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**Manchester City Council  
Report for Resolution**

**Report to:** Economy, Employment & Skills, Overview and Scrutiny  
Committee – 09 February 2011

**Subject:** Work and Skills Performance Indicators

**Report of:** Regeneration Manager, Employment & Skills

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**Summary**

This paper considers the performance of the current Local Area Agreement Indicators for level 2, 3 and 4 indicators. There is a positive trend for the numbers of Manchester residents qualified to all three levels since 2001. However, it is important to note that these indicators are based on the annual population survey. The paper also outlines the respective roles of the Skills Funding Agency and Manchester City Council in commissioning skills training. It considers pertinent changes to the funding and commissioning of learning in light of recent Government policy and how that along with the performance management framework being developed for the delivery of the revised Community Strategy will influence the indicators that we need to monitor in the future.

**Recommendations**

Members are requested to note the performance against the Local Area Agreement indicators for skills and qualifications and the changes that will impact on the commissioning and delivery of learning and skills training in the future.

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**Wards Affected:** All

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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.

1. Interim Work and Skills Plan – Manchester City Council
2. Skills for Sustainable Growth, Strategy Document. Available on BIS website: [www.bis.gov.uk](http://www.bis.gov.uk)

## **1.0 Introduction**

- 1.1 This report presents the performance of the current Local Area Agreement skills indicators for Manchester and outlines the roles of the Skills Funding Agency (SFA) and Manchester City Council (MCC) in commissioning learning. It considers the impact of recent Government policy changes and how the City might influence and monitor learning and skills training delivery in the future.

## **2.0 Background**

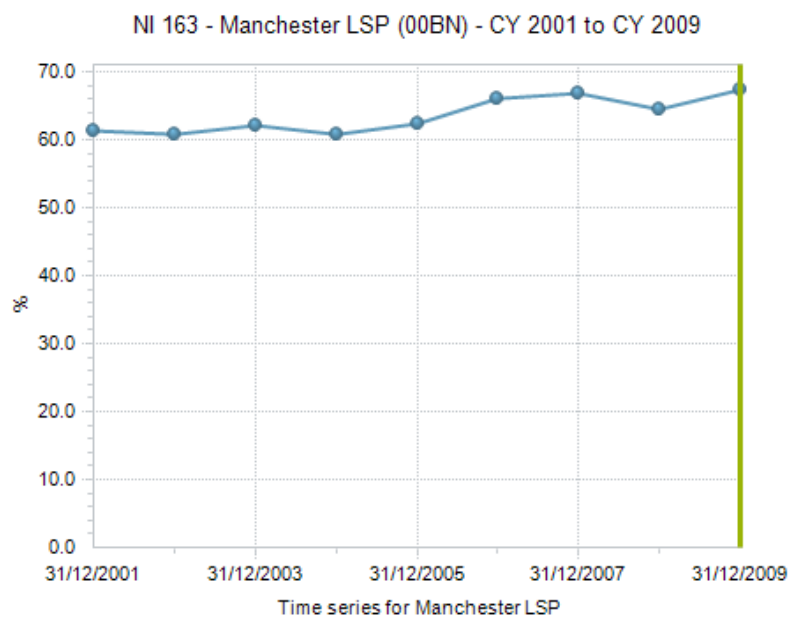
- 2.1 Local Area Agreement (LAA) skills indicators were set in 2008 from a national set. Based on local priorities the baseline and targets were set as a measure of performance.
- 2.2 The data for the adult skills indicators is sourced from the Annual Population Survey, which is a sample of data at local authority level; the sample is less than 1% of the working age population. The three indicators relating to adults skills are as follows:-
1. NI163 - Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher
  2. NI164 - Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher
  3. NI165 - Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 4 or higher
- 2.3 Skills Funding Agency (SFA) data provides us with performance indicators on current participation and achievement. This data is available at Local Authority level, by age, sector, training type and level. It provides more accurate information on provision and resident participation. The SFA is developing an online data service that allows access to a variety of data sets that can be used to support the headline data listed above. Some of the SFA data is included in this report.

### 3. Current Performance Against Indicators

#### NI163 - Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher

Actual values for NI 163 in Manchester LSP (00BN)

Time Period Name	Value	Manchester Target
<a href="#">CY 2009</a>	67.4 (%)	71.3%
<a href="#">CY 2008</a>	64.4 (%)	69.4%
<a href="#">CY 2007</a>	66.7 (%)	
<a href="#">CY 2006</a>	66.1 (%)	
<a href="#">CY 2005</a>	62.3 (%)	
<a href="#">CY 2004</a>	60.8 (%)	
<a href="#">CY 2003</a>	62 (%)	
<a href="#">CY 2002</a>	60.9 (%)	
<a href="#">CY 2001</a>	61.4 (%)	

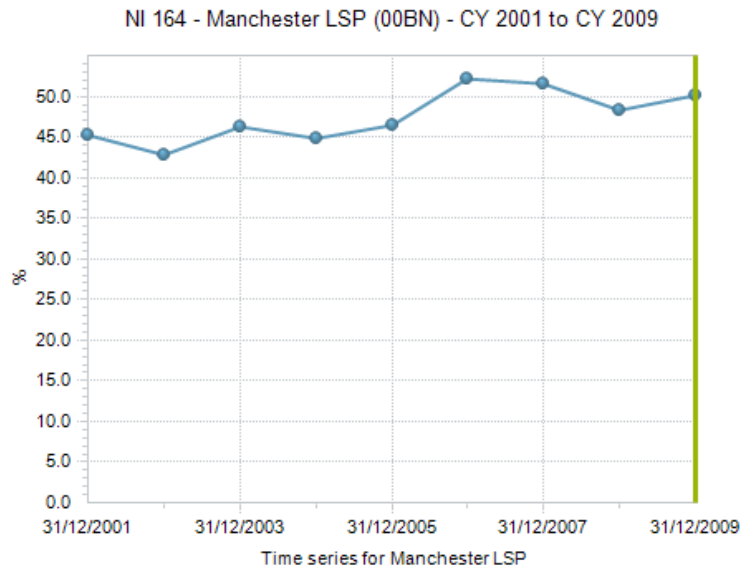


- 3.1 Latest skills data show the volume of Manchester residents trained to Level 2 has increased between 2007/8 and 2008/9 by 700, increasing the proportion of people qualified to Level 2 by 3%. Improvements in performance for 2008/09 can partly be explained by increased funding for Train to Gain, the growth of apprenticeships and a continuing drive of targeting funding towards full level 2 qualifications. The SFA have targets for enrolments to full level 2 qualifications and targets for minimum levels of performance (achievements), removing funding from underperforming providers.
- 3.2 Initiatives such as the Skills Pledge have made a positive impact on the number of people qualified to level 2. Manchester's Work and Skills Plan commissioned activity funded by Working Neighbourhoods Funding (WNF) that has set targets for progression to level 2 qualifications. The analysis of data from 2001 shows that the trend in terms of the numbers of Manchester residents qualified to level 2 is positive.

**NI164 - Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 3 or higher**

Actual values for NI 164 in Manchester LSP (00BN)

Time Period Name	Value	Manchester Target
<a href="#">CY 2009</a>	50.1 (%)	55.8%
<a href="#">CY 2008</a>	48.3 (%)	54.5%
<a href="#">CY 2007</a>	51.6 (%)	
<a href="#">CY 2006</a>	52.2 (%)	
<a href="#">CY 2005</a>	46.5 (%)	
<a href="#">CY 2004</a>	44.9 (%)	
<a href="#">CY 2003</a>	46.2 (%)	
<a href="#">CY 2002</a>	42.8 (%)	
<a href="#">CY 2001</a>	45.2 (%)	

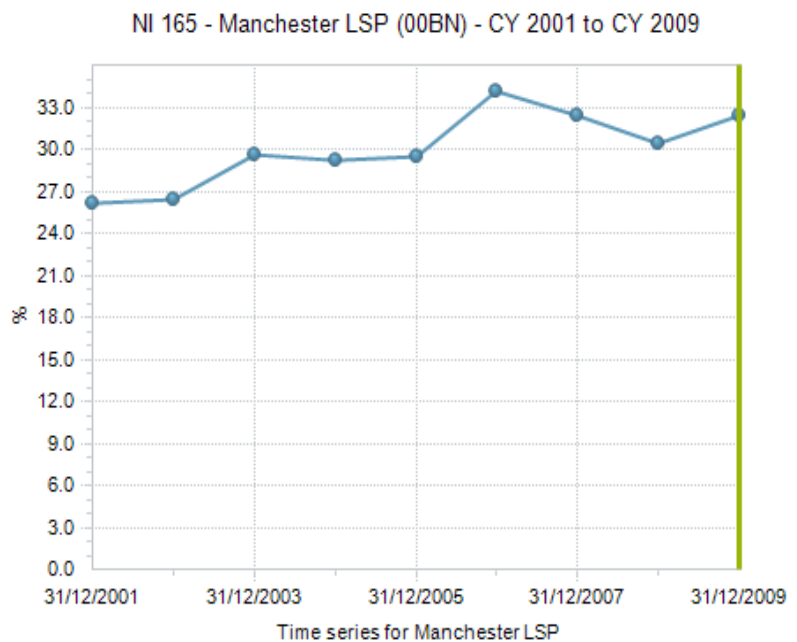


3.3 Latest skills data for 2008/9 has shown an increase in the volume of Manchester residents trained to Level 3 by 423 starts, an increase of 1.8% of the working age population qualified to Level 3. As with Level 2 indicators the trend for the percentage of Manchester residents qualified to Level 3 is a positive one. The larger number of residents qualifying to Level 2 and the improved GCSE performance in Manchester schools will continue to provide a larger base of residents with the potential to progress to and achieve level 3 qualifications.

3.4 Level 3 qualifications show the limitations of the annual population survey, which is less than 1% sample, as the data source. The NOMIS data above indicates that only 47,100 Manchester residents qualified to Level 3+. However, there are approximately 70,000 students enrolled at Manchester's two universities, the majority of whom reside in the City and as a minimum they would be qualified to Level 3. This does not appear to be reflected in the above data

**NI165 -Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 4 or higher**

Actual values for NI 165 in Manchester LSP (00BN)		
Time Period Name	Value	Manchester Target
<a href="#">CY 2009</a>	32.5 (%)	36.4%
<a href="#">CY 2008</a>	30.4 (%)	35.6%
<a href="#">CY 2007</a>	32.5 (%)	
<a href="#">CY 2006</a>	34.2 (%)	
<a href="#">CY 2005</a>	29.5 (%)	
<a href="#">CY 2004</a>	29.3 (%)	
<a href="#">CY 2003</a>	29.6 (%)	
<a href="#">CY 2002</a>	26.4 (%)	
<a href="#">CY 2001</a>	26.1 (%)	



3.6 Latest skills data for 2008/9 shows an increase in performance in terms of those qualified to Level 4 by 2.1%. As with the other two indicators, this shows a positive trend since 2001. Skills Funding Agency data indicates a decline in enrolments of Manchester residents at Level 4 but not all Level 4 provision is funded by the SFA so this would need to be considered alongside the number of Manchester residents studying for qualifications funded through the Higher Education funding system. The increased proportion of residents qualified to Level 3 should have a positive influence on progressions to Level 4 in the future.

**4 Current provision funded by the Skills Funding Agency and Manchester City Council**

4.1 The Skills Funding Agency took over from the Learning and Skills Council (LSC) to commission /secure training that meets the needs of the economy. The SFA provides funding for courses and skills training post-19, from entry level to level 4 across a range of sectors. Funding priorities are: basic skills, full level 2 and level 3 qualifications including Train to Gain for the employed and apprenticeships, with a drive to increase the number of 16-18 year olds on apprenticeship programmes. This has been complemented by other funding streams to commission work that tackles unemployment (Programmes for the Unemployed: European Social Funding).

4.2 The SFA also provides Adult Safeguarded Learning funding for personal and community development learning, family literacy, language and numeracy, wider family learning and Neighbourhood Learning for Deprived Communities (NLDC). NLDC learning engages residents in the community in first step

learning opportunities either through informal learning or by delivering lower level qualifications. Manchester Adult Education Service delivers SFA funded provision across the City.

- 4.3 Manchester's Work and Skills Plan sets out the strategic priorities for Manchester City Council and our partners in relation to work and skills. The skills priority is focused on increasing competitiveness for work. Working Neighbourhood Funding (WNF) has been used to commission activity that addresses that priority and is additional to mainstream SFA funded learning & training.
- 4.4 WNF has been matched with SFA funding to fund courses that are not tied to qualifications, through Neighbourhood Learning in Deprived Communities (NLDC) funding. In 2009/2010, NLDC engaged 1822 residents and NLDC has consistently delivered to target / over achieved targets year on year. In addition to the achievements of individual learners, the fund has supported voluntary and community organisations to build capacity to deliver learning opportunities for residents of disadvantaged neighbourhoods. WNF has also funded ESOL provision for learners who could not be accommodated due to changes in mainstream funding. This WNF funding allowed 705 additional residents to participate in ESOL provision.

## **5 Changes in Government Policy, future priorities and performance measures**

- 5.1 There was a report on the "Skills for Sustainable Growth" paper which sets out the Government's skills policy, to this Scrutiny Committee in December. Pertinent points for this paper include:
- the move to a decentralised demand led system with no formal commissioning role for the City Council or Combined Authority;
  - the expectation that learners and employers will co-invest with government to meet the costs of intermediate and higher level training, moving to a loan system equivalent to Higher Education for level 3 qualifications and above for adults over the age of 24 and level 4 qualifications and above for those aged 19 and over;
  - funding priorities focus on level 3 qualifications as opposed to level 2 and skills funding will be linked to outcomes including job outcomes;
  - Apprenticeships at the core of the new skills agenda with increased investment and an increased number of apprenticeships and a greater focus on level 3 (technician level) to meet the needs of the economy;
  - Creation of an all age careers guidance service and individual learning accounts.
- 5.2 The above is set within the context of the Comprehensive Spending Review and a £1.1bn or 25% reduction in government funding to adult and further education over the next 4 years. There will be no further WNF funding beyond March 2011. However, funding for informal adult and community learning will be protected and Government plans to reinvigorate and reform it so that it builds the Big Society

- 5.3 The priority for Manchester continues to be the upskilling Manchester residents to access employment including intermediate and higher level jobs and the delivery of skills training that meets the needs of the Manchester economy now and in the future. Within that priority and in line with policy changes, there will be an increased emphasis on apprenticeships in particular the number of 16 to 18 year olds starting apprenticeships on leaving formal education. Provision of community based learning and progression pathways into formal level 2 and level 3 qualifications will continue to be a priority, given that there are approximately 53,600 Manchester residents with no qualifications (16% of the working age population as opposed to a national rate of 12%).
- 5.4 Although their primary relationship is with learners and employers, providers are expected to engage with Local Enterprise Partnerships (LEPs), Jobcentre Plus and Local Authorities and respond to local economic strategies. It is therefore important that the City Council and our partners use our existing strategies and established partnerships (Work & Skills Partnership and 14 -19 Partnership) to influence skills provision in the City and help drive up demand for skills from individuals and employers.
- 5.5 With the abolition of the national performance regime including the National Indicator set, Local Area Agreements and Comprehensive Area Assessments, the City Council and its partners have the ability to determine the most appropriate set of indicators to measure performance in the future. The Manchester Board is going to develop a performance management framework for the revised Community Strategy, which will link performance and investment more closely, be evidenced based, align Council and Partnership indicators and report on performance in a way that tracks indicators rather than being narrowly focused on targets. The Work and Skills Board will need to consider the most appropriate indicators within that framework.

## **6 Conclusion**

- 6.1 In 2008/09 data shows increasing numbers of adults in Manchester achieving at Level 2 and Level 3 and a positive trend in achievement of qualifications from 2001. The performance of residents aged 16-18 will impact on the indicators in the future. The educational achievement of 16-18 year olds gaining 5 GCSEs grade A-C has been improving year on year and will contribute to increasing the number of Manchester residents with Level 2+ qualifications, which will be reflected in the indicators as these residents become 19 years old.
- 6.3 The priority for Manchester continues to be to provide skills training for residents with few or no qualifications and progress them into formal Level 2 and Level 3 qualifications to enable more residents secure and sustain employment. There will in future be a greater focus on apprenticeships. Although the City will not have a formal role in commissioning learning, there are well established partnerships with the Skills Funding Agency and learning providers which will enable us influence the provision of training to best meet the needs of Manchester residents and businesses.