

Subject: Site Visit to Tech City

Report to: Economy Committee

Report of: Executive Director of Secretariat

Date: 15 October 2015

This report will be considered in public

1. Summary

- 1.1 This is a note of the London Assembly's Economy Committee's visit to London's Tech City.

2. Recommendation

- 2.1 **That the Committee notes this summary of the Committee's site visit to Tech City.**
- 2.2 **That the Committee delegates authority to the Chair, in consultation with Group Leads, to agree a summary of findings from the site visit to Tech City.**

3. Background

- 3.1 The digital economy has seen growth from around 250 tech firms in 2010 at the launch of the Tech City initiative, to more than 5000 today¹. And, whilst those companies include the likes of internet giants Google, Cisco, Intel and Airbnb, 98% of the UK's digital businesses are SMEs². UK wide, jobs in digital companies are growing by 28%, year on year, with over 1 million vacancies advertised in 2014. Around 40% of those jobs were in London,³ and over 250,000 people are currently employed in Inner London's digital sector. Several barriers to growth have been identified by key figures in the sector, some of which threaten to have a significant impact upon Tech City's economic potential. The most significant of these, as reported by those in the sector, is the vast talent shortage.

4. Issues for Consideration

- 4.1 On 10 September, members of the London Assembly Economy Committee, London Assembly Education Panel, and Mayor John Biggs AM, met with various prominent individuals in the tech sector with a role in digital skills growth and connectivity improvement. The aim of the visit was to explore:

¹ Rohan Silva (ES, 16 June 2015)

² Tech City – Tech Nation Report, January 2015

³ Tech City – Tech Nation Report, January 2015

- How the tech sector is rising to the challenge of a shortage of digital talent. In particular, how it is working to ensure that Londoners, especially less-advantaged youth, and the long-term unemployed, are given the skills to benefit from opportunities in the tech sector;
- The impact of the Mayor, LEP and others' interventions to support technology skills training for Londoners;
- What actions the Mayor, LEP and others could take to ensure Londoners benefit from the growth of London's tech sector, with a view to production of a Digital Manifesto for the new Mayor.

The skills gap

- 4.2 As recently highlighted by the LEP, in their London 2036 report, London's technology skills shortage prevents Londoners gaining maximum benefit from London's tech economy. A certain level of skills shortage may be expected for a young fast-growing sector. However, the technology skills gap poses a risk for tech growth in the capital. There is also significant concern that young Londoners are not taking up tech opportunities on their doorstep, despite growing up as active consumers of technology with considerable potential to turn their skills into a career.

Formal Education

- 4.3 Opportunities to increase access to digital skills, and the digital sector, include initiatives within the formal education system. From September 2014 the old ICT curriculum was replaced with one focusing on digital literacy, teaching children as young as 5 to code. And in London, schools and colleges are increasingly including technology skills within all teaching. However in many schools computing is still being taught by non-specialist staff, and there is certainly scope for more action.
- 4.4 Members heard from Sarah Wood, of Unruly Media, about the need to erode the false binary between vocation and academia in schools, in order to help more children into tech and keep a pipeline of home-grown talent entering the tech industry. "Children are constantly being asked to choose." They need hands on experience of skills, relevant to the future economy, such as coding, whilst also needing a good grounding in Maths and Science to make them employable in future. Rubén Kostucki at Makers academy further explained that the school curriculum and computing curricula in universities struggle to keep pace with advances in tech.

Digital Skills Providers

- 4.5 Beyond the classroom, more innovative solutions are a part of the mix. Members visited Technology Will Save Us, who create affordable coding kits, to teach children the rudimentals of computer programming in an informal way. They have just partnered with the BBC to provide, via schools, a coding kit to every 11-year-old in the country.
- 4.6 For school-leavers and adults, digital learning opportunities are springing up all over the city. Many choose to complete fast-track programming courses with private organisations such as Makers Academy, General Assembly and Decoded, as a launch-pad to a new career. But at present such courses are only accessible to those with £8,000 to spend. East London has 287 schools, and no end of talent to help fill the skills gap, but children from the local area struggle to access training both through lack of awareness, and an inability to afford it.
- 4.7 Wearedotdotdot.com has been established by Centre for London, who spoke with Members on the visit, to provide a gateway for young people in East London and beyond to find and access digital skills opportunities. It advertises everything from code clubs to apprenticeships, to help kids into tech all the way from school age to young adulthood. And its founders have built a partnership with Makers Academy, to build opportunities for local youth to access coding courses through the tech city fellowship. The first participant in the scheme, Simon, has just graduated and is now helping

teach other young coders. However initial funding for the tuition fee loans provided to students remains a significant barrier to the growth of the scheme.

Apprenticeships

- 4.8 Elsewhere, apprenticeships exist, designed to get young disadvantaged Londoners into the industry. Tech City Stars has had some success amongst others. However the dominance of SMEs in the sector means the industry has struggled to fully embrace and take advantage of the opportunity for talent which apprenticeships provide. In their '[Trained in London](#)' report, the Committee found that London's tech sector had less than 0.4 apprenticeships per 100 employees, making it the second lowest performing sector in the capital. And the House of Lords Select Committee on Digital Skills found, in February 2015, that the number of digital technology apprenticeships, particularly high-level apprenticeships, was far below what the economy needed. In 2013/14, less than 3 per cent, of the total number of apprenticeship starts, were in ICT.
- 4.9 Finally, concerns remain in the industry, regarding the agility of apprenticeships, and their ability to adapt rapidly and frequently enough to keep up with the constantly evolving recruitment needs of businesses. Makers academy pointed out that they have never taught the same course more than once as they change their curriculum in line with the pace of change in the industry as a whole. In order to ensure apprenticeships keep a similar pace of innovation, more input from the sector is required, however SMEs struggle to engage individually, and a cross sector incubator lab, has been called for to enable SMEs to collaborate on building a sustainable, collaborative apprenticeship programme from which they would gain value.

5. Summary of findings

- 5.1 The Committee would follow the visit by producing a summary of findings. This would also set out recommendations to promote the growth of the digital economy, and to develop the talent of young Londoners to meet the skills needs of London's tech businesses.

6. Legal Implications

- 6.1 The Committee has the power to do what is recommended in this report.

7. Financial Implications

- 7.1 There are no direct financial implications arising from this report.

List of appendices to this report: None

Local Government (Access to Information) Act 1985	
Contact Officer:	Charlotte Maddrell, Scrutiny Manager
Telephone:	020 7983 5618
Email:	economycommittee@london.gov.uk