

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

**Report to:** Economy Scrutiny Committee – 5 December 2019

**Subject:** LTE Group – Follow on update

**Report of:** John Thornhill, Chief Executive – LTE Group

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### **Summary**

The Committee requested an update post our last review for the following aspects or units of LTE Group.

- (1) Progress for the Manchester College against its quality and outcomes targets for learners as well as a view on connecting this to social mobility.
- (2) A progress update on the UK's largest skills investment project.
- (3) A view of the "Manchester" element of Total People Apprenticeship provision

The Committee is asked to note that The Manchester College (TMC) performance is not yet set against the National achievement rates for the sector which are likely to be published in March 2020. There is significant work underway on T levels and a local HE offer from "UCEN Manchester".

In the time allowed it is not possible to cover all of these adequately. LTE suggest that in spring post the publication of the national rates, the Principal of the Manchester College return with a more detailed update for TMC and UCEN.

### **Recommendations**

The Committee is requested to:-

- Note the update;
  - Consider the request from the LTE Group to support an in year funding ask to the Education and Skills Funding Agency (ESFA) to support several hundred learners in completing their studies and to provide for a strategic approach to supporting a ten-year population surge of 16-18 years olds; and
  - Provide any further comments.
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**Wards Affected:** All Wards

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### **Contact Officers**

Name: John Thornhill  
Position: Chief Executive – LTE Group  
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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 performance update – Economy Scrutiny 7 November 2018
- LTE Group performance update and Manchester College estates programme update – Economy Scrutiny 6 December 2017
- Follow on update – The Manchester College - Economy Scrutiny Committee – 4 January 2017

## 1. Summary Key points

- 1.1 The committee is asked to note the **very strong** performance of The Manchester College and the associated information in Appendix 1. The college is now performing in the **top 10% nationally** and we believe has the strongest learner outcomes that signal the **number one performance in Greater Manchester**.
- 1.2 Significant increases in work experience and employability have not only contributed to high employer ratings of our students but also a very strong “Grade 2” OFSTED earlier this year. Committee members should also note that whilst the college has developed a growing “higher level” provision and has a strong strategy alongside the rest of LTE group to develop new higher level technical qualifications.
- 1.3 Our work to engage, support and enable the most deprived communities goes from strength to strength with very strong impact on social mobility.
- 1.4 LTE Group would like to thank the members and Manchester City Council for their ongoing support in delivering the largest single UK investment in education and skills for 30 years, right here, in Manchester and Greater Manchester. Work on designs, planning, and curriculum, are well advanced. The project strongly aligns to the City agenda for clean air, environment BREEAM standards and principles of access for all. Strong connections to wider regeneration, transport, and social need have been further enhanced. Provisions for disabled students and the growing need for renewable/green energy skills are planned in. An update with images is provided at Appendix 2. The final planning committee is scheduled for 19 December 2019.
- 1.5 Committee Members should also note that concerns raised by members at previous meetings have been incorporated into our negotiations with banks. The final agreement on the full project funding between banks and LTE Group has been able to measurably improve the value of Manchester City Council first charge security for the land loan. Project costs are on track and within budget and members should be reassured that substantial due diligence has now been completed by several parties.
- 1.6 Total People continues to perform **in the top 3** of the largest 20 UK providers for apprentice quality. Members asked us to start to separate out the Manchester based provision and be clear on challenges going forward. A broader update is attached at Appendix 3.
- 1.7 Total People continues to perform better on total starts and numbers of apprentices in learning than the National position and also for Manchester learners on outcomes. Members should note that the national rates for training providers are compared differently by HM Government than for colleges. In 2020 DfE are proposing a set of methodology changes to the way training provider performance is calculated. Looking forward we are now assessing these changes and the new Ofsted inspection framework with

implications for employers and learners. We will update members on both of these in 2020 as more detail is available.

## **2 Red flags for members to note**

- 2.1 The Manchester College is supporting strong engagement on NEET and creating capacity for significant population growth but currently has **no funding for nearly 300 new 16-18 year old students** who started their studies in September. This with other unfunded learners means we have a significant in year funding gap (£2m) between demand and available funding. On the basis that this demand is set to grow every year for the next decade linked to population growth (as we have seen in schools).
- 2.2 The Committee is formally asked to support an in year funding ask to the ESFA, to avoid several hundred learners not being able to complete their studies and to provide for a strategic approach to supporting a ten-year population surge of 16-18 years olds.
- 2.3 The allocation of Non-Levy funding to Manchester and GM providers looks to be **significantly below** the level needed to deliver the economic and social aspirations. This means that unless very significant amounts of funding can be “gifted” from large employers to SME’s. That SME’s in Manchester will be disadvantaged.
- 2.4 As Manchester does not have the penetration of large corporate business as perhaps London this also means that the ability to generate enough funding to offset the gap from National ESFA allocations of Non-Levy funding will be very unlikely. In affect this means that SME apprentice starts will start to exhaust the available funding from February. This view has been tested with other large provider members in GMLPN.