

REQUEST FOR MAYORAL DECISION – MD2040

Title: Digital Talent programme

Executive Summary:

The Mayor (under cover of MD1563) on 26 October 2015:

- approved expenditure of up to £7m, including £5m funded from the Growth Deal and £2m from the European Social Fund (subject to ESF approval), for the Mayor's Digital Talent Programme inclusive of expenditure of £0.205m for programme staffing costs and £0.095m to procure evaluation services for the programme; and
- delegated authority to the Executive Director of Development, Enterprise and Environment to approve changes to the proposals for individual elements of the programme as may be required for delivery.

The changes in this Mayoral Decision include;

- extended delivery timelines
- revision of target beneficiaries for the programme
- changes to the staffing arrangements approved under MD1563

Decision:

The Mayor approves:

- expenditure of up to £7m, including £5m funded from the Growth Deal and £2m from the European Social Fund for the Mayor's Digital Talent Programme
- an extended delivery timeline for the Digital Talent programme to complete delivery and expenditure by March 2019, subject to internal carry-forward processes;
- the revision of target beneficiaries for the programme interventions to focus on Londoners aged 15-24 years old, particularly women, BAME Londoners and disadvantaged Londoners; and
- changes to the proposed staffing arrangements previously approved by MD1563, to ensure that there is sufficient staffing resource for the duration of the programme subject to the Authority's annual budget setting process, detailed in paragraphs 1.13 – 1.18.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

22/11/16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 There is a critical need to ensure that the rapid growth in jobs requiring digital skills benefits Londoners. To ensure this the Mayor wants to invest London Enterprise Panel approved £5million Growth Deal funds to up-skill young Londoners aged 15-24 years old to compete for these jobs.
- 1.2 This investment will help rapidly growing firms whose growth is potentially hampered by a lack of locally-sourced skilled labour. This in turn will contribute to London's competitive advantage as a global city.
- 1.3 The programme will contribute towards the delivery of the Mayor's manifesto commitment to 'take tech to the next level' by establishing a tech talent pipeline, through the Skills for Londoners taskforce, following the model developed by New York, with more young people enabled and encouraged to gain key digital skills, and more apprenticeships in the sector. It will ensure more girls are supported to develop tech skills, so that we can turn around the under-representation of women in tech jobs.
- 1.4 Investment will:
- make an immediate impact on young Londoners of working age who want a job that requires digital skills;
 - inspire and prepare more young Londoners aged 15-24 years old for digitally-skilled occupations so they can access well-paid jobs in digital, creative and technology disciplines, with a specific focus on young women, BAME Londoners and those from disadvantaged backgrounds. The programme will achieve this by stimulating long-term collaboration between skills providers, Further Education (FE) colleges, Higher Education (HE) universities, secondary schools, sixth form colleges and employers of all sizes.
- 1.5 This report follows a previous Mayoral Decision and two previous Director Decisions (see below), which authorised development work for the initiation phase of the programme.
- MD1563 Mayor's Digital Talent Programme
 - DD1270 LEP Delivery Staffing Resources (FE Capital and Digital Skills Programmes) £31,500 for the staffing costs in delivering the Digital Skills pilot programme
 - DD1327 Phase 3 of the City Skills Fund Digital Skills £60,250 Research to support the specification and evaluation framework of the £5 million Digital Skills programme awarded to the LEP as part of the Local Growth Deal.

Proposed delivery approach

- 1.6 The Digital Talent programme has been divided into six strands or work areas, which will be delivered as follows:
- **Strand 1:** £0.125m revenue allocated to procure a provider or provider(s) who will assess Apprenticeship requirements at levels 3 and above in technology, digital and creative disciplines; conduct up to 50 "Digital Labs" between employers and further education skills providers, which

will “proof” and enrich curricula and courses to make learners’ training more relevant to industry skills needs

- Strand 2: £1.5m revenue (plus additional £1.5m subject to ESF approval) revenue allocated to fund delivery of focused pre-employment skills and employability interventions to help young Londoners aged 15-24 years old enter technology, digital, creative job roles.
- Strand 3: £0.5m (plus additional £0.5m subject to ESF approval) revenue allocated to fund a higher level skills programme focused on start-ups and SMEs. It will do this through brokering university/SME partnerships to shape skills provision for current higher education students around the needs of these businesses. This provision will include digital and enterprise skills. The models will be tested through work placements in start-ups and SMEs. Students will be on a Level 6 programme or above and will be matched to the needs of the start-up and SME.
- Strand 4: £2m capital allocated to funding industry-standard training facilities, equipment and related capital assets that enable learners to have first-hand experience of working with the tools industry use, and which employers require new employees to have.
- Strand 5: £0.3m revenue allocated to fund a quality teacher Continuous Professional Development (CPD) package. This will raise teachers’ awareness of digital careers through increased industry exposure and connecting teaching staff in secondary schools, sixth form colleges and FE colleges with those working in industry.
- Strand 6: £0.300m revenue allocated to invest in a coordination, information and marketing campaign to direct young people to careers advice and digital learning opportunities.

1.7 The programme will also include the following planned expenditure:

- £0.180m allocated for programme staffing costs (covered in section 1.13 to 1.20 below)
- £0.095m allocated for evaluation during the project and a longitudinal study, also linking to the wider Growth Deal programme evaluation.

1.8 The Digital Skills project management team proposes to commission the services for strand 1 and 4-6 and identify suppliers through competitive and formal tendering processes in compliance with the terms set out in the GLA Contracts and Funding Code.

1.9 Strands 2 and 3 will follow a grant award process in compliance with the terms set out in the GLA Contracts and Funding Code, which will be managed by the ESF Delivery Unit for projects funded under the GLA’s ESF 2014-20 Programme, in accordance with MD1642.

1.10 All funding agreements will include provision to allow the GLA to reduce or withhold payments or require repayment in the event of failure to meet agreed milestones/outputs. Both funding agreements and contracts for services will be structured so as to enable the GLA to terminate at any point for convenience.

1.11 Strands 2 and 3 of the programme will target 15-24 year old BAME, disadvantaged and female participants and SMEs. Delivery agencies will be asked to monitor and report on specific outputs and percentages of participants at regular points throughout the lifetime of the programme.

1.12 Strand 6 will directly target these cohorts of young Londoners through an integrated, digitally-driven marketing campaign, and by utilising networks and communication routes already in place.

Staffing and governance

- 1.13 The Economic and Business Policy Unit (EBPU) will retain overall responsibility for the programme and the Digital Skills project management team as part of the LEP Growth Deal 1 commitments.
- 1.14 Staffing budgets were agreed in MD1563 for a total of £0.205m by utilising £30,000 from strand 6 to adequately cover the projected costs at that time. Since that approval the programme setup has been delayed due to a political change and the European Union Referendum, which had subsequent implications on the £2million European Social Fund (ESF) contribution, match-funded by this programme, and staffing requirements have therefore changed.
- 1.15 These delays mean the programme timelines will be extended by a further financial year, ending March 2019. This will result in additional staffing costs to ensure the programme is resourced until the programme closes.
- 1.16 A 1.0 FTE grade 10 Principal Policy Officer will oversee commissioning, programme management, reporting and communications, management of the project review group, stakeholder engagement, work with the relevant GLA teams to maximise leverage, build connections and commission and interpret evaluations. This post is currently budgeted until August 2018 and an extension is required for this post until March 2019, costing approx. £44,000. The current staffing allocation is contained within the programme budget and additional budget will be requested for this extension through the GLA budget setting process
- 1.17 A 1.0 FTE grade 8 Senior Projects Officer has been appointed for 12 months to setup and contract manage elements of the programme and work across both EBPU and the Regeneration team on the Digital Talent Pipeline and Ada, National College for Digital Skills. This is 50% funded by the Digital Talent programme budget and 50% funded by the DEE Minor Programmes Budget for a 12 month period. An extension is required for this post to ensure there is adequate staffing in place for the programme lifetime, costing approximately £84,000. The current staffing allocation is contained within the programme budget and additional budget will be requested via the GLA budget setting process.
- 1.18 The ESF delivery team will lead on procurement and contract management of strands 2 and 3 of the programme.

2. Objectives and expected outcomes

The objectives of the programme are to:

- a) Increase the number of high-quality learning opportunities for young people aged 15-24 years old to study industry-designed courses in technology, digital and digital-creative disciplines that will lead to employment.
- b) Support 1,000 young Londoners to access new, industry approved learning opportunities.
- c) Support 500 University students to gain new skills and work experience through SME placements
- d) Support 400 start-ups and SMEs to access higher level skills that will support business growth
- e) Support 400 school and FE teachers to deliver industry-relevant digital skills learning and qualifications.
- f) Support 2,000 young Londoners to access better information, sign-posting, careers guidance and inspirational events for digital, technology and digital-creative roles.

- g) Increase the knowledge and awareness of young people aged 15-24 years old, parents, careers advisors and teachers of digital career paths and job opportunities in the sector.
- h) Increase the number of young women, young BAME Londoners and those from disadvantaged backgrounds gaining employment in digital, technology and digital-creative occupations.

Strand	Outputs and Outcomes
Strand 1 “Digital Labs”	Outputs <ul style="list-style-type: none"> • Analysis of Apprenticeships landscape in technology, digital and digital-creative disciplines at levels 3 and above to support procurement of strand 2 and wider policy development • Produce report detailing above plus guidance for SME implementation of Apprenticeship Levy • Up to 50 funded courses and Apprenticeships at level 3 and above reviewed with industry through “Digital Labs” (for strand 2 delivery) • Best practice identified for the sector as a whole and shared Outcomes <ul style="list-style-type: none"> • Employers are better able to articulate their skills and employment needs to learning providers • Skills providers are able to deliver skills demanded by employers
Strand 2 “Digital Skills training”	Outputs (with ESF funding) <ul style="list-style-type: none"> • 1000 participants (aged 15-24) receiving support package (starts) • 700 Londoners (aged 15-24) gaining a relevant qualification/unit or completing a course at equivalent of level 3 and above (completions) Outputs (without ESF funding) <ul style="list-style-type: none"> • 500 participants receiving support package (starts) • 350 Londoners (age 15-24) gaining a relevant qualification/unit or completing a course at equivalent of level 3 and above (completions) Outcomes <ul style="list-style-type: none"> • Young participants receive training and skills relevant to business needs • Participants are <u>job ready</u> on leaving the pipeline
Strand 3 “Creating opportunity: higher level skills in London’s knowledge economy”	Outputs (with ESF funding) <ul style="list-style-type: none"> • 500 industry placements in start-ups and SMEs • 400 start-ups and SMEs participating Outputs (without ESF match-funding) <ul style="list-style-type: none"> • 250 industry placements in start-ups and SMEs • 200 start-ups and SMEs participating Outcomes <ul style="list-style-type: none"> • Start-ups and SMEs access higher level skills to support business growth • Students gain skills and work experience relevant to London’s labour market and knowledge economy.

Strand 4 "Capital kit fund"	Outputs <ul style="list-style-type: none"> • Five new or enhanced digital learning hubs across London to support skills provision Outcomes <ul style="list-style-type: none"> • Businesses are able to recruit staff with experience of using the latest equipment • Skills providers are able to deliver a more relevant curriculum
Strand 5 "Teacher CPD package"	Outputs <ul style="list-style-type: none"> • 400 school / FE professionals supported • Initiatives across London to enable secondary schools, sixth form colleges, private skills providers and FE colleges to learn best practice from each other and improve their career guidance offer Outcome <ul style="list-style-type: none"> • Teachers are upskilled and have raised levels of confidence • Teachers are better informed about the opportunities and requirements of jobs with digital skills
Strand 6 "Digital learning and careers"	Outputs <ul style="list-style-type: none"> • 2,000 15-24 year olds accessing career advice, work experience and digital learning opportunities Outcomes <ul style="list-style-type: none"> • More young Londoners are inspired to take up an occupation requiring digital skills

3. Equality comments

The evidence suggests there is a significant opportunity to address demand for digitally skilled workers by increasing the number of women working in information technology. The House of Lords 'Make or Break – the UK's Digital Future' considered evidence suggesting this could generate an extra £2.6 billion each year. Women make up fewer than 30% of the information and communications technology workforce, comprise around 20% of computing graduates and fewer than 10% of app developers. The Project Manager will give due regard to this when commissioning and designing the various strands of this programme. This could include weighting selection criteria to advantage proposals with well-considered approaches to addressing this.

4. Other considerations

a) Key risks and issues

Risk	Mitigation	Risk rating
The FE system in London is going through a process of re-commissioning and significant funding reductions. This could significantly enhance the risk of supply chain failure for the	Through the process of Area-Based Reviews we will target providers deemed as financially robust. In addition, strong private sector learning providers that are not reliant on public sector funding will also be sourced. Robust supplier	High

commissioned elements of the programme.	assessment and due diligence at procurement.	
The ESF funding application for a £2m revenue contribution to deliver strands 2 and 3 is not approved	The delivery within these strands will be reduced and the project management team will plan to lever in-kind investment from the private sector to fulfil the objectives for these strands of activity	Medium
GLA does not receive viable proposals when commissioning these strands because the outcome targets are too challenging	The Project Manager has carried out significant market-warming activities and events before starting the formal commissioning process	Medium
The proposed investment is too small to have a credible impact on the problem	Select the most promising proposals to develop hubs of excellent skills provision. Ensure these evaluate and share 'what works' across the FE and skills sector	Medium
Difficulty measuring impact on local employment, as job outcomes will happen many years after the intervention	Develop framework and budget for follow-up evaluation 2-3 years after the programme ends	Medium

b) Links to Mayoral commitments

The Digital Talent programme will contribute towards delivery of a key Mayoral manifesto commitment

This programme forms part of a wider strategy that will be termed the 'Tech Talent Pipeline'. The strategic role of the Digital Talent programme will help towards creating a functioning pipeline across the capital.

"Establish a tech talent pipeline, through the Skills for Londoners taskforce, following the model developed by New York, with more young people enabled and encouraged to gain key digital skills, and more apprenticeships in the sector. In particular I will ensure more girls are supported to develop tech skills, so that we can turn around the under-representation of women in tech jobs."

The programme will also help to reduce digital exclusion for future generations by supporting teachers to effectively deliver the national Computing curriculum.

The investment proposal will also deliver on the commitments made in the LEP's Growth Deal 1.

The Deputy Mayor for Skills, Planning and Regeneration, Deputy Mayor for Business and the Deputy Mayor for Culture and Creative Industries have all been consulted on the growth areas and industries this programme will target.

c) Impact assessments and consultations.

The programme was informed by research led by the Education Foundation and UKIE between January and March 2015, which consulted a range of education and industry stakeholders. Further research and multiple consultation events have taken place since that point to further inform the programme design. A 'Digital Talent taskforce' has been established with a panel of employers representing a range of sectors where digital skills are needed.

d) European Social Fund Co-financing programme 2014-20

Following Brexit, Treasury announced that it would support ESIF programmes (including ESF projects) to their natural completion (i.e. beyond the UK's withdrawal from the EU if required). The GLA have been working to secure Memorandums of Understanding, and a Priority 1 memorandum was issued on 31 October. However, prior to progressing to the publication of project opportunities with ESF funding embedded, the GLA will need to take MoUs through the formal sign-off process, and all project specifications will be required to be approved by the GLA ESF Delivery Unit and European Programmes Management Unit. MoUs are expected to be signed during November 2016, and the (EPBU management team) and ESF Delivery Unit are working on the finalisation of specification for the Digital Talent programme in order to submit to EPMU for their final approval.

If there are significant delays to the above process, a decision will be taken on whether to proceed without the ESF £2million match-funding.

5. Financial comments

- 5.1 The total gross budget for this programme remains unchanged from that approved by MD1563 and totals £7m. The gross budget is made up of £2m capital funding and £5m revenue funding. As per MD1563 a sum of £2m capital has been received from DCLG as part of the 2015-16 Growth Fund allocation, with the indicative amount of £3m capital receivable in 2016-17. The £3m capital receivable in 2016-17 will be utilised as revenue via a capital / revenue swap using the flexibility from the New Homes Bonus (NHB) funding that is to be received via London Boroughs.
- 5.2 The balance of £2m revenue funding for the project is to be funded via the European Social Fund. As per the main body of this report, the GLA are currently awaiting formal approval of this funding and whilst the risk is minimal, in the event that the funding is not awarded, the scope of the programme will be reduced accordingly.
- 5.3 It should be noted, however, given the delays in the project; project timelines, the profiling of expenditure and staffing resource arrangements have changed from those previously approved by the mayor under cover of MD1563. The project timelines are now extending to the end of March 2019 and consequently the profiling of expenditure has changed from that previously approved and is summarised below:

	2016/17	2017/18	2018/19	Total
	£	£	£	£
GLA Capital	500,000	1,500,000	0	2,000,000
GLA Revenue	526,500	1,252,000	1,221,500	3,000,000
ESF Revenue	200,000	800,000	1,000,000	2,000,000
TOTAL	1,226,500	3,552,000	2,221,500	7,000,000

- 5.4 As part of the original project approval, two fixed term contract posts were created to support the programme; one being a Grade 10 Principal Policy Officer post (STAF629), for which costs have been budgeted until March 2018 to be funded from the overall programme budget noted above and the other being a Grade 8 Senior Projects Officer post (STAF684) that was created for a 12 month

period. For the Grade 8 post this is funded 50:50 from the above programme budget and the DEE Minor Projects budget.

- 5.5 For the current staffing arrangements; the costs are containable within the available budget provision noted above. However, in order to ensure that the programme is resourced until the end of the programme (31 March 2019) the project team will look to extend the current staffing arrangements and will therefore seek to fund the proposed extensions via growth bids submitted as part of the Authority's budget setting process (approximately £128,000). The proposed extensions of the posts will go through the usual HR procedures (Head of Paid Service Approval) and in the event that growth bids for the extensions are not approved; officers will need to accommodate the extensions within the £5m revenue allocation noted above, with necessary adjustments made in programme delivery.
- 5.6 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustments will be made.

6. Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the GLA's statutory powers to do such things considered to promote or which may be considered facilitative of or conducive to the promotion of the economic development and wealth creation in Greater London.
- 6.2 Should the Mayor be minded to approve the proposals set out in this report officers must ensure that they:
- 6.2.1 pay due regard to the principle that there should be equality of opportunity for all people;
 - 6.2.2 consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom;
 - 6.2.3 consult with appropriate bodies;
 - 6.2.4 are content that the GLA can meet the conditions to which the provision of any third party funding is subject, seeking legal and finance advice as necessary;
 - 6.2.5 do not act in reliance of such third party funding until legally binding commitments are in place in concerning the provision of the same;
 - 6.2.6 any supplies and/or services required for the delivery of the programme are procured by Transport for London Procurement and officers should liaise with Transport for London Procurement in this regard and ensure that appropriate contract documentation is put in place with and executed by the GLA and proposed service providers before the commencement of the required supplies and/or services;
 - 6.2.7 to the extent that the GLA intends to award grant funding to third parties in respect of projects that align with the aims of the programme, appropriate funding agreements are put in place with and executed by the GLA and proposed recipients; and
 - 6.2.8 meet all requirements of the GLA's HR policies and procedures to the extent applicable.

7. Planned delivery approach and next steps

Activity	Timeline
Market-warming and project initiation	Taken place
Procurement of delivery agents; establish contracts for all strands 1-6	September 2016 – February 2017
Announcement and launch	March 2017
Delivery Start Date	March 2017
Interim evaluation	December 2017
Delivery End Date	December 2018
Project Closure	January 2019
Final Evaluation	March 2019

Delivery timelines for strands 2 and 3 will be dependent on the type of courses funded by the programme. Bidders will be required to give realistic start and end dates that will allow them to develop course content, market the offers and recruit participants to the courses. It is anticipated that a variety of courses will be funded through the programme to ensure there is a wide offering that will suit different learning needs. This may result in differing start and end dates for the courses, which will be taken into account through monitoring and evaluation of the programme.

Appendices and supporting papers: None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Catherine Knivett has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.

✓

Sponsoring Director:

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Jules Pipe has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 10 October 2016.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. [Signature]

Date

17.11.16

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

21/11/2016.

