, as well as our support for people returning to the city on release from prison. At that meeting we outlined our work with DfE to change the legislation on apprenticeships to allow people in prison to start and complete an apprenticeship in prison. I'm pleased to confirm that DfE have supported our work, the legislation and rules have been changed and the first in custody apprenticeships started at HMP Hindley in January 2024. Our first apprentices have also secured jobs with Hyde's brewery on successful completion of their qualification and on release.

**1.1.3 Devolution and skills** – As we enter an election year LTE Group's centre for policy and research have considered the outlook from both main political parties with regard to skills and the growing support for more devolution. LTE Group supported a "skills hub" at both main conferences this year sharing our experience as the largest national provider. This in turn developed into a formal white paper that has been shared in the house of lords, with key stakeholders, employers and other large regional providers operating in devolved regions. Members can view the paper and a summary at this link here: [https://www.ltegroup.co.uk/media/filer\\_public/b0/70/b0703ab7-0d37-405c-a29d-b49ca7d898ed/skills\\_devolution\\_-\\_putting\\_communities\\_in\\_control\\_lte\\_group.pdf](https://www.ltegroup.co.uk/media/filer_public/b0/70/b0703ab7-0d37-405c-a29d-b49ca7d898ed/skills_devolution_-_putting_communities_in_control_lte_group.pdf)

**1.1.4** Whilst we remain supportive of devolution and especially of what we are doing in Manchester and GM. We believe there is a need for a national framework that

would allow for national consistency with regional flexibility. Without this we see a real risk, that even in Labour led combined authorities there is the potential over time for different and separate regional skills systems to develop, and with added levels of regional bureaucracy that may slow responsiveness to employer and community need rather than speed it up.

1.1.5 This in turn can have unintended consequences, such as residents supported and funded differently for the same qualification depending on where they live or different pay awards and salary bands for teachers in different city regions who are doing the same work. These are important issues for thousands of our staff and learners, many of whom can't equate lower funding in Manchester with the aspiration to be a City region at the forefront of technical and vocational education.

**1.1.6 National Apprenticeship policy** – Through LTE Group's strategic review process working with our group apprenticeship provider (Total People). We have conducted a six month review of the apprenticeship model in the UK and shared the findings with senior DfE officials. This review looked at performance over several years by industry sector, by age group, by level. It also looked at the level and type of apprenticeship starts over time, the quality of delivery against government targets and the financial viability of different sectors for providers to be able to deliver sustainable provision.

1.1.7 The apprentice model and the levy were conceived at a time when there was a general underlying level of unemployment in the UK economy and when there was free movement of labour across Europe. What the strategic review shows is that the current model, rules, and funding are fundamentally no longer right for the socio-economic challenges the country and the City now face. The system is no longer fit for purpose for employers, apprentices and providers. We would like to share this review and our plans to reshape our apprenticeship delivery with members at a further meeting when time allows in the near future.

## **1.2 The Manchester College**

### **Key areas covered:**

- An overview of the College's Engagement with Ofsted and the quality of provision
- An update on the College's student cohort
- College Vision 2027 Strategy, Curriculum Strategy, including T level update, and Engagement with Employers
- Learner outcomes performance 2022/23
- Progress of the Manchester College's Estates Strategy and associated carbon reduction
- The Manchester College – the post-16 population increase and the growing crisis in the city through lack of places for technical and vocational education from 2023 for the next decade.

## **2.0 Background**

This report was last received by the committee on 5 March 2023.

### **3.0 The Manchester College**

- 3.0.1 Since 2015 in support of the Manchester work and skills strategy the LTE Group has pursued a dual strategy of improving the educational offer at The Manchester College, improving achievement rates and outcomes, whilst investing in new capacity and the best leading edge FE facilities in the UK. These two strategic themes are the core of a much wider “ecosystem” of support that the college provides more generally. This supports wider strategies across Manchester for NEET, looked after children, immigration, special and high educational needs, youth engagement, youth and gang violence reduction and much more.
- 3.0.2 This dual approach now places the Manchester College in the top 10% of colleges nationally. A historical position where many residents felt they needed to travel out of Manchester for vocational and technical education. This has now been reversed and the number of residents choosing the college as their first choice has increased by 148%. This year we have our first examples of families moving house into Manchester to be able to apply and secure a place on the course of their choice at the college.

### **3.1 The Manchester College Engagement with Ofsted since 2019**

- 3.1.1 Ofsted last inspected the College in February 2019. The inspection judged the College to be good against all aspects of the inspection framework and in each type of provision. Under the new Education Inspection Framework, all Colleges in the further education sector will be inspected again by September 2025 against different aspects and priorities.
- 3.1.2 An Ofsted inspection was anticipated by the College during the 2023/24 academic year. Members of the committee will be familiar with the fact that Ofsted initiated a pause in all inspections of schools and colleges in January 2024, following a coronor’s report into the death of a headteacher whose school had been downgraded by Ofsted. During this pause, all inspectors have undertaken mental health and wellbeing training aimed at identifying where school/college leaders and staff might be struggling with the inspection process and behaviours. This pause has resulted in some changes to planned inspections.
- 3.1.3 Nonetheless, the College quality assurance and improvement strategy continues regardless, with the College’s current self assessment evaluating provision as ‘good’. Changes to the quality assurance mechanisms in the past year have seen the Ofsted ‘deep dive’ methodology replicated across all courses and levels within the college, providing clear line of sight on the quality of the student experience with 41 undertaken to date this academic year. Learning Walks provide the College with focused feedback on key aspects of provision, with over 550 teachers visited, 2,500 students spoken to about their experience and understanding of key themes, over 70 of these have been joint learning walks taking place with senior leaders and governors. In addition, student focus groups have taken place with nearly 1,000 students taking part and providing rich feedback on the quality of education.

Members can take assurance that this approach provides opportunity for sharing best practice, and where necessary rapid intervention to be put in place.

### **3.2 The Manchester College's Student Cohort**

3.2.1 In line with the College's strategy, The Manchester College is an inclusive, non-selective College with a very high proportion of its students, particularly in the 16-18 age group, being from disadvantaged backgrounds. Key features of our student cohort are:

- The College's student cohort is in the lowest quartile of colleges based on Index of Multiple Deprivation 2019, in the lowest 10% for 16-18 year olds and 79% of 16-18 year old students are from deprived postcode areas, and 74% of adult students
- In 2022/23 49% of 16-18 students entered the College without GCSE English Grade 9-4 compared to 70% across colleges nationally and 40% of 16-18 students entered the College without GCSE maths Grade 9-4 compared to 62% across colleges nationally
- 55% of 16-18 year olds are from a minority ethnic group, and 62% of adults
- In 2023/24, the College has enrolled nearly 6,000 16-18-year-old students (around half of the student population) and around 6,000 adults studying courses from pre-entry to level 4
- The 16-18 cohort comprised 45% female students, 55% male students
- Care experienced young people represent 6% of the 16-18 year old cohort
- 19% apply for support with free schools meals. This is likely to be under-claimed and such is the concern about the volume of students in challenging personal circumstances and going without food, the College has invested in free breakfasts for all students (and staff) regardless of circumstance in 2023/24
- 30% of 16-18 students declared a learning difficulty or disability (1,643) up from 26% last year and 10% have an EHCP (551 students), the majority being supported by Manchester City Council to access 'mainstream' provision integrated within the departments
- 43% of 16-18 students are studying a level 3 qualification in 2023/24, 29% level 2 and 27% entry/level 1 provision
- The majority of adult students (59%) are now male following an increasing 3-year trend
- 13% of adult students have declared a learning difficulty and/or disability in 2023/24
- 44% of adult students are plurilingual, and 55% on benefits
- The majority of adult students are studying an entry/level 1 programme (most typically ESOL), 20% level 2, 21% level 3 and 4% level 4.

### **3.3 The Manchester College - 'College Vision 2027 Strategy', Curriculum Strategy and Engagement with Employers**

3.3.1 The College curriculum strategy has continued to major on being a leading provider of high quality technical, creative and community education. The College's technical education strategy was recognized in 2022 with a Queen's Anniversary Prize for



this work. The college continues to offer more than 3000 quality work experience placements every year and this continues to grow in scale and scope.

3.3.2 The College's Vision 2027 Strategy continues an ambitious focus on technical and creative excellence, working with employers to ensure the College curriculum meets their needs, with a clear focus on meeting the skills needs of Manchester and Greater Manchester.

3.3.3 Our curriculum intent is aligned to the Greater Manchester Local Industrial Strategy, the Greater Manchester Strategy (GMS) – Good Lives for All. Two key strands are key to the College strategy:

- *Ensure businesses can access the skills and talent they need, by providing high quality learning, and wrapping support around individuals, enabling them to realise their potential*
- *Give our children and young people good education and training so they are ready for career success, with a balance of academic, technical, and 'life ready' skills.*

3.3.4 The GMS is shaped around frontier sectors targeting new investment and promoting innovation, with the potential to address some of society's biggest challenges. The Local Skills Improvement Plan (LSIP) widened this to be a total of 7 key sectors. Manchester has identified these 7 as a priority for them within the LSIP, but there are then additional priorities set out in the Manchester Work and Skills Strategy around the foundation economy and providing opportunities for those furthest away from the labour market. These sectors have a key focus within our curriculum intent. The College's accountability agreement has clear targets against these priority areas, with strong progress to date in the first year of delivery.

3.3.5 The College intent is to deliver high quality technical education aligned to the priority sectors required by place. Our courses support and lead to course-related destinations and progression routes for our students. In 2023, 95% of 16-18 students and 87% of adults progressed to a positive destination, 85% of students progressed to a higher qualification level.

3.3.6 In 2023/24, the College has delivered T levels to 335 students in the following pathways:

- education and early years
- design, surveying and planning for construction
- building services engineering for construction
- onsite construction
- digital production, design and development
- digital business services
- digital support and services
- health
- science
- design and development for engineering and manufacturing

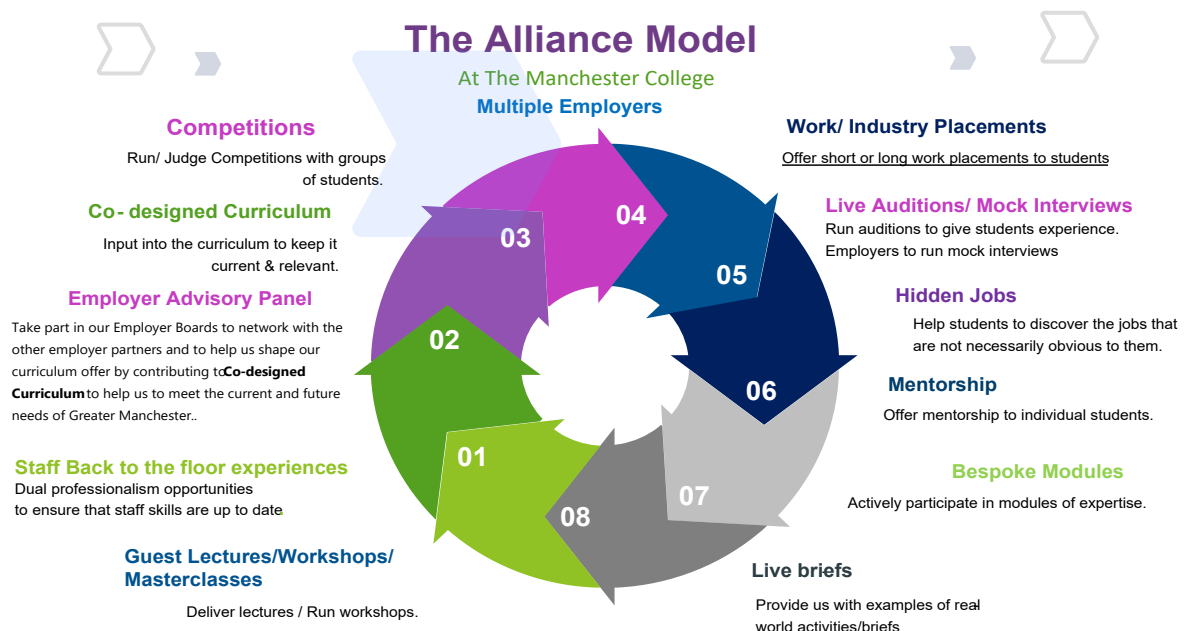
- maintenance, installation and repair for engineering and manufacturing
- finance
- management and administration.

3.3.7 In 2024/25, the T level pathways will be extended to include:

- accounting
- animal care and management
- craft and design
- media, broadcast and production
- hair, beauty and aesthetics
- marketing

3.3.8 The number of students on T level pathways is scheduled to triple as a number of the BTEC level 3 routes are defunded by the DfE in favour of T level provision. Given the entry criteria for T level provision is higher than for some BTEC level 3 provision, this has the potential to reduce the volumes of young people able to move onto a level 3 course in some subjects for September 2025.

3.3.9 The College has refocused its approach to employer partnerships in 2023/24, with an Alliance Model that allows employer partners to ‘opt-in’ to varying degrees of engagement with curriculum teams as outlined below:



3.3.10 Two examples as to how this model works in practice are set out below:

### 3.3.11 Live Brief Case Study

3.3.12 Live briefs are managed through the College’s ‘Click Studio’ which is a stakeholder facing initiative where employers, civic and community

organisations work with the College on 'live' activities and briefs that benefit their organisation. These include marketing campaigns and project work where students take the lead and work under the direction of the stakeholder.

3.3.13 Through the Click studio we have recently engaged successfully with the Intellectual Property Office. The College's central employability team initially developed the relationship and identified a live brief that the IPO needed support with. This was then presented to the curriculum team to identify which student groups would be best suited to work on this based on the content of their course. The central employability team and curriculum team then worked together to ensure the 'live brief' was monitored from the perspective of stakeholder satisfaction and the development of students' knowledge, skills and behaviours within this sector. This 'live brief' focused on a campaign around the 'real cost' of the counterfeit goods trade, supporting Operation Vulcan.

#### 3.3.14\_ Stakeholder Feedback

3.3.15 Catherine Davies, Senior Campaigns Manager for the Intellectual Property Office said: "The Intellectual Property Office was delighted to partner with The Manchester College and its talented students to help develop messaging and raise consumer awareness about the harms of counterfeit goods. This presented the students with a golden opportunity to work with industry on a live brief, as part of the collaborative work between the College and other partners to help tackle this issue in the Manchester area and support the city's innovative and creative industries.

3.3.16 "An understanding of intellectual property (IP) - the collective term for patents, trade-marks, copyright and designs is a key skill for almost all creative jobs today. As these learners enter the job market, they need to understand how to protect and make the most of the IP in their own creations, and how to use the IP of others legitimately. With a curriculum heavily focused on creative industries that rely on IP – such as Computing, Digital, Creative, Performing Arts, Hospitality and Visual Arts – The Manchester College is a great partner for the Intellectual Property Office to help promote awareness, understanding and respect for IP rights. It is a pleasure to collaborate with the College and its students on this crucial work, which has already generated some incredible insights and ideas, and bodes well for the brightest of futures."

#### 3.3.17 **Hospitality Alliance**

3.3.18 Stakeholders across the Hospitality sector in conjunction with the curriculum team have developed The Hospitality Alliance. This has resulted in a range of opportunities for students and a coordinated approach to stakeholder engagement and employability activity across the area within organisation such as Worsley Marriott, The Ivy, Mottram Hall Cheshire and Co-op Live. This includes:

- Masterclasses – Practical Cookery and Pastry
- Work Placements, part time and full time work opportunities

- Industry Experience Days
- Student Mentoring and competition preparation
- Restaurant Takeovers
- Employer Advisory Board
- Development and delivery of Summer School for Technical level Pro Cookery students

### 3.4 The Manchester College - Learner outcomes performance 2022/23

3.4.1 Whilst the national rates for benchmarking purposes have not yet been published for 2022/23 (but are expected imminently), the College continued to deliver very strong outcomes performance as follows (and when compared to the last published national rates for 2021/22): These outcomes have also been tested with the association of colleges and are in the top 10% nationally and continue to improve further.

- for 16-18 and adult students, achievement rates for 2022/23 continue to remain well above the 2021/22 national rates for general further education colleges, with the 16-18 achievement rate at 87.9% (+6.8 pp. above the national rate) and Adults at 90.9% (+4.2%). The overall College rate sits at 89.5% (+5.7 pp. above the national rate). Retention and pass rates are also above national rates for all age groups
- There is a predominantly positive picture for 16-18 and adult students when comparing achievement rates to the corresponding national rates at each level:
  - Achievement rates at entry level (+14.5pp.) and level 1 (+9.6pp.) sit significantly above the national rates
  - Achievement rates at level 2 also sit just above national rates
  - The level 3 rate of 81.2% (-1.4pp.) is largely attributable to students who started two-year level 3 qualifications in 2021/22, with prior attainment based on over-inflated centre-assessed grades from 2020/21. This led a proportion of students who found level 3 study too challenging and subsequently withdrew in the first year of the course, with those first-year withdrawals from 2021/22 impacting on achievement rates in 2022/23.
- For both 16-18 and adult students, high-grade pass rates for resit GCSE English and mathematics are above the published national rates in English and mathematics, with adults performing especially well at English (+7.5pp.) and mathematics (+11.0pp.). However, these high-grade resit pass rates are low nationally and remain an area for focus within the College
- Functional skills English and mathematics show the college to be above, and in most cases, significantly above the national rates for all levels. In 16-18 provision, 7 out of the 10 levels have achievement rates more than +15pp. above the corresponding national rate, with 7 out of 10 levels in adult provision having achievement more than 10pp. above national rates.
- Achievement rates in ESOL continue to be exceptionally high.
- All students in specific groups perform better than their age-group peers, with students in receipt of bursary (+5.1pp.), in receipt of free

school meals (+4.0pp.) and young people looked after (+5.7pp.) performing particularly well.

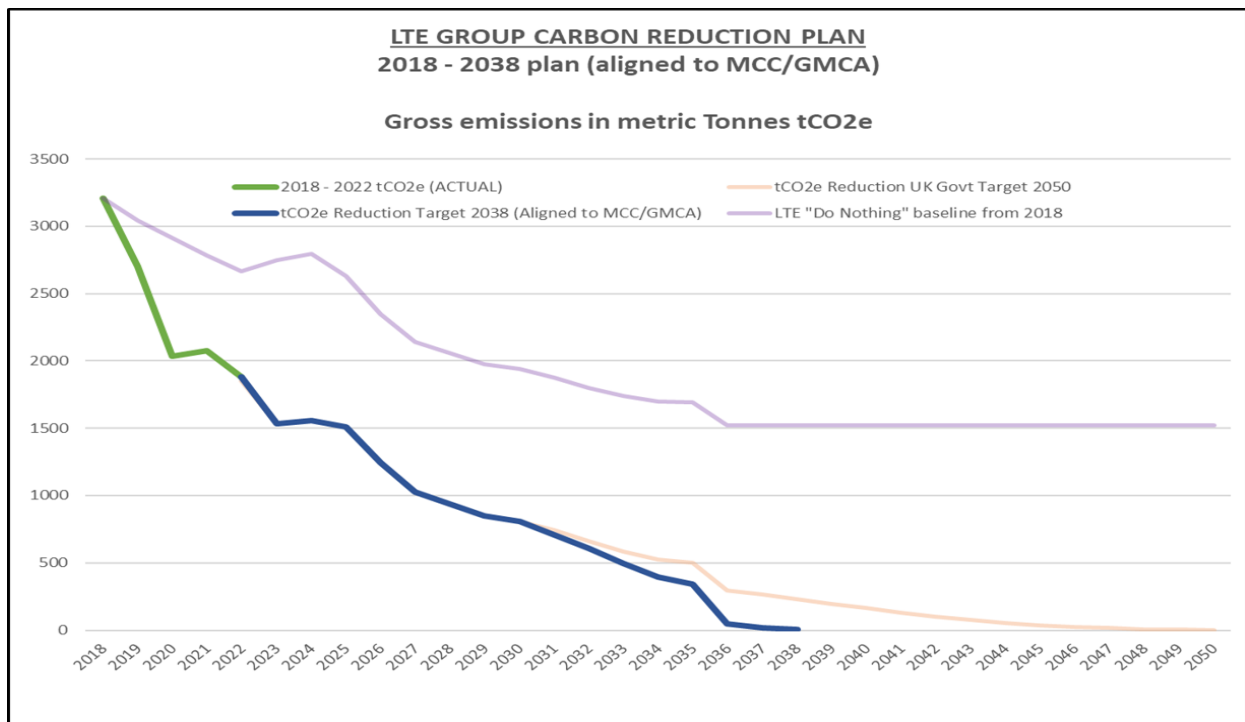
- At 94.3%, young people in receipt of additional learning support have an achievement rate 3.1pp higher than their age-group peers and high needs students have an achievement rate 1pp higher than their age-group peers

### 3.5 The LTE Group/Manchester College’s transformational estates strategy Update on Phase 2

#### 3.5.1 Background

3.5.2 Members will recall that LTE Group invested significantly from its own funds to create the best further education facilities in the UK. The Group also built a plan to have space and land available for further development near to need and the planned development in transport over future decades.

3.5.3 In our first phase LTE Group funded 80% of the £140m or so investment, GMCA helped with a grant and MCC in partnership helped with loans to support the development and disposals. This first phase was delivered through Covid, on time, on target and on budget. The benefits on capacity, quality of education, and outcomes for learners, employers and the City can be seen in the wider contents of this paper. Significant progress has been made on carbon reduction as per the graphs below.



3.5.4 Our original plan was to complete one large £170m project but there was insufficient government funds to match the investment put forward by LTE Group so the project had to be split into two phases. In 2021 LTE Group bid for funds to develop a phase 2 and to remove some listed buildings from our estate. Helping carbon reduction and extending capacity further. The DfE originally offered £5m towards the costs, I and my team worked

collaboratively with DfE to increase this to £20.35m, and DfE helpfully supported a different solution. This then made the phase 2 programme to extend the city centre site possible. Although at £40m plus operational costs LTE are still funding the majority of the costs.

- 3.5.5 Phase 2 of our estates strategy majors on replacing the Shena Simon campus with an extension to the Phase 1 building at City Campus Manchester. As a reminder, the building is part funded via a specific £20.35m grant from the Department for Education's estates transformation fund that supports colleges to replace old buildings (like Shena Simon) with newer facilities. The remaining funds to build the extension are coming from the proceeds from the disposal of the Shena Simon campus, which we are mandated by Government to reinvest in the estate, and agreed Department for Education borrowing.
- 3.5.6 The building, which will be connected and integrated into City Campus Manchester, is planned to be home to 16-18 and adult students in Business & Professional (including Access to HE), 16-18 Science and some of our ESOL 16–18-year-old students and will include:
- an Esports room with 20 gaming stations
  - a Click Studio and repair lab run by students as part of their curriculum where students can work on live briefs and projects set by employers
  - an incubator Hub where our industry partners for Business will come and work with students on their projects. This will also be available for students to use as an office when their industry placement requires them to 'work from home'
  - science labs including three wet and one dry laboratory, fully equipped with everything students would expect to see when they enter the work place
  - a roof terrace for socialising
  - an extended library
  - a sandwich/salad bar
  - new IT suites, classrooms and staffrooms.
- 3.5.7 Construction is making good progress and is on schedule and on budget, with the project set to reach a significant milestone at the end of April when the concrete frame is due to be completed. The first students will study at the campus in September 2025.
- 3.5.8 As part of our established plan to remove buildings that are in poor condition and inefficient to run, once the new building is completed, we will exit our Shena Simon campus. The disposal process is underway currently to identify a preferred bidder for the Shena Simon campus. As the college and LTE Group can no longer use commercial banking facilities after a DfE/ONS ruling, support for a timely disposal of Shena Simon from MCC and the planning teams is critical to having the new facilities open by September 2025 and to alleviating some of the capacity crisis we have ahead.
- 3.5.9 As members may recall, when the Nicholls campus was closed, and courses relocated to other campuses in 2022, we did not dispose of the campus. As the grant funding provided by the DfE for the current extension to City

Campus Manchester was not sufficient to build something of exactly the same size as Shena Simon, our estates strategy involved us disposing of the Nicholls campus but leasing it back in the medium term in order to reopen the newer part of Nicholls Campus to accommodate the provision at Shena Simon not moving into the new building.

- 3.5.10 In line with this, we are currently exploring and reviewing various scenarios and options for the future use of the Nicholls campus. To support this work, this month, we will be marketing the campus to see if there is an interest in someone either buying the campus outright or to purchase the campus with a lease back to the College. This process will help us to scope the options for the future of the Nicholls campus, all set within our aspiration for all our students to have access to modern teaching and learning facilities.

### **3.6 Post-16 Capacity**

#### **3.6.1 Update on Post-16 Capacity Funding**

- 3.6.1.2 At the previous scrutiny meeting attended by the LTE Group, members were updated that the LTE Group/The Manchester College had worked with the City Council to submit three bids for funding from the DfE's Post-16 capacity fund to tackle the challenge of space need, linked to the significant increases in post-16 school leavers over the coming years.

- 3.6.1.3 Whilst two of the three bids were successful (for Openshaw and Wythenshawe), the bids were capped at a £4m contribution from the DfE per bid with the requirement for the LTE Group to provide the 'match' funding – another £4m/bid. Given the LTE Group has already self-funded the majority of its estate strategy to date spending more than £100m, it was not able to further borrow money find the match required, our previous very significant match funding rate (the highest of any provider in the UK) could not be taken into consideration and neither LTE, MCC or GMCA were able to fund the gap in the proposals.

- 3.6.1.4 This process is a major structural flaw in the approach to place planning for post 16-18 education and skills. Whereby government and local authorities fund entire new schools directly through grant funds. Yet in further education the government asks providers to part fund from their own budgets the need for new places driven by population growth.

- 3.6.1.5 Something akin to asking the NHS to self-fund new hospitals, or the Ministry of Justice to self fund the build of new prisons. Having largely self-funded the largest and most significant single FE investment programme since the second world war, LTE Group can no longer continue to fill the vacuum of government inaction or poor education planning.

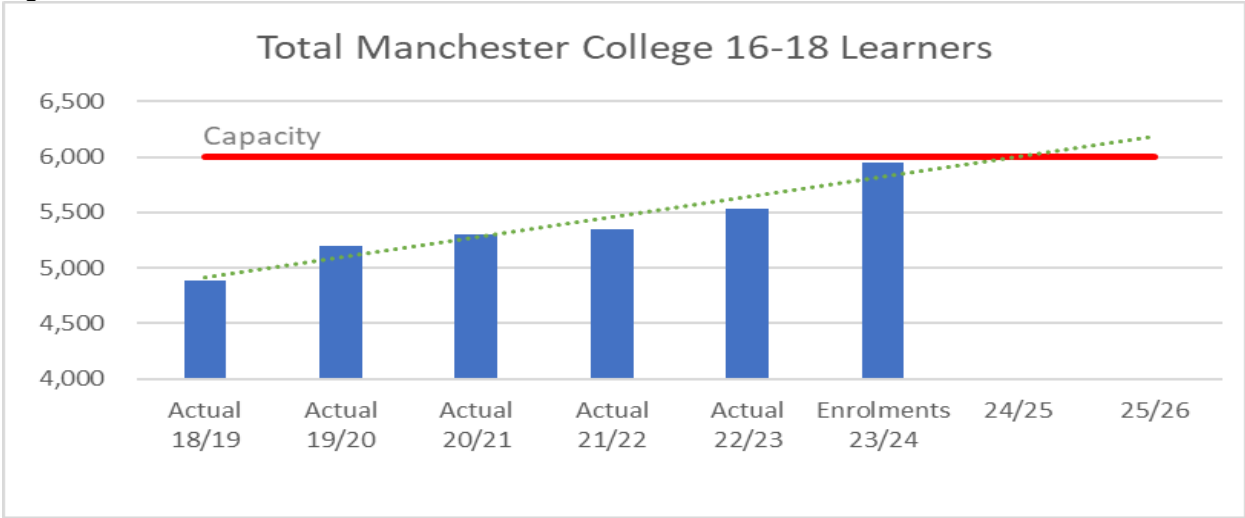
- 3.6.1.6 If we are now to avoid the most significant set of issues for our young people since the 1980's there needs to be an urgent political and government solution to the issues set out below.

3.6.1.7 The CEO of LTE Group and the CEO of Manchester City council, both formally escalated the issue to the most senior levels of DfE in 2023. The DfE were unable to give the lower offer of funds as grant without match funding and have referred the matter to GMCA, who in turn do not appear to be funded from government to invest in the capital required to create new places for 16-18 years olds.

**3.6.1.8 The developing capacity crisis**

3.6.1.9 During the period of the LTE Group estate strategy we have self funded and provided for the capacity growth from 2017 to 2023 in brand new facilities. This growth is shown below in figure 1.

Figure 1



3.6.1.10 In addition LTE Group has also used further efficiencies to absorb significant extra demand created by changes in government policy. In figure 2 below, members can see the rapid growth below of new places required and provided for resits of English and Maths at 16-18 after lower achievement levels in the schools sector. Annual growth of 11% to 14% in this area is now the norm.

Figure 2

Year	English	Maths	Total
2021/22	1,346	1,667	3,013
2022/23	1,457	1,980	3,437
2023/24	1,762	2,056	3,818
Difference 22/23 to 23/24	305	76	381



3.6.1.11 In figure 3 table below members can see the very positive year on year developments of residents, young people and parents increasingly choosing The Manchester College as their first choice destination. This reflecting the very strong educational performance of the college, the broad educational offer, very strong progression opportunities, the first rate facilities and employer engagement.

Figure 3

	2023/24	2024/25	% growth
No. of First Choice Applications	906	2247	148%

3.6.1.12 We have this year seen our first examples of parents choosing to move house into Manchester to secure a place on the college course of their choice. Our ethos has always been that we are inclusive, non selective and we need to ensure that we can have this choice open to all parents, residents and young people.

3.6.1.13 Members will already be aware of the extent of the capacity challenge facing Manchester post-16 over the course of the next 10 years. The challenge is already starting to impact at the College through increasing enrolments, applications, accepted offers of a place, and for the first time in our history waiting lists.

3.6.1.14 In 2023 these exceeded 200 students with no place. Members can see below in figure 4 the very significant forecast growth in school leavers over the next strategic period and in figure 5 based on our actual experience this year and our normal share of students seeking technical and vocational places, what the waiting list and level of students with no places will grow to over time. It is important to note these figures exclude NEET which in our forecast rises in line with waiting lists. So, for example, if we cannot address the waiting lists and these also add to the NEET level, then we see a NEET figure above 1000 within the medium term.

Figure 4

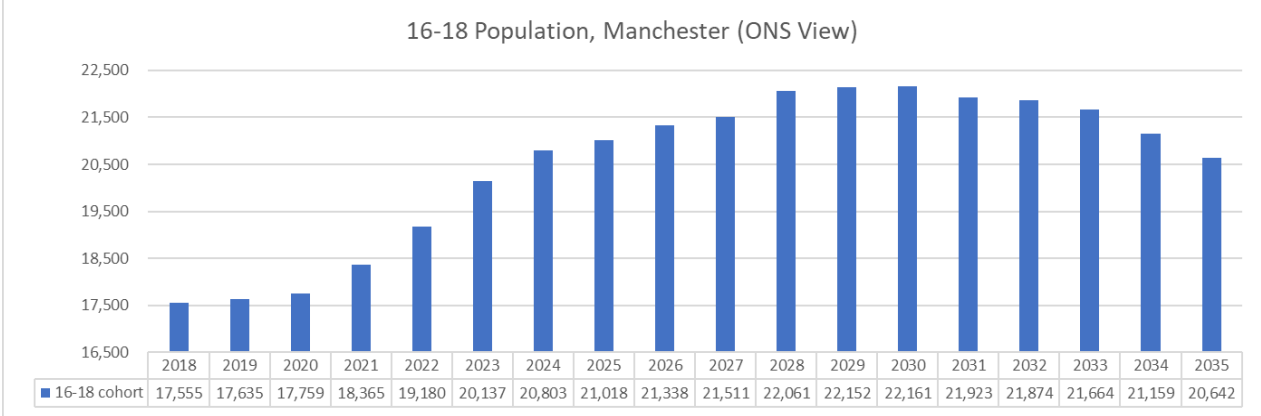
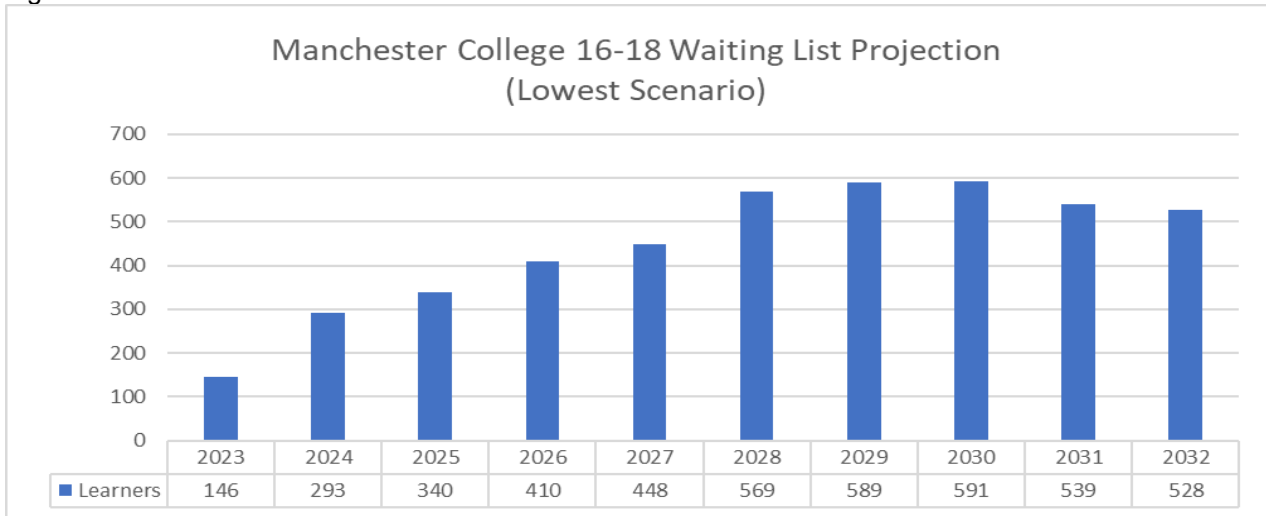


Figure 5



3.6.1.15 Members should note that these figures are viewed as conservative and at the lower end of expectation for the following reasons:-

- 1) These figures do not include adult residents on waiting list which **increases the numbers by a further 36%**
- 2) These figures **exclude GM** learners who study with us because of specialist provision at level 3 and above, these numbers and demand are also growing.
- 3) The actual figures in the City often exceed the ONS central view
- 4) The numbers of parents and young people choosing the college as first choice is accelerating not levelling off. As at February 2024, for September entry, the number of first choice applications, where the student has then accepted the offer, for 2024/25 is **1,341** higher than this point last year an increase of almost 150%.
- 5) The numbers of young people choosing technical and vocational routes is set to increase as the development of new comparable qualifications such as T levels become more prominent in more sectors pushed by government policy.

3.6.1.16 The College has seen year on year growth in 16-18 volumes for several years, as the College's high quality technical education strategy, coupled with investment in the new estate, has seen increased numbers enrolled. The capacity for 16-18 year olds within the existing estate is c. 6,000. The graph above at figure 1 therefore illustrates the challenge with the College at capacity currently, there will be an ever growing shortfall of places from 2024/25 onward.

3.6.1.17 We have now started to look at the detail by ward area, and industry sector.

3.6.1.18 The Manchester City Council Forecasting Model shows the greatest growth will be in Harpurhey, Gorton and Abbey Hey, Charlestown and Woodhouse Park.

3.6.1.19 For the 2022/23 academic year, the College had high market share (over 25%) in some of the largest wards for 16–18-year-olds; in Longsight, Harpurhey, Ardwick, Clayton & Openshaw, Gorton, Moss Side, Levenshulme, Miles Platting & Newton Heath, Rusholme and Woodhouse Park.

3.6.1.20 Using Manchester City Council's Forecasting Model, if we analyse the cohort increase by ward we see that the majority of wards will have a high level of growth examples below:

- **Blackley & Middleton South** – the Manchester ward in this constituency will grow from 4,190 to 4,760 in 2032 (+13.6%)
- **Gorton and Denton** is predicted to grow slightly, from 3,910 to 4,020 (+2.5%)
- **Manchester Central** – the Manchester LA wards of Manchester Central are predicted to grow from 4,080 to 4,490 from 2023 to 2032 (+10%)
- **Manchester Withington** - an increase for 16–18-year-olds is predicted from 2,410 to 2580, over the 10-year period, a percentage increase of 7%.
- **Manchester Rusholme** is set to peak in 2027 with 5,150 from 4,880 (+5%). Ardwick is the ward with the greatest number of 16-18-year-olds, followed by Moss Side.
- **Wythenshawe and Sale East** has 5 Manchester Wards and 3 Trafford wards.

3.6.1.21 The college has provided land and development space, aligned to the future housing and transport plans for the City to support this growth. We now needs government to provide the capital grant to build and create the spaces needed to support these communities.

3.6.1.22 The highest demand curriculum departments are as follows:

- Automotive, Construction, Engineering, and Logistics up by **231** for first choice offers accepted.
- Business, Digital, Service Industries up by **380** first choice acceptances
- Digital and Creative Industries is up by **414** first choice acceptances up
- Sports, Public Service, Care Professions and Science is up by **243** for first choice offers accepted.

3.6.1.23 In September 2023, the College had to maintain waiting lists for these areas despite adding extra groups and space.

3.6.1.24 There are a number of government and GM policies that impact upon available capacity, both now and in the future. These are outlined below.

### **3.6.1.25 English and maths resit provision**

3.6.1.26 Young people who do not secure a high grade in English and/or maths are mandated to continue to study this in College (the majority through a GCSE resit programme). This volume has grown significantly over the past few years. The English and maths pass rates in schools has a direct impact on the volume of young people required to study the resit programme of one or both of their GCSEs.

3.6.1.27 Unfortunately, the reduction in the high grades in 2023 within Manchester (particularly for English last year) resulted in more students requiring a resit, and meant that many of these young people were unable to move straight onto a level 3 course (due to the entry requirements for many level 3 courses requiring English and/or maths). The College has 55% of young people studying at level 2 without a English or maths GCSE.

3.6.1.28 This 11% increase resulted in 22 additional English and maths classes and the need for an additional 6 GCSE teachers who needed to be recruited between GCSE results day and the start of term, with the obvious challenge this brings, along side additional classrooms and exam costs. English and maths resits requires a resource in College currently of around 25 classrooms.

3.6.1.29 During w/c 12 February, the government announced a change in policy for GCSE resits in colleges. This will require students to study 4 hours/week in Maths. This additional hour for Maths students will require an additional 8 GCSE maths teachers and 6 additional classrooms. All adding to the capacity challenge. The sector and the Greater Manchester Colleges' Group have expressed their concern about this change, particularly for Greater Manchester with all colleges struggling to recruit Maths teachers (given the pay differential between schools and colleges) and the lack of space to teach the increasing cohort size, let alone additional hours for these students.

3.6.1.30 Furthermore, as a result of more students studying level 2 in 2023/24, this will result in a higher progression rate for these students into level 3 in the next academic year **which reduces the number of places for new students for September 2024.**

### **3.6.1.31 Qualification Reform**

3.6.1.32 The Post-16 Skills Plan published in 2016 set out a number of significant reforms to the technical education system in England, this was followed by a number of policy documents which set out changes to level 3 qualifications and the groups of qualifications that will be approved for funding alongside A levels and T Levels. T level qualifications replace many of the previous BTEC level 3 qualification in specific subject areas. A similar review of level 2 (and below) qualification reforms will be phased in over a 4 year period.

### **3.6.1.33 The Staffing Challenge**

3.6.1.34 As referred to above, there are sector wide challenges facing colleges in the recruitment of staff:

- there are shortages in specific areas such as English and maths, health and social care, media, construction
- technical industry standard teachers often earn more working in the industry

- there is high turnover of staff in the construction trades as many return to industry
- difficulties in recruiting support practitioners (to support in class SEN), careers advice and guidance specialists
- shortage of agency staff available to cover in those areas where we are struggling to recruit permanent replacements will lead to decisions to limit recruitment on some courses.

3.6.1.35 The college sector has lagged the school sector in terms of pay with, on average, a teacher in a school earning £6,000 more than in a college. The College has delivered changes to its terms and conditions this year to increase retention and attraction, for example, additional holidays, reduced teaching hours, reduced working week, new roles, increased starting points for newly qualified teachers.

3.6.1.36 In addition, the College through its higher education sister organisation (UCEN Manchester) is increasing its PGCE and Certificate in Education provision and running bespoke programmes for colleagues who wish to teach from industry.

### **3.6.1.37 Issues arising**

3.6.1.38 The capacity challenge is real, urgent and complex and has significant implications for the City of Manchester and Greater Manchester.

3.6.1.39 For example, in 2024 and beyond this means we do not have the capacity to support the Local Skills Improvement plan. We do not have the capacity to fulfil key elements of Manchester's new developing strategies or the key areas of a new Work and Skills Strategy. Nor do we have the capacity to support people progressing from the MBACC into level 3 routes or to support more progression into higher technical routes from T levels.

3.6.1.40 Whilst we have yet to see the details of the wider GM devo deal it may also mean we do not have the capacity to support the expectations within any single settlement. It also means that local people do not have the choice they have had for many years and this comes at a time when thousands more parents and young people are choosing their high performing local college than ever before.

3.6.1.41 In reality the practicalities and extra costs of asking a learner from Miles Platting to travel to Wigan or Oldham for the nearest other construction course are very prohibitive.

3.6.1.42 It is critical that we find a way to fund the capital for the extra places, in the absence of this very difficult decisions and trade off's may lie before us.

3.6.1.43 For example, if the college needed to focus on the mandatory place requirement for the City, then with constrained capacity this may mean we can no longer support 400 high needs learners, looked after children, NEET or a host of other activities. This would mean the extensive "eco system"

that we have developed with the City over the last decade would need to be restructured and the cross subsidy provided for many of these activities from LTE Group would need to be supported and funded from other agencies.

3.6.1.44 There are also very significant and complex issues for stakeholders. Naturally, local MP's, councillors and employers will want local people to have the best provision and best choice in the City. Prioritising Manchester residents, would mean that learners from Ashton, Thameside, Salford et al could not use the new facilities that have been partly funded by GMCA and this in turn would significantly disrupt the wider GM skills system.

3.6.1.45 In reality many learners have an existing guarantee of progression and any new model would take three or four years to implement. This pressure is building quickly in the City at a time when GM is setting its stall out as the beacon and exemplar region for technical/ vocational education and Manchester celebrates being UNESCO city of lifelong learning.

#### **4.0 Next steps**

- 4.1 As members would expect LTE Group and the college are squeezing capacity, taking on extra external facilities and more, but, there are natural levels of safety and safeguarding that we must maintain for young people and adults. There also limits to how many temporary initiatives can be in play without adversely impacting quality for learners and communities.
- 4.2 These levels will be reached in the summer so the college will need to review its admissions policy for September 2024.
- 4.3 There is a growing need to begin communications with MP's, schools, councillors, parents and young people to explain these issues and the current lack of strategic government solutions to them. Especially as complaints to MP's and councillors are already rising.
- 4.4. There is a need to engage with employers and the chamber of commerce about the limitations of capacity on our ability to support the LSIP.
- 4.5. There is a need to test how these issues impact key elements of The Manchester strategy, and not just those relating to Work and Skills.
- 4.6 There is a need to fully test the ability to raise the capacity funds needed to supply the places as these will take a year or more to build or refit.
- 4.7 There is an urgent need to ensure that these issues are understood and prioritised by politicians at the most senior levels in both regional and national government. Ensuring that the agencies of both, such as the new joint oversight board at GMCA have these issues as urgent priorities and are working on them.

- 4.8 GMCA has initiated a review of post-16 capacity and has issued a high level survey into the sufficiency of places to all providers in Greater Manchester. The findings will be shared and discussed with local authorities and the Greater Manchester Colleges'. LTE Group are actively supporting this work but it will need much deeper analysis of the issues than the current high level survey suggests.
- 4.9 Manchester needs to generate a deeper understanding of the implications and agree the prioritisation of capacity (with any knock on effects) should the capital not be provided to add more places. This in turn needs to include impacts on the wider GM skills system.
- 4.10 LTE Group and The College have made a number of suggestions:
- Additional support in schools to improve the English and maths outcomes would reduce the capacity needed for English and maths GCSE resits and enable colleges to concentrate on delivering work readiness and technical skills to transition students into work
  - Invest in additional capacity through capital grant (without match required) and support integrated planning with the schools system
  - Invest in smaller capital projects that could deal with immediate pinch points eg. remodelling of facilities that could create some specific capacity – in the short term some smaller investment proposals of under £1m might help with freeing up space in the short term.
  - Invest in recruitment campaigns for staff to teach in/return to teach in further education, and support with incentives e.g. Golden Hellos etc
  - Further improvement in the transition between schools and colleges eg. this year the College asked Manchester schools to share the UMS scores for English and maths GCSE students enrolled at the College (this enabled us to 'stream' students closer to a Grade 4 for a November resit).

## **5.0 Recommendations**

- 1) Members are asked to note the very strong performance of the Manchester College, our ongoing support for a wider "eco system" with the city and the growing importance of the College locally for young people and parents in terms of their first choice.
- 2) Members are asked to note the key involvement of Manchester City Council in the timely disposal of the Shena Simon site to allow the new extension at our city centre campus to open on time and ease some of the capacity issues.
- 3) Members are asked to consider the issues in this report and to ensure that the urgency and serious nature of some of them are better understood by stakeholders more generally.
- 4) Members are asked to support the creation of a Manchester task force of senior leaders to work with LTE group. This would need both officers, elected

members and a representative from GM chamber of commerce. To further develop the analysis, agree communications to residents, schools and communities. To also ensure a formal escalation and work plan is in place from Manchester to regional and national government.

- 5) Members are asked to note the national work LTE Group are undertaking on apprenticeships and consider the shared learning at a future committee meeting.