

THE MANCHESTER COLLEGE'S 2020 ESTATE STRATEGY SUMMARY

Building leading-edge facilities for post-16 education and skills in Manchester

PURPOSE

This document presents a summarised version of the Estate Strategy (published and approved in 2018) through which The Manchester College (TMC) will develop leading edge facilities for post-16 education and skills training serving Manchester and the wider Greater Manchester (GM) Area.

ABOUT THE COLLEGE

TMC is part of the LTE Group – the first integrated education and skills group of its kind and the largest social enterprise in the country dedicated to learning, training and employment. With around 4,000 colleagues, and more than 100,000 students and learners, the group reflects the combined strengths and services of our six leading organisations:

TMC is one of the largest FE colleges in the UK and is the largest provider of 16- 19, adult and higher education in GM, with more than 25% of GM's learning provision undertaken by the College. The College's five-year strategy is being embedded across the city region to respond to changes, such as regional devolution, appointment of Metro Mayors, the Post-16 Skills Plan, the Industrial Strategy and the Northern Powerhouse. This includes what is likely to be one of the largest estate reshapes in the sector.

The next iteration of the College's curriculum strategy 'Vision 2025' delivers two key entitlements for students, one contained within Centres of Excellence and the second within Industry Excellence Academies, both dependent on the Estate Strategy to co-locate and co-develop industry-facing curricula with employers

CONTEXT

Greater Manchester's skills challenges

LTE Group's 2013 strategic review set an aspirational vision to align its delivery to the Greater Manchester Skills Plan to 2025 and beyond. The resulting Group strategy and associated Estate Strategy, is crucial in delivering this, particularly given the need for capacity to respond to 20% population growth (26% at 16-18).

Meeting the skills level challenge

GMCA's Work and Skills Strategy highlights the need for a work and skills system that:

- ensures young people leave education ready to succeed in the labour market
- gives adults access to the skills and support they need for entering the labour market through to highly skilled employment
- is flexible, resilient and adaptable enough to meet employers' needs for improved productivity & growth.

GM currently has a number of challenges with its skills levels. There is a significant qualification gap within the region compared with the UK average:

- 10.1% of GM's working age population is without qualifications, compared to 8.8% in UK (22,800 need upskilling to close the gap)
- in Manchester the gap is the third highest in the region, with 12.4% of the working age population having no qualifications
- 33.7% of GM's working age population are at L4+, compared with 36.9% in UK (57,000 need upskilling to close the gap).



Population trends

There is a fast-growing population in Manchester, creating specific skills and employment requirements. The Manchester City Council Forecasting Model (MCCFM) has been developed to strengthen and develop the Office for National Statistics (ONS) approach to population forecasting. Manchester's population has grown well ahead of the previous ONS forecasts and the latest forecasts can be summarised as follows:

- third biggest increase of any local authority in the UK with growth from 422,900 in 2001 to 503,100 in 2011, a 19% increase (Census). Overall, the GM conurbation experienced a significant population increase of 6.6% from 2001 to 2011, growing to 2.7 million people
- the city's population is forecast to grow to 572,000 by the end of 2018 (rising from 549,000 in 2016) and is expected to exceed 600,000 by 2021 (MCCFM 2016)
- circa 60,000 residents currently living across the city centre, up from 45,400 in 2011 (MCCFM 2016). The City centre population growth is expected to reach 75,000 by 2022 (MCCFM 2016).
- projections show the GM population will exceed 3 million by 2034 and that at least one in four people will be over the age of 60 (GMFM 2017).

Key Project drivers

Student Experience

- Outstanding student experience in premium facilities
- Enhanced learner accessibility and travel to learn (reduced journey times to City Centre campus)
- Replacing old, outdated facilities, with the highest quality teaching and learning environments
- Enhancing the whole learner experience including social and support facilities
- Creating a safe and secure environment for students and staff.

Flexibility and Innovation:

- Supporting innovative teaching and learning and new modes of curriculum delivery, industry standard accommodation enabling co-delivery with employers
- Encouraging sharing of best practice, multi-discipline working and collaboration between curriculum areas
- The environment should allow for innovation and change, with flexible and adaptable facilities that can be multi-purpose and can adapt to future curriculum needs and changes to the student numbers (up or down)
- Ability to zone parts of the building – either for out of hours operation or even long term use/lease by another organisation.

Image and Identity:

- Creating a higher aspirational, high quality and distinctive 'Beacon for Education and Skills'
- Showcasing learning/teaching activity
- Environments that mirror industry best practice with an emphasis on Higher Skills
- Welcoming and accessible, engaging the local community
- Enabling discrete and differentiated environments and branding for different learner cohorts.

Employer-Led:

- Fostering and supporting links to employers/industry
- Incorporating industry standard facilities/real work environments.

Regional skills

The New Economy 'deep dive' series of reports provided a comprehensive skills evidence base on GM's nine priority sectors. The sectors identified – in terms of growth, employment and productivity – were: financial and professional services, health and social care, retail, education, hospitality and tourism, construction, logistics, advanced manufacturing and digital and creative. The research showed rising skills requirements across all sectors, including those that have traditionally not required high skills. Half of jobs to 2022 will require the equivalent of NVQ Level 3 skills and a quarter will require NVQ Level 4. Additionally, GM employs around 14,000 EU National Workers in banking and finance and 12,000 in public administration, education and health, which presents a significant risk of skills shortages following Brexit.

Oxford Economics forecasts that the number of jobs in Manchester will increase by 31,500 in the period 2017-2025 (GMFM 2016). It also highlights 45 per cent of all new GM jobs, over the next ten years, will be created in Manchester. The three sectors which are projected to grow at the fastest rate in Manchester are: business, financial and professional services, cultural, creative and digital, and science, research and development.



STRATEGIC ASPIRATION

The LTE Group's strategic aspiration, delivered through the Estate Strategy over two phases, would provide:

- 23% more capacity for nine city skills priorities
- 23% growth in technical and professional Education
- 9% increase in basic skills provision
- Reduced operating and running costs of £7m annualised savings, to be reinvested
- The largest FE infrastructure project in the UK.

The Estate Strategy overall would cost £183m over two phases. Phase one at £140m will progress from 2018 with the Shena Simon Campus retained in the medium term until public funding is available for phase 2.

The Estate Strategy

TMC is fully committed to the direction of travel set out in the Post 16-Skills Plan and has already embarked upon changes based on partnership with industry. GM is committed to a co-branded, co-created and co-delivered vocational training system, with industry helping to design and deliver appropriate training for business needs. However, the skills strategy cannot be achieved without investment in a new estate.

TMC facilities in Manchester reflect the history of the FE sector and the various expansions, contractions, rationalisations and mergers over several decades. The inefficiency of such a large and disparate estate includes:

- Additional costs of operating smaller centres, which limits specialisation
- Limited offer at some locations and in reverse, the availability of some provision in less accessible locations outside of the immediate neighbourhood
- Impact on the credibility of provision from older and old fashioned training facilities on learners and employers.

At the start of our Estate Strategy launch, TMC operated from buildings on 24 sites across Manchester. Only 31% of the estate was built since 2000, just 9% was Condition A and 26% was Condition C and D. Plus, 26% of our estate dated back to the 1850s. This estate would not be capable of providing the sector focussed centres of excellence needed to support the priority sectors which would drive economic growth. As a result, the College developed a new Estate Strategy, which proposed a radical change in the number and location of its facilities. We are now working towards a phased plan to accommodate TMC's estate on five sites.

CITY CENTRE CAMPUS (Central Manchester)

Will house Centres of Excellence and Industry Excellence Academies in Creative & Digital (Phase 1 building - under construction) and Business and Financial & Professional Services (Phase 2 building), where the majority of Manchester's employment growth is expected and new markets and technological change require a higher skilled workforce.

CITY LABS (CITY CENTRE 2) (Central Manchester)

Access to Medical Sciences Centre of Excellence at City Labs, located in the city centre within the Corridor Manchester health cluster.

OPENSHAW CAMPUS (East Manchester)

Will house a Centre of Excellence and Industry Excellence Academies: focusing on Construction and Logistics, plus Sport, Health and Wellbeing. The campus would also offer an engagement curriculum for harder to reach learners or those who have not yet determined a route into specialisation.

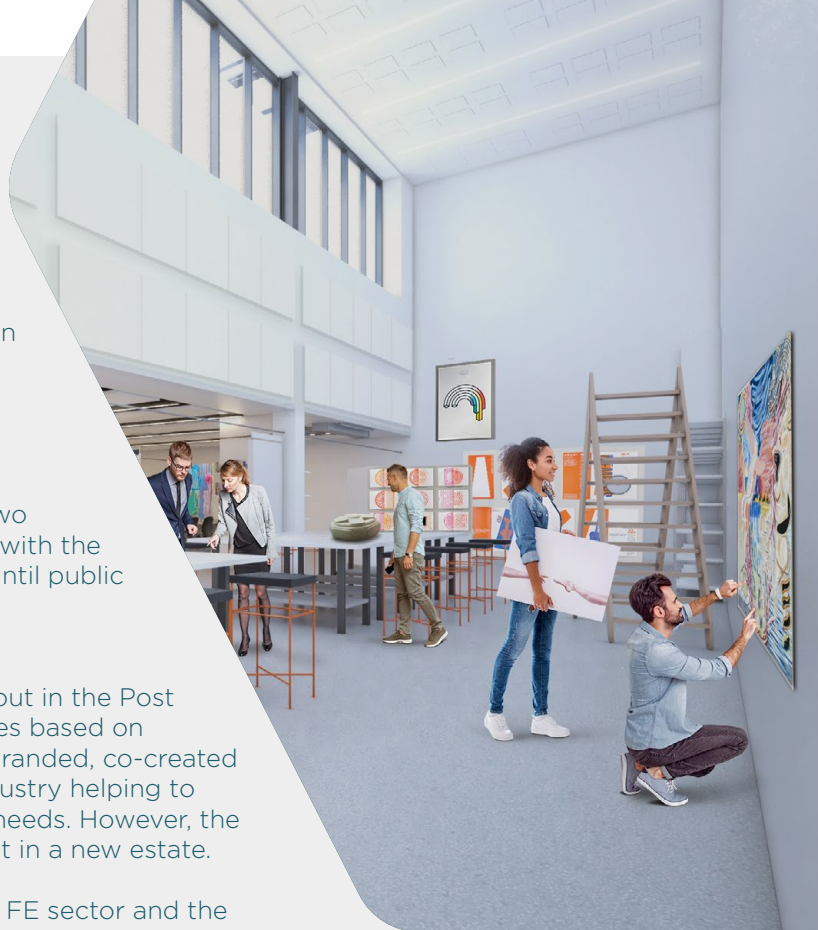
WYTHENSHAW CAMPUS (South Manchester)

Focus would be an engagement curriculum for harder to reach learners or those who have not yet determined a route into specialisation.

HARPURHEY CAMPUS (North Manchester)

Focus would be an engagement curriculum for harder to reach learners or those who have not yet determined a route into specialisation

Shena Simon, a grade 2 listed building, will be retained to accommodate students in the medium term until funding for the Phase 2 new building is secured. At this point, Shena Simon will be sold, ensuring that all students are taught in modern, fit-for-purpose facilities.



City Centre vision

The City Centre vision was for a new city centre campus, built over two phases, providing around 25,000-30,000m² of space. As well as classroom and office accommodation, facilities would include a bistro, a hair and beauty salon, cafes, library and learning centres, art and design studios, digital and computing suites, dance studios and a theatre.

The city centre campus would be home to around 8,000 students, divided approximately between 3,000 16-18 year olds, 1,500 higher education students and 3,500 adult learners. The College, its learners, staff and activities will bring significant vitality and spending power to the city centre. Artists' impressions of the City Centre Campus building are provided below.



Withdrawing from existing properties

Investment in a new city centre campus and in Openshaw, Wythenshawe and Harpurhey will enable the College to vacate a number of existing properties. Some of these properties are owned freehold, some on long leases and some are leased. Exiting these properties will deliver operating revenue savings for the College and this is an important part of the business case for the new investment. The capital receipts derived from disposing of assets are critical to the funding of the planned investment programme. Plans and alternative uses for the surplus sites have been explored with the City Council and would continue this positive dialogue to ensure that disposals, whilst offering best value to the College, provide opportunities to align to the City's plans. One of the seven sites the college plans to vacate is the Shena Simon Campus in Manchester City Centre. This would enable investment in Phase 2 of new the City Centre Campus.



Funding

The College has access to a range of funding sources, including:

- Capital receipts – from the sale of surplus assets
- Grant funding (Skills Capital Grant Funding)
- College borrowing capacity and support from Manchester City Council.

The new estate will allow TMC to reduce its property-related overheads, allowing more resources to focus on teaching, and developing provision in the priority growth sectors which underpin higher productivity in GM. Lower overheads will be important in allowing TMC to borrow money commercially at lower interest rates. The College will be one of the largest employers in the city, supporting an extensive supply chain in the conurbation.

The College can provide a significant match contribution and the funding strategy will be supported by significant efficiency savings from the estate, including property running costs – delivering an 'invest to save' model. The case for funding support is driven by the contribution that the College will make to the Greater Manchester Work and Skills Strategy, and the significant economic value that will derive from growing the number of people accessing high quality, work relevant education and skills training.



Addendum 1 (March 2021) - Estate Strategy update

City Centre Campus Phase 1

Since the Estate Strategy was published and approved in 2018, the LTE Group, with the help and support of Manchester City Council, acquired part of the former Boddingtons' Brewery site and is now on site with the construction of Phase 1 of the City Centre site. The scheme architects are a partnership of Simpson Haugh and education specialists, Bond Bryan Architects. Proposals secured planning permission in December 2019 and following some enabling works, main construction commenced in July 2020. The main contractor building the scheme is Willmott Dixon. The City Centre element (£93m) is ahead of programme and on budget and will be operational in September 2022. The LTE Group has sufficient land on this site to build the planned Phase 2 facility. The development of the City Centre Campus has incorporated a number of design features to contribute towards the city's zero carbon agenda. These include: application of BREEAM standards to achieve an 'Excellent' rating, achieving an EPC rating of A and achieving a minimum 10% carbon reduction, in line with the MCC Core Strategy.



Openshaw Campus

A programme of capital works has now been completed providing a new construction skills workshop (to accommodate the new T Level in Construction delivered from September 2021), a six-court sports hall, a gym and sports training accommodation. The new building is complemented by a comprehensive refurbishment of the existing College buildings, including a new specialist health and social care training facility for the Health T Level delivered from 2021. The first phase of the refurbishment project to provide updated and refreshed accommodation for motor vehicle and logistics was completed in summer 2020. The final phase, due for completion in 2022 will see the construction of a new 3G sports pitch and investment in open spaces and site infrastructure. The delivery of the new facilities were programme and on budget and operational for students in the Autumn term 2021.

Progress with Disposals

Securing capital receipts from the disposal of vacated assets is a critical element of the financial plan to fund the majority of the investment in the new estate. In order to ensure that stakeholders are aware of the proposed disposal route and potential future use of the sites, a co-ordinated approach has been taken with the City Council and key stakeholders. In each case, the LTE Group has sought, where possible, to repurpose any locations to create value for the city in other ways such as schools, housing, green spaces, etc. which will contribute towards and be reflective of local need. Since the Estate Strategy was approved in 2018, the Moston Campus has been sold to a local housing association and the provision there relocated to the Harpurhey Campus. The St John's campus has been sold to Henry Boot Developments and contracts have been exchanged for the disposal of the Northenden campus (Miller Homes). College students will remain in occupation in both these sites until Autumn 2022. A number of other property disposals are now in progress.



Addendum 2 (October 2021) - Estate Strategy update

Phase 2 City Centre Site

An application was made for grant funding totalling £30.5m from the FE Capital Transformation Fund to complete the Estates Strategy, with the disposal of the Shena Simon Campus and the construction of the Phase 2 building adjoining the City Campus, Manchester to replace it. Unfortunately, the application was capped at a grant of £20m, resulting in the need to reduce the size of the Phase 2 building, which would then not accommodate all the provision contained within the Shena Simon Campus. The challenge of securing an alternative location for this 'excess' curriculum that will not 'fit' in the new City Centre Phase 2 building has led to the decision to retain part of the Nicholls Campus. The newer classroom block adjoining the Grade 2 listed Nicholls House building would be retained in the interim, until funding can be secured to complete the Estates Strategy in full (Phase 3). This approach still satisfies the eligibility criteria of the FE Capital Transformation Fund and will remove Shena Simon from the College estate, replacing it with a smaller new build in the City Centre.