

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2204

Title: Digital Talent Pipeline programme – revised financial allocation

Executive Summary:

The Mayors Digital Talent Programme is a £7 million fund to support the development of digital, tech and creative skills in young Londoners. The Programme is multi-stranded, with six separate project funding strands that is being delivered through the Skills for Londoners taskforce.

Investment will:

- make an immediate impact on young Londoners of working age who want a job that requires digital skills; and
- inspire and prepare more young Londoners aged 16-24 years old for digitally-skilled occupations so they can access well-paid jobs in digital, technology and creative occupations, with a specific focus on young women, Black, Asian and Minority Ethnic (BAME) Londoners and those from disadvantaged backgrounds.

MD1563 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.

Decision:

That the Executive Director of Development, Enterprise and Environment approves:

1. The re-allocation of the following funds within strand 2 of the Digital Talent Programme to a new 'Young Entrepreneur' Project:
 - a. £258,500 revenue from the strand 2 'Digital Bootcamps' project; and
 - b. up to £200,000 revenue from the strand 2 'Digital Skills Training'.
2. The expenditure of £458,000 from the new strand 2 'Young Entrepreneur' project to fund a training course and support young Londoners develop entrepreneurial skills and employ these skills in the development of a small enterprise/startup.
3. The allocation of up to £150,000 revenue from the GLA Education and Youth team to supplement strand 5 (Teacher CPD package) project of the Digital Talent Programme, increasing the total funding available to up to £450,000.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Fiona Fletcher-Smith

Position: Executive Director-Development,
Enterprise & Environment

Signature:



Date:

25.01.18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1 Introduction and background

Background – Digital Talent Programme

- 1.1 As part of Skills for Londoners, the Mayor's Digital Talent Programme is investing £7m to help young people get the right skills to fill a growing number of digital, creative and technology jobs. There is a critical need to ensure that the rapid growth in jobs requiring digital skills benefits Londoners.
- 1.2 The Programme is being delivered 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, to help combat the under-representation of women in tech jobs.
- 1.3 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 16-24 years old for digitally-skilled occupations so they can access well-paid jobs in digital, technology and creative occupations, with a specific focus on young women, Black, Asian and Minority Ethnic (BAME) Londoners and those from disadvantaged backgrounds.
- 1.4 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.

Strand 2: Young Entrepreneurs

- 1.5 London is the number one European city for fostering start-ups and scale-ups¹. A developed Venture Capital industry and a large financial services sector has created the right environment for the growth of fintech and crowdfunding startups.
- 1.6 Globally, young people are three times more likely than adults to be unemployed². Digital entrepreneurial activity can be an effective tool for young people to enter the labour market and develop work skills. Particularly as youth show significantly higher levels of entrepreneurial activity. According to 2012-2014 GEMs data, youth are 1.6 times more likely to have entrepreneurial ambitions than adults³, however this does not indicate the development of a successful business. The key is to translate this entrepreneurial intention into sustainable businesses that can contribute to the economy.
- 1.7 Digital entrepreneurial ventures create jobs, research by Accenture in 2014 estimated that digital entrepreneurs could create 10 million new youth jobs in G20 countries within five years⁴. It is imperative that London capitalises on its advantages as a 'digital city' and supports an active and thriving digital entrepreneurial sector to drive job growth.

¹ The European Digital City Index, 2016

² Based on 2012-2014 GEM National Teams data analysed by Schott, T., Kew, P. and Cheraghi, M. in 'Future potential: A GEM perspective on youth entrepreneurship 2015' <http://www.innovacion.gob.cl/wp-content/uploads/2015/08/gem-2015-youth-report-1436523546.pdf>

³ Ibid

⁴ 'Harnessing the power of entrepreneurs to open innovation' Accenture & the Young Entrepreneurs' Alliance, 2015.

- 1.8 Access to funding is a key limiting factor for young entrepreneurs. In a global survey of young entrepreneurs in 2015 by global consultancy EY, access to funding was identified as the number one barrier to realising entrepreneurial goals (43% of respondents)⁵.
- 1.8.1 There is an identifiable need to support young people entering digital entrepreneurship. Young women and young people from disadvantaged backgrounds lack contact with successful entrepreneurial role models for mentoring and support. For instance, based on Global Entrepreneurship Monitor (GEM) data 2012-2014, young men are 1.3 times more likely than young women to personally know an entrepreneur⁶. The lack of networks, or even the knowledge on how to enter these networks, hinders access to essential seed funding. This was also reflected in the Prince's Trust report, *Slipping through the net* (December 2016), which found that young people, particularly young people who are Not in Education, Employment, or Training (NEETs), lacked knowledge in:
- How to apply digital skills to expand professional contacts and engage with businesses
 - How to apply these skills to create concrete strategies.
- In addition, access to suitable IT infrastructure and ongoing and relevant education and training is essential in the entry and retention of young people in the digital entrepreneurial sector.
- 1.9 **Strand 2 – Digital Bootcamps**
Thirteen applications for grant funding were received by the deadline. They were assessed and scored against the published criteria by GLA Officers from the Delivery Unit (DU) of the European Social Fund team and Economic and Business Policy. This process included appraisal, interviews and moderation. Only three providers demonstrated the technical (digital) aspects of the specification sufficiently and were awarded funding. The overall budget was £2,000,000. In total £1,483,000 was awarded to three providers. The EBP have retained their £258,500 funding to allocate to another project (the remaining £258,500 match funding was provided by the DU). It is proposed that this £258,500 is allocated to a new 'Young Entrepreneurs' project within strand 2 (see paragraph 2.1 to 2.5 below).
- 1.10 **Strand 2 – Digital skills training**
It is anticipated that there will also be underspend from the Digital Skills Training project which is also being delivered through strand 2 of the Digital Talent Programme. The total amount of underspend is anticipated to be in the region of £200,000. It is proposed that this further underspend also be allocated to the 'Young Entrepreneurs' project.

Strand 5: Teacher Professional Development

- 1.11 The strand 5 Teacher Professional Development project will support teachers and training providers in the education of Young Londoners, as well as connect them with digital and tech businesses. It is essential that teachers are confident and up to date with current digital technology, and that they can advise and provide direction for students that wish to enter the digital tech workforce.
- 1.12 The priorities of the Teacher Professional Development project align with those of the Education and Youth team. Namely, improving learning outcomes in the digital and tech in London. A key tool in improving learning outcomes is to support teachers and trainers so they are confident and knowledgeable of the digital tech landscape.

⁵ EY global creation and youth entrepreneurship survey 2015, [http://www.ey.com/Publication/vwLUAssets/EY_global_job_creation_and_youth_entrepreneurship_survey_2015/\\$FILE/EY-job-creation-youth-entrepreneurship-survey-2015.pdf](http://www.ey.com/Publication/vwLUAssets/EY_global_job_creation_and_youth_entrepreneurship_survey_2015/$FILE/EY-job-creation-youth-entrepreneurship-survey-2015.pdf)

⁶ Based on 2012-2014 GEM National Teams data analysed by Schott, T., Kew, P. and Cheraghi, M. in 'Future potential: A GEM perspective on youth entrepreneurship 2015' <http://www.innovacion.gob.cl/wp-content/uploads/2015/08/gem-2015-youth-report-1436523546.pdf>

- 1.13 The GLA Education and Youth team will have up to £150,000 of revenue left from the London Schools Excellence Fund. It is proposed that the funds be made available to support the strand 5 Teacher Professional Development project.

Previous decisions

- 1.14 This report follows two previous Mayoral Decisions and three previous Director Decisions (see below), which authorised development work for the initiation phase of the Programme:
- MD2040 Digital Talent 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.
 - DD2118 Digital Talent Programme – revised financial allocation

2 Objectives and expected outcomes of the decision

- 2.1 The objectives of the overall Programme remain the same as MD1563.

Strand 2: Young Entrepreneurs

- 2.2 The creation of a new Young Entrepreneur project within strand 2 will contribute to the overarching objectives of:
- Increasing the number of high-quality learning opportunities for young people aged 16-24 years old to study industry-designed courses in technology, digital and digital-creative occupations that will lead to employment.
 - Increasing the number of young women, young BAME Londoners and those from disadvantaged backgrounds gaining employment in digital, technology and creative occupations.
- 2.3 The Young Entrepreneur project will provide training and support to young Londoners from diverse backgrounds to develop skills in digital entrepreneurship. Providing them with the skills necessary to plan, develop and run an entrepreneurial venture or startup. The young Londoners will also be supported through improved access to networks, funding opportunities, and working spaces.
- 2.4 The reallocation of the unspent funds from the Digital Bootcamps (£258,000) and Digital Training (up to £250,000) projects of strand 2 will result in a total funding amount of £458,000. This will fund up to two providers to deliver a training programme and support package for young Londoners aged 18-24 years. The training offers will be targeted towards women, young Londoners from BAME backgrounds, and young Londoners who are NEET or at risk of NEET.

Strand 5: Teacher Professional Development

- 2.5 The allocation of the £150,000 funding from the GLA Education and Youth team will result in a total funding amount of £450,000 for the Teacher Professional Development package. This additional funding will enable the Teacher Professional Development package to reach more participants, having a broader impact upon the delivery of digital skills education in London.

3 Equality comments

- 3.1 The purpose of the Digital Talent Programme remains unchanged from the original funding allocation. The Programme has a specific focus on inspiring and training more young women, young BAME, and young people who are NEET or are risk of NEET aged 16-24 years old to pursue careers in tech, digital and creative. The Young Entrepreneur project will provide an additional avenue for young people in currently under-represented groups to enter the digital, tech and creative sector and realise entrepreneurial ambitions.
- 3.2 The proposed changes to the funding allocation ensures that surplus funding (both from within the Programme and from the Education and Youth team) is used to train and support young Londoners that are currently under-represented in tech and digitally skilled occupations in London, namely young women and people from BAME backgrounds. The reallocation of funds will assist young Londoners in finding work within London's digital, tech and creative workforce.
- 3.3 The delivery of the Digital Talent Programme will adhere to the requirements of section 149 of the *Equality Act 2010*.

4 Other considerations

Links to Mayoral commitments

The 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 Programme will help towards creating a functioning pipeline across the capital to: "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."

5 Financial comments

- 5.1 The proposed reallocations of funding to other strands of the Programme totals £458,500 (£258,500 from Digital Bootcamps & £200,000 from Digital Skills Training) and will be contained within the existing Programme budget as previously approved by MD2040 and DD2118 (held within the Economic Business Policy Unit).
- 5.2 In addition to the reallocation of the existing budget provision, there will be additional spend upon strand 5 of the Programme, specifically the CPD packages up to the value of £150,000. This will be funded from under-spends accruing from the 2017-18 London Schools Excellence Fund budget (held within the Communities & Intelligence Directorate). This additional spend will increase the total allocation for strand 5 to £450,000.

6 Legal comments

- 6.1 The foregoing sections of this report indicate that the decisions requested of the director 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 director be minded to approve the proposals set out in this report, officers must ensure that they:
- pay due regard to the principle that there should be equality of opportunity for all people;
 - 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; and
 - consult with appropriate bodies.
- 6.3 Officers must ensure they are content that the GLA can comply with any conditions to which the provision of any third party funding is subject, seeking legal and finance advice as necessary, and in any event do not act in reliance of such third party funding until legally binding commitments are in place in concerning the provision of the same.
- 6.4 Any supplies and/or services required for the delivery of the Programme must be procured by Transport for London Commercial and officers should liaise with Transport for London Commercial in this regard who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code.
- 6.5 Officers must 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.
- 6.6 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, officers should ensure appropriate funding agreements are put in place with and executed by the GLA and proposed recipients.
- 6.7 In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 8 (above) of this report.

7 Planned delivery approach and next steps

Activity	Timeline
Market-warming and project initiation	Taken place
Procurement of delivery agents; establish contracts & grant funding agreements for the Young Entrepreneur project and the Teacher Professional Development project	January 2018 – June 2018
Launch of programme offer	June 2018
Delivery Start Date	November 2018
Interim evaluation	January 2019
Delivery End Date	December 2019
Project Closure	February 2020
Final Evaluation	March 2020

Delivery timelines for the two projects 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. 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.

8 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:

Julia Thomson has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Michelle Cuomo-Boorer has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

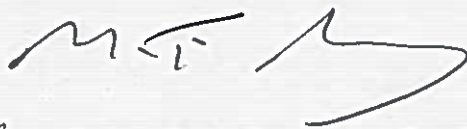
Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 22 January 2018

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

25.01.18

M MIDDLETON ON BEHALF OF MARTIN CLARKE