

## **GREATER MANCHESTER LOCAL ENTERPRISE PARTNERSHIP BOARD**

Date: 20<sup>th</sup> March 2017

Subject: GM Digital Talent & Skills Programme

Report of: Simon Nokes, MD, New Economy

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### **PURPOSE OF REPORT**

This report presents to Members, the background to and details of a £2m investment that has been agreed by the GMCA in a GM Digital Talent & Skills Programme. This will realise GM's digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships & inclusion.

The report seeks LEP involvement in steering the direction of the programme to respond to employer demand and securing buy in from the business community. There is now a unique opportunity for GM to transform its digital skills base and it is critical that business play their part in maximising the impact of this investment.

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## 1. Introduction and Background

- 1.1 As digital technology plays an increasingly important part in our economy and wider society, the demand and necessity for digital skills at all levels is growing quickly. In Greater Manchester it is estimated that almost 55,000 jobs are directly employed in the digital and creative sector with an equivalent number employed in tech jobs across the wider economy.
- 1.2 In June 2015 the GMCA agreed a plan to drive forward the growth of GM's digital, creative and tech industries. A key strand of the plan is the development of GM's digital skills base and talent pool.
- 1.3 There is a transformative opportunity to meet the need for tech skills across every sector of the economy, enabling all individuals and businesses to function as productively as possible. As well as equipping all of our citizens with the basic digital skills required for social interaction, accessing public services and entering the labour market. By addressing digital skills challenges we can help to deliver inclusive growth for all of GM.
- 1.4 There is a clear rationale and evidence base for a digital skills intervention:
  - The Digital and Creative sector accounts for 55,000 jobs in GM, generating over £3 billion per annum, due to rise to £4bn by 2025.
  - Productivity stands at £51,200 per person employed compared to a GM cross sector average of £38,000. Whilst average advertised salaries are just under £50,000, 36% higher than the national average.
  - In addition, digital skills are increasingly required for all jobs and within all sectors. It is estimated that there are a further 50,000+ jobs across the broader economy particularly in finance, health, manufacturing requiring specific digital skills (often to higher levels).
  - Increasing employer demand for digital skills – programmers and software developers are consistently the most advertised job roles in GM. 37% digital/tech businesses turned away work due to being unable to find the right talent (*Manchester Digital 2016 Skills Audit*).
  - In some parts of GM, over 15% of adults have never been online and over 25% lack all five basic digital skills. There are significant disparities in outcomes between the North and South of the conurbation.
  - Groundbreaking public service reform initiatives such as 'GM Connect' will integrate vast amounts of data to deliver efficient personalised public services. Significant cyber security capabilities and skills will be critical to ensuring trust in a reformed system and driving further economic growth.
  - The plans to transform Health & Social Care in GM will require significant system change and digital will be a key enabler. Our health workforce need the digital skills and tools to improve the way we work and the care we provide. Any digital skills intervention would therefore be aligned with the

proposal to delegate funding for the Information Management & Technology aspects of transforming Health & Social Care in GM.

- 1.5 Over the last twelve months a significant amount of work has been undertaken with key stakeholders to understand GM's digital skills challenges and develop a strategic response. A strong evidence base has been developed through detailed research and employer interviews. Stakeholder workshops were held to identify the priorities for action followed up by more focused task and finish groups. Strong partnerships have been developed with stakeholders (including local authorities, trade bodies and provider base) all of whom are committed to jointly owning the response. Links are now in place with local and national employers e.g. BT, Lloyds Banking Group, Tangerine PR – all enthusiastic to drive the development of digital skills in GM
- 1.6 Securing the buy in of Greater Manchester's business community will be critical to securing a step change in our digital skills base. We particularly need employers to contribute to curriculum planning, provide work experience and invest in the skills of their own workforce.
- 1.7 Key members of the LEP have been involved and supportive throughout (including Mike Blackburn and Lou Cordwell). They recognise the need for an intervention at scale in GM. There is a critical role for the LEP in steering the programme and providing private sector leadership and engagement. Furthermore, Manchester Growth Company are happy to secure profile amongst the tech community and ensure integration with their wider employer facing infrastructure e.g. business support, marketing, Investors in People.
- 1.8 The rest of this paper therefore goes on to set out; GM's ambition, what excellent would look like in GM, digital skills challenges that the market alone cannot tackle and how that translates into a GM wide response.

## **2. The Greater Manchester Vision: Digital Learning City**

- 2.1 GM's ambition is to become a 'digital learning city' creating a critical mass of digital skills positioning GM as the key centre to invest for businesses seeking a digitally skilled workforce outside London.
- 2.2 *What would excellent look like in Greater Manchester?*
  - A vibrant pipeline of digital talent where every young person has the opportunity to acquire digital skills and explore related career opportunities
  - All educational institutions and providers (including Schools, Colleges and Universities) embed digital skills within the curriculum and every teacher/lecturer recognises their importance for all learners.
  - Companies across all sectors meeting the digital challenge by investing in developing their current/future workforce, particularly via apprenticeships
  - Every citizen acquires the basic digital skills needed for society and work.

### **3. Key Digital Skills Challenges**

3.1 The work undertaken with stakeholders has identified many digital skills challenges – at a GM level we must focus our efforts to achieve a transformational impact. There is already a lot of good work going on right across GM to tackle digital skills challenges e.g. code clubs, hackathons which this proposal will build upon by increasing scale and reach. This paper therefore hones in on where there are specific gaps that are strategically important and that the market alone cannot tackle.

3.2 *GM digital skills challenges that the market alone cannot tackle:*

- Young people, parents and teachers lack awareness of the range of opportunities in digital/tech careers and how to maximise their chances of success. What we are missing is a sustained focus on building links between education and digital industries/tech community at scale.
- The pace of technological change means that the curriculum needs constant updating and innovative forms of delivery. To deliver inclusive growth and reduce potential jobs lost through automation we must refocus on the application of knowledge rather than simply its acquisition.
- The apprenticeship market is not currently functioning effectively for companies that need digital/tech skills. Employers still struggle to navigate the apprenticeship system and find appropriately skilled talent.
- Significant numbers of GM residents have never been online and lack the basic digital skills needed for society and work.

### **4. GM Digital Talent & Skills Programme**

4.1 The proposition below aims to realise GM's digital ambition through a holistic approach that addresses challenges relating to talent, skills, apprenticeships and inclusion. The proposition sets out under four key strands; the objectives that we are trying to achieve, challenges to be addressed and the solution that GMCA should look to commission. It has been developed in consultation with key stakeholders including trade bodies, employers, local authorities and the provider base. The programme would be a joint-public private initiative leveraging maximum impact from the digital skills activity already taking place.

4.2 This proposition specifically focuses on ensuring a strong flow of talent into industry and that individuals develop the digital skills required by employers. A number of enabling functions will play a critical role in delivering this agenda e.g. marketing, business finance and digital infrastructure. (Close working with the Business Growth Hub is underway to align activity with the work of the Digital Growth Service to develop the digital skills of businesses).

Objectives	Key Challenge	Priority Strand	GM Solution	Outputs and Outcomes
<p>1) More young people in GM take up digital learning opportunities and enter <b>careers</b> that require digital skills.</p>	<p>Many young people at key stages of their development lack awareness of the variety of digital/tech careers available to them and how to maximise their chances of success. We particularly need to inspire more girls to enter digital/tech careers, turning around the underrepresentation of women in digital/tech jobs.</p>	<p>Development of a <b>GM Digital Talent Pipeline</b>. Increasing awareness amongst young people and their parents/teachers of pathways into digital careers and the job opportunities available. (Linking with the work of the proposed GM Education &amp; Employability Board).</p>	<p><b>GM Digital Talent Pipeline:</b></p> <ul style="list-style-type: none"> <li>• A number of road shows would be delivered to schools and colleges engaging young people, parents and teachers. Employers would explain their jobs and share their experiences of working in digital. Learning opportunities e.g. code clubs, hackathons would be promoted under a common GM banner.</li> <li>• Supplemented by a range of materials that offer information on careers in digital to young people, teachers &amp; parents.</li> <li>• ‘Women in Tech’ Network. Harnessing the energy of women employed in digital/tech roles to promote careers in the industry to girls whilst at school and college.</li> <li>• A social media campaign would underpin activity, reinforcing key messages.</li> </ul>	<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Careers roadshows delivered to GM Schools and Colleges</li> <li>• Young people accessing career advice, work inspiration and digital learning opportunities.</li> <li>• Quality employer interactions with GM Schools and Colleges</li> <li>• Young women receive career inspiration/access mentoring from women employed in tech roles</li> </ul> <p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• More young people are inspired to enter a career requiring digital skills.</li> </ul>
<p>2) Individuals of all ages acquire the up to date <b>digital skills required by employers</b>.</p>	<p>Traditional ways of learning find it difficult to keep up with the pace of technological change. Employer demand is for</p>	<p>Development of a <b>GM Tech Pathways initiative</b>. Supporting GM</p>	<p><b>GM Tech Pathways:</b></p> <ul style="list-style-type: none"> <li>• ‘GM Digital Certificate’ taking learners through the core digital competencies required to be productive in the</li> </ul>	<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Employers and providers engaged in co-design of GM Digital Certificate.</li> </ul>

	<p>'T' shaped individuals with technical digital skills combined with broader creative and business acumen. Employers consistently cite the need to upskill teachers and lecturers - improving awareness of the latest technological developments and the application of digital skills in the workplace.</p>	<p>residents to train for, reskill into and connect with tech jobs. (Linked to the potential for an Institute of Technology to address digital skills gaps and create a new model of technical training for GM).</p>	<p>workplace. It would be co-designed with employers articulating the competencies they are looking for. New models of co-delivery would be piloted. Companies would be supported to identify relevant training and funding.</p> <ul style="list-style-type: none"> <li>• Complementing existing digital learning with opportunities outside the formal curriculum (e.g. Hive Manchester, Hackathons, Code Clubs). Scaling up and co-ordinating existing local activity into a coherent offer.</li> <li>• CPD package for teachers and lecturers upskilling teaching workforce to teach computer science and embed digital skills across the wider curriculum.</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative public-private digital skills delivery partnerships</li> <li>• Participants engage in informal digital learning opportunities.</li> <li>• Teachers &amp; lecturers supported with digital cpd package.</li> </ul> <p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Employers are better able articulate their needs to providers and providers are better able to deliver the digital competencies required by employers.</li> <li>• All young people can access a wide range of ways to develop digital skills that they can apply practically.</li> <li>• Teachers and lecturers are better able to teach computing and embed digital skills across the curriculum with confidence.</li> </ul>
<p>3) More people progressing onto advanced digital apprenticeships</p>	<p>There is a need for more integration of work with learning to ensure that provision keeps pace with</p>	<p>Development of a <b>GM Digital Apprenticeships Academy</b>.</p>	<p><b>GM Digital Apprenticeships Academy:</b></p> <ul style="list-style-type: none"> <li>• Extended bootcamp programme preparing people</li> </ul>	<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• People participate in a digital skills bootcamp.</li> </ul>

<p>providing employers requiring digital skills with a work ready talent supply.</p>	<p>technological change. Apprenticeships offer the best route to achieve this. Through the development of new standards and partnerships the quality of provision and its relevance to employer need is improving. However, employers are still struggling to find the right calibre of talent to fill digital apprenticeship vacancies. In a competitive market for talent SMEs often lose out to bigger players and there is also competition between digital companies and businesses in other sectors requiring digital skills.</p>	<p>Preparing people for progression onto advanced digital apprenticeship opportunities. Also supporting employers (particularly SMEs) to navigate the apprenticeships system and access talent.</p>	<p>for digital careers and supporting employers to access talent. Participants will achieve a level 2 qualification and gain meaningful work experience with employers who are looking to take on a digital apprentice. On completion of the programme participants would have the opportunity to progress onto a full time level 3 digital apprenticeship. (Providing pathways into higher and degree apprenticeships in FE/HE).</p>	<ul style="list-style-type: none"> <li>• Employers deliver training through the bootcamp</li> <li>• Participants gain a Level 2 qualification</li> <li>• Employers provide work experience placements</li> <li>• Participants progress onto a level 3 digital apprenticeship</li> </ul> <p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Participants are work/apprenticeship ready on leaving the academy through gaining relevant training and industry experience.</li> <li>• Employers see apprenticeships as a key way to recruit new digital talent and upskill their existing workforce and have any easy/supported way to achieve this. (Contributing to overall GM target to grow digital apprenticeships by 50% by 2020).</li> </ul>
<p>4) All GM residents will have the <b>basic digital skills</b> required for basic social interaction, accessing public services</p>	<p>A significant proportion of GM citizens lack basic digital skills and have never been online putting them at higher risk of poor health outcomes and</p>	<p>Development of a campaign under the banner of <b>Get Digital GM</b>. Getting all of our residents online and</p>	<p><b>Get Digital Greater Manchester:</b></p> <ul style="list-style-type: none"> <li>• ‘Get Digital’ GM will deliver a series of innovative initiatives encouraging all of our residents to get online and</li> </ul>	<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Participants receive support to develop their digital literacy</li> <li>• People trained as digital champions (providing digital</li> </ul>

<p>and entering the labour market.</p>	<p>exclusion from both society and the labour market. There is a digital divide in GM with residents in the North of the city region particularly likely to be digitally excluded.</p>	<p>equipping them with basic digital skills for life and work.</p>	<p>improve their confidence and basic digital skills. Get Digital GM will bring together a range of organisations including businesses, health, community groups, voluntary sector, housing providers. It will proactively target those parts of GM where our citizens are at high risk of digital exclusion.</p> <ul style="list-style-type: none"> <li>• Digital literacy will be prioritised in all publically funded provision as a core requirement alongside English and Maths (within the GM Work &amp; Skills Outcomes Framework).</li> <li>• In line with the newly announced statutory duty GM will use its AEB to offer (some) training in basic digital skills for adults lacking in relevant qualifications.</li> </ul>	<p>skills support to communities).</p> <p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Improved levels of digital literacy amongst GM residents.</li> <li>• More GM residents accessing public services online.</li> </ul>
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## **5. Funding and Sustainability**

- 5.1 The Combined Authority have approved expenditure of £2m of existing Skills Capital LGF monies over three years to deliver a Digital Talent & Skills Programme across GM, subject to the GMCA Treasurer being able to identify suitable revenue funds to substitute for the identified capital funding.
- 5.2 GMCA investment of £2m will provide pump priming to tackle gaps in provision and achieve a step change creating a critical mass of digital skills in GM. The purpose of the programme is to deliver the culture change that ensures over the longer term GM residents aspire to enter digital careers, employers take responsibility for investing in their tech talent pipeline and digital will be fully embedded in mainstream skills provision.
- 5.4 The £2m will provide core funding for the programme but it anticipated that the programme as a whole will be significantly larger and more sustainable as a result of leverage from private, public and third sector sources. For example – private sector financial contributions, secondments and direct participation in the programme. (The commissioning process will stipulate the requirement for partnership working and employer backing to maximise leverage). Drawing upon the experience of other digital skills programme of this type e.g. London we estimate being able to leverage public, private and third sector contributions to the value of £450,000 (approximately 22% of the programme).
- 5.5 The Combined Authority will lead on commissioning and support the co-ordination of the programme directed by an employer-led reference group. Commissioning will require partnership approaches to delivery from key stakeholders including; businesses and trade bodies, local authorities & wider public sector, education providers (all ages), voluntary sector and specialist digital organisations. The volume of outputs that will be delivered will be determined as part of the commissioning process and we will ensure these represent value for money in comparison with other programmes.