

Manchester City Council Report for Resolution

Report to: Executive – 5 June 2024

Subject: Post 16 Sufficiency

Report of: Strategic Director Children and Education Services

Summary

Local Authorities have a statutory duty to secure provision for young people post 16, however, there is no mechanism or funding to Local Authorities to enable them to respond directly when there is a gap in provision. Where evidenced gaps cannot be filled through negotiation with existing providers, the only route available for Local Authorities is to declare a gap in provision to the DFE.

The report outlines how the cohort of young people post 16 is continuing to increase year on year and is causing significant pressure on places across the post 16 sector. This increase is projected to peak in 2028. This may prevent the Council from meeting its duty to provide a sufficient number of post 16 places unless mitigating action is taken and from September 2024 will adversely impact on the numbers of young people not in education, employment or training (NEET) going forward. Manchester is already starting to see the impact of pressure on places on the current year's NEET figures.

The Council has used all existing mechanisms available to increase growth in the post 16 sector and has now been left with no option other than using this process to declare a gap in post 16 provision. This process involves making a case to the DFE to evidence that there is a projected gap in provision in the City and outlining the providers we are working with to address this gap and what they can deliver. A task and finish group, led by the Chief Executive working with a range of post 16 providers, has developed a costed plan including required capital investment and revenue funding which will meet the identified gaps and future demand for post 16 places across the City. This will be submitted to the DFE as part of this process.

Recommendations

The Executive is recommended to:

- (1) Take the decision to declare a gap in post 16 provision in the City and make a submission to the DFE
 - (2) Support the submission of a costed plan outlining how existing providers could meet the identified gaps in provision.
 - (3) Delegate authority to Director of Education and Director of Inclusive growth working with Executive members for Children and Education and Work and Skills to progress the outcomes with the DFE and take any necessary action to secure additional post 16 places in line with costed plan.
-

Wards Affected: All

<p>Environmental Impact Assessment -the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p><i>Ensuring sufficiency of a range of post 16 pathways particularly in locations where gaps have been identified will reduce the distances young people have to travel to learn.</i></p>
<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>	<p><i>Analysis of gaps in post 16 provision identifies communities and groups of young people where the impact is more significant. Our costed plan to address post 16 sufficiency addresses these gaps.</i></p>

<p>Manchester Strategy outcomes</p>	<p>Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy</p>
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>Ensuring a range of post 16 pathways linked to jobs and opportunities in the City and reducing the number of young people within the raising participation age who are not in education, employment or training.</p>
<p>A highly skilled city: world class and home grown talent sustaining the city's economic success</p>	<p>A young, diverse and skilled workforce is a key underpinning factor of the City's economic growth and our growth sectors have a requirement for STEM (Science, Technology, Engineering & Maths) talent The report sets out the Council's response to concerns about future sufficiency of post 16 provision which will ensure that Manchester has a highly skilled young workforce.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The report identifies where there are specific gaps in post 16 provision going forward which will impact on unlocking the potential of some of our communities if not addressed.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>Supporting sufficiency of post 16 provision with a choice of pathways is important to making manchester a destination of choice to live and work.</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>Embedding social value / Our Year and its opportunities with education, employment and training.</p>

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy

- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Post 16 places are funded directly by the DFE. The increase in places required will therefore need to be met by EFSA.

The costed plan to be submitted to the DFE includes a revenue ask approx £1m for smaller providers to enable them to expand places in advance of lagged funding.

The Council commissions a NEET prevention service from Career Connect to track and work with young people not in a post 16 destination and the value of this is £0.774m. Increasing numbers of young people becoming NEET due to lack of post 16 places may put a pressure on this budget.

The Council also funds post 16 places for young people are Education health and care plans through the Dedicated schools grant (DSG) and spent £16.2m last financial year.

Financial Consequences – Capital

The approximate capital cost of increasing post 16 places to meet demand is by 2028 would be approximately £28m. This costed plan will be sent to DFE as part of declaration of gap process.

Contact Officers:

Name: Amanda Corcoran
Position: Director of Education
E-mail: amanda.corcoran@manchester.gov.uk

Name: Angela Harrington
Position: Director of Inclusive Growth
E-mail: angela.harrington@manchester.gov.uk

Background documents (available for public inspection):

None

1.0 Introduction

- 1.1 Manchester is now home to around 35% more people than at the turn of the millennium. Our economy has grown substantially over the same period, with Manchester's labour market expanding from 350,000 jobs in 2015 to 426,000 in 2022. A young, diverse and skilled workforce is a key underpinning factor of this economic growth, and our growth sectors have a requirement for STEM (Science, Technology, Engineering & Maths) talent.
- 1.2 This rise in population has resulted in a significant increase in demand for primary and secondary education places in the city since 2008 and these larger cohorts of children are now reaching the end of their education in school. To put into context that has resulted in the City opening 8 new secondary schools plus expansions of most of our existing secondary schools in recent years. Over the last 2 years, this growth has impacted upon post-16 providers of education and training and has resulted in almost all post-16 providers within Manchester operating at, or very near to, full capacity. Projections based on Manchester's pupil population show that post 16 numbers will not peak until 2028. Furthermore, this year for the first time in 2 years we are starting to see an impact on our numbers of young people post 16 who are not in education, employment or training (known as NEET).
- 1.3 The Local Authority has a statutory duty to ensure there are sufficient places post 16 for young people and going forward as demand continues to increase, without assertive action, Manchester is at risk of not having sufficient places to meet the reasonable needs of its young people.
- 1.4 There is currently no strategy, mechanism or funding allocated from the DFE to Local Authorities to address this issue, as there is for responding to demand for school places. This issue has been anticipated for a number of years and has been raised formally with the DFE since summer 2022. As a result of this, there has been some response to enable Manchester to address this demand in the short term, with capital funding to expand provision at Loreto and Xaverian colleges following successful bids to the DFE and a successful application from Dixons Academy Trust to open a 6th form provision in Wythenshawe.
- 1.5 This report outlines the projected increase in demand for post 16 provision over the next 7 years and the resulting gaps in post 16 provision. It also shows the impact on Manchester's NEET cohort. This information has been shared with the DFE and GMCA, with ongoing discussions on how the need can be met.
- 1.6 The report concludes that the Council has used all existing mechanisms available to increase growth in the post 16 sector and has now been left with no option other than formally declaring a gap in post 16 provision. This process involves making a case to the DFE to evidence that there is a projected gap in provision in the City and outlining the providers we are working with to address this gap and how they could respond to meet demand with additional resources. A task and finish group, led by the Chief Executive,

working with a range of post 16 providers, has developed a costed plan including required capital investment and revenue funding which will meet the identified gaps and future demand for post 16 places across the City. This will be submitted to the DFE as part of this process, subject to the approval of Executive.

2.0 Background

- 2.1 In 2022/23, the Post-16 Sufficiency Report, commissioned by the Local Authority, provided a 10-year outlook on the potential impact of this growth coming through the secondary sector in the City, on the existing post 16 sector and the Council's capacity to meet our statutory duty to provide sufficient opportunities for young people post 16.
- 2.2 This report looked at a range of data sets including ONS data, Manchester Forecasting Model and school census data and worked with post 16 providers operating in the City. It concluded that a substantial increase in demand for 16-18 education and training by young people living in Manchester is underway and that this is likely to outstrip the ability of providers to create additional places to meet this demand. In fulfilling its statutory duty to ensure the education and training needs of young people in the City are met, it recommended that the Council worked with its 16-18 provider base, DFE and other stakeholders (including those in neighbouring boroughs) to increase the supply of post-16 places.
- 2.3 This year, the increased size of cohort has already exceeded that which was projected in this report. This is due to a number of factors including increased numbers of international and new arrivals to the City particularly post 16. The City received 155 post 16 unaccompanied asylum seekers last year. Since the original report, there has also been some additional places created in the post 16 sector through our work with providers in the sector. Consequently, a further piece of work has been completed by Council officers to update our projections.

3.0 Current 16 to 19 capacity and projections

- 3.1 In the last 5 years the post-16 cohort has increased by 3,780 (35%) young people - from 10,753 in October 2018 to 14,533 in October 2023. The post 16 cohort includes pupils of academic age 16 and 17. Young people with academic age of 16 increased by 1,840 (34%) and young people with academic age of 17 increased by 1,940 (37%) Prior to that between 2013 and 2018, the post 16 cohort was relatively stable.
- 3.2 The rise in the cohort population based upon a comparison between the 2022/23 academic year and 2021/22 academic year saw a rise of between 6.9% and 10.8% (this varies month by month) - the decrease occurring as the year progresses. This population is set to grow fastest in the north of the city although the majority of Manchester's post-16 academic education provision, is concentrated in the south and central parts of the City.

3.3 The projected number of young people within the Post-16 cohort for the rest of the decade is shown below:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Post-16 cohort (16-17 AA)	10,753	11,456	11,891	12,530	13,675	14,533								
ONS Mid year estimates	10,721	11,847	12,637	13,117	13,752									
ONS Population projections (2018)	10,896	11,091	11,290	11,667	12,483	13,045	13,285	13,341	13,531	13,744	14,065	14,133	13,818	13,839
MCCFM		11,532	11,861	12,472	13,856	14,812	15,301	15,610	15,769	15,894	16,108	16,041	15,609	15,308

3.4 The size of the cohort is projected to peak in 2028 when the cohort reaches 16,108 but thereafter remain above the numbers we have currently in this cohort.

3.5 In addition, many young people travel within Greater Manchester for their post-16 education and given the quality of provision and facilities in Manchester, we are a net importer of young people which further increases the demand for places. Circa 35% of Manchester's young people travel to provision in nearby boroughs and given that their population increases are a few years behind ours, this has provided some capacity in recent years. However, neighbouring authorities are likely to experience increased demand from their own areas in future years and Manchester is already a net-importer of non-Manchester residents accessing Manchester provision with around 42% of post 16 places currently being taken up by non-Manchester residents. The implementation of GM's Our Pass has supported young people post 16 to travel to access the right course for them and has meant that there is more cross border movement for young people at post 16.

3.6 The split between young people accessing an academic and technical offer is roughly 50%. In terms of the % share of the cohort, based on May 2024, the LTE Group has 19.7% (2502), with Loreto College, Xaverian College and Connell Co-op College a combined 31.5%, together making 51.2%. The rest of the cohort is split between school sixth forms, independent training providers and out of area settings/provision.

3.7 Demand for A-level provision particularly STEM subjects is high and there are growing numbers of Manchester young people studying T-levels and BTECs. Almost all post-16 education providers in the city are operating at or close to capacity with waiting lists for the most popular qualifications and pathways including A-level STEM subjects and T-levels and L3 technical qualifications.

3.8 It is also worth noting that in-year arrivals (some of whom are vulnerable e.g. UASC) adds to the capacity challenges and this is a variable landscape, impossible to predict, impacted by both national and global factors. Over the last year, the City received 155 UASC and this together with the increase in new arrivals has impacted on access to English as additional language (EAL) courses, particularly mid year because courses were full early in the Autumn term. This need has been met this year through working with Manchester Adult Education Service (MAES) to provide a dedicated EAL study

programme and there is potential to further develop this going forward to meet increasing demand.

- 3.9 As part of the overall population increase at post 16, there has also been an increase in numbers of young people with additional needs requiring provision including those with an Education, health and care plan (EHCP). This cohort has increased by 18% in the last year and now totals 1190 young people aged 16 to 18 and a further 447 who are 19+ and still accessing education. The Local Authority can use basic need capital funding to increase specialist places for young people post 16 and has recently expanded post 16 provision at North Ridge and Pioneer House special school to meet increased demand. However, there is a pressure on places for young people with additional needs who want to access mainstream college places or specialist provision within mainstream colleges due to increased size of this cohort.

4.0 Progress to-date

- 4.1 Manchester has a strong Post-16 sector in Manchester, where all but one post 16 education providers are rated good or better by OFSTED and where young people and their families traditionally have choice. Post-16 providers work well together and with the City Council through the Post-16 Strategy Group and are committed to meeting the challenge of the growing population.

- 4.2 In the absence of a DFE strategy or plan for increasing post-16 capacity, the Local Authority has used our evidence to advocate for additional funding and places in Manchester. The DFE funding round earlier this year was an open national round for colleges and 6th forms to bid for funding to meet projected population growth. There was also an opportunity through the DFE's free school application process to ensure that Manchester providers submitted applications to open 6th form provision. In recognition of the evidence and the case Manchester made for growth of post 16 provision, DFE awarded the highest points for need for all Manchester colleges that bid for capital funding. As a result of this round and the free school funding round we secured the following:

- Loreto and Xavarian Colleges successfully bid for £4m each to expand their provision. Both colleges are investing significantly more of their own funding than the match funding required. The DFE capital is conditional on the buildings being completed by Sept 2024 which is challenging. However, planning applications have been approved for both. Whalley Range Sixth Form were unsuccessful with their bid. These expansions will provide a total of additional 1250 places.
- TMC was also awarded allocations of £4m each to expand the Wythenshawe and Openshaw campuses but did not accept as they could not provide match funding. The College has an extensive debt to repay on its first and second phases of estates investment and its Board was unwilling to support more borrowing, particularly at a time of high inflation. The DFE changes to the borrowing rules for colleges nationally adds further complexity

in terms of FE colleges' ability to borrow money.

- DFE approved the opening of a new 6th form free school provided by Dixons Academy Trust to be located in Wythenshawe providing an additional 1000 places (500 per year group).

- 4.3 There is the potential to further expand other post 16 provision to meet increased demand. However, the lagged revenue funding model for DFE doesn't work well for colleges and training providers in the context of year-on-year growth, as they carry the risk and cash flow burden, when increasing places in one academic year is only paid for in the next and there is a cap on growth. There is an additional impact here on Independent Learning Providers (ILPs) who have different funding regulations and new restrictions that will limit the opportunity for in-year growth beyond the number of places available despite the willingness and space. There are ongoing discussions with DFE about this issue.
- 4.4 Overall, based on these increases and the work we are doing across the sector we are anticipating that for 16- and 17-year-olds in the City, we will have capacity of 16,066 places in 2024 and 16,370 in 2025. However, when we take into consideration the numbers of young people travelling to Manchester for post 16 places, this shows that there will still not be a sufficient number of places across the sector to meet demand by the peak of the increase in 2028.
- 4.5 Furthermore, all of the agreed expansions are within the Education sector which generally offers an academic pathway and/or blended academic and vocational pathway with the majority of courses at level 3. There has not been the opportunity to increase technical provision level 3 courses (T levels) or level 2 courses and we are aware that there is currently a shortage of places on courses where there is high demand in the Labour market such as construction and digital. This situation will be exacerbated in future years if mitigation is not taken.

5.0 Impact on numbers of young people not in education employment or training (NEET)

- 5.1 At academic year-end in July 2023, the NEET figures for Manchester are shown below, along with comparable tables against statistical neighbours, Core Cities and Greater Manchester. This is representative of a strong two-year performance, with NEET figures being below pre-pandemic levels at year end even though the cohort is significantly larger each year.

5.2 July 2023 DfE Return

NEET	4.2%	568 Young People
Unknown	1.0%	137 Young People
Combined	5.2%	705 Young People

5.3 July Comparative Tables

Combined NEET & Unknown Table								
National Average (Combined NEET and Unknown)						67,441	5.4%	
Statistical Neighbours		Greater Manchester			Core Cities			
Wolverhampton	201	3.1%	Stockport	249	3.8%	Manchester	705	5.2%
Manchester	705	5.2%	Bolton	326	4.2%	Nottingham	430	6.2%
Portsmouth	237	5.5%	Trafford	278	4.7%	Birmingham	2068	6.4%
Nottingham	430	6.2%	Manchester	705	5.2%	Bristol, City of	690	7.6%
Birmingham	2,068	6.4%	Bury	261	5.7%	Newcastle upon Tyne	486	8.1%
Salford	360	6.5%	Wigan	473	6.3%	Sheffield	1,083	8.7%
Bristol, City of	690	7.6%	Salford	360	6.5%	Leeds	1612	9.0%
Newcastle upon Tyne	486	8.1%	Rochdale	411	7.1%	Liverpool	941	9.1%
Southampton	412	8.3%	Tameside	387	7.4%			
Sheffield	1,083	8.7%	Oldham	519	7.8%			
Liverpool	941	9.1%						

5.4 However, this year we have started to see an increase in the numbers of young people who are NEET, partly as a result of young people not being able to secure a post-16 education or training place because of capacity and/or choice. The 16/17-year-old cohort this year has increased by 773 (5.6%) from 13,788 to 14,561.

5.5 Figures submitted at end of March to the DFE regarding our NEET cohort show an increasing number and percentage of young people are NEET compared to submissions in March 2023. It is therefore likely that our July 2024 return will be higher than 5.2% submitted in July 2023. This is expected to further increase next year as the cohort becomes larger and the demand for level 1 and entry level courses is not met.

5.6 March 2024 submission to DFE

NEET	5.6%	824 Young People
Unknown	1.2%	175 Young People
Combined	6.8%	999 Young People

6.0 Summary of gaps in provision

6.1 In summary, our data and projections show in addition to an increasing cohort of young people post 16, in Manchester there are specifically the following gaps in provision.

- A-level STEM
- Technical provision
- Level 1 and entry provision
- Post 16 offer in North of the City
- SEND provision and English as an additional language provision (EAL)

7.0 Way forward

- 7.1 In discussion with the DFE, it is recommended that Manchester is now at the point where we need to declare a gap in post 16 provision to the DFE and put forward a number of costed solutions developed in consultation with our post 16 providers to meet projected demand going forward.
- 7.2 The process for this involves providing evidence that we have a gap in post 16 provision and identifying how we are working with existing providers to address this gap. As part of Manchester's submission, we will be providing a costed plan of how we can increase provision to meet our gaps with preferred providers. This includes requirements for capital and revenue funding. However, there is no guarantee that Manchester will receive any funding in response to this process.
- 7.3 To develop our submission, a task and finish group has been established which is chaired by the Chief Executive of the Council and includes CEOs from some of our post 16 providers and the Chair of Manchester's Post 16 strategic group. All post 16 providers have been consulted as part of this work. Our high-level plan includes submissions to:
- Expand technical and level 1 at The Manchester College
 - Expand provision at Connell College
 - Extend ADA to include a digital 6th form offer in City Centre
 - Consolidate provision of EAL courses delivered by MAES
 - Expand our SEND offer
- 7.4 Overall, the plan would deliver an additional 1974 offers by 2028 including the additional places created when Dixon's 6th form opens in Wythenshawe. The offers would address the gaps specifically identified. The plan to be submitted to the DFE includes a request for £28m capital based on submissions from post 16 providers and a request for £1m revenue so that places can be funded in advance of lagged funding.
- 7.5 In addition, Eden Leadership Academies in the North of the City have been approved by the DFE to open 6th forms linked to the boys' and the girls' schools. In discussion with Starr Academy Trust, it has been agreed that the 6th form spaces in each school will be used to create additional secondary school places from September 2024 and that the Council will re-provide the 6th forms on an alternative site so that these can be opened.
- 7.6 There is also the opportunity to create additional places through supporting the expansion of our 2 larger independent skills providers which would broaden the offer available, but these are also dependent on more flexible revenue arrangements with the DFE.
- 7.7 In addition to this work, officers will continue to work with GMCA to ensure this issue is prioritised as part of the devolution deal and spending review and to support coordination of data across the 10 Local Authorities to enable more accurate projections of demand and supply of places across Greater Manchester.

8.0 Recommendation

- 8.1 Executive to note the report and the concerns raised about Manchester's ability to meet its statutory duty to provide sufficient post 16 places in the City due to the increasing school population.

In response to this Executive is asked to:

1. Take the decision to declare a gap in post 16 provision in the City and make the relevant submission to the DFE
2. Support the proposed submission of a costed plan outlining how existing providers could meet the identified gaps in provision.
3. Delegate authority to Director of Education and Director of Inclusive growth working with Executive members for Children and Education and Work and Skills to progress the outcomes with the DFE and take any necessary action to secure additional post 16 places in line with costed plan.