

REQUEST FOR MAYORAL DECISION – MD1563

Title: Mayor's Digital Talent Programme

Executive Summary:

The Mayor's Digital Talent Programme will contribute to the strategic objective of connecting more Londoners with jobs on their door step. The Digital Talent Programme will specifically address this by tackling the emerging gap between the skills Londoners have or are being equipped with and what employers say they need. We want to help more Londoners aged 14-24 years old to gain 21st Century jobs by using £7m, comprising £5m of Growth Deal investment and £2m from the European Social Fund (ESF) to enable the education and skills system to be more responsive to the skills needs of businesses. The programme will align with the London Enterprise Panel's London 2036 Growth Plan and the strategy of Government to generate an evidence base of what works locally to support continued devolution of skills over time.

The £2m European Social Fund contribution has been applied for and is subject to approval. If this is not approved the budget for the programme will total £5m.

Decision:

That the Mayor:

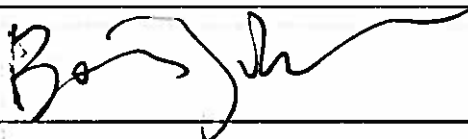
- approves expenditure of up to £7m, including £5m funded from the Growth Deal and £2m from the European Social Fund (subject to ESF approval) for the Mayor's Digital Talent Programme inclusive of expenditure of £0.205m for programme staffing costs and £0.095m to procure evaluation services for the programme; and
- delegates 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.

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:

26/10/2015.

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 and London Enterprise Panel want to invest Growth Deal money to up-skill young Londoners aged 14-24 years old to compete for these jobs.
- 1.2 The Growth Deal investment will also 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 impact of the digital talent programme will be twofold. 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 who are in education for digitally-skilled occupations so they can enter a job when they leave. The programme will achieve this by stimulating long-term collaboration between Higher Education universities, Further Education colleges, secondary schools, sixth form colleges and employers.
- 1.4 This report follows two previous Director Decisions, which authorised development work for the initiation phase of the 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

- 1.5 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 to conduct 50 reviews between employers and further education skills providers, which will “proof” and enrich curricula and courses in order to make learners’ training more relevant to industry skills needs
 - Strand 2: £3m revenue (£1.5m subject to ESF approval) allocated to develop a digital talent management programme to assess and plug existing digital skills gaps amongst London learners between 14-24 years old, by delivering focused pre-employment skills and employability interventions to help them gain a job where digital skills are needed. The programme will form a core part of developing the Digital Talent pipeline.
 - Strand 3: £1m (£0.5m subject to ESF approval) revenue allocated to develop a higher education (HE) level skills programme offering students from disadvantaged groups higher level digital and enterprise skills training relevant for working in start-ups and SMEs.

- Strand 4: £2m capital allocated to funding for 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 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: £0.275m revenue allocated to invest in a coordination and information campaign to direct young people to careers advice and digital learning opportunities.

1.6 The programme will also include the following planned expenditure that will be procured via approval from this Mayoral Decision:

- £0.205m allocated for programme staffing costs (covered in the section below)
- £0.095m allocated for evaluation during the project and a longitudinal study, also linking to the wider Growth Deal programme evaluation.

1.7 The project management team proposes to commission the services for strands 1 – 6 and identify suppliers through competitive and formal tendering processes in compliance with the terms set out in the GLA Contracts and Funding Code. All contracts will include provision to allow the GLA to reduce, withhold or request repayment in the event of underperformance. They will also be structured so as to enable the GLA to terminate at any point for convenience.

Staffing and governance

1.8 The Economic and Business Policy Unit (EBPU) will retain overall responsibility for the programme and the project management team as part of the LEP Growth Deal 1 commitments. The project management team will set up and report to a project review group made up of officers from EBPU, ESF Delivery, Finance, and Education & Youth teams.

1.9 A staff complement of 1.5 FTE Grade 10 policy roles 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 staff complement includes an existing Grade 10 0.5 FTE currently on the establishment with plans to recruit a new Grade 10 1 x FTE which will be programme funded. The performance of the programme will be monitored on a quarterly basis by a programme-funded grade 8 GLA Contract Manager (0.5 FTE). This post will sit in the GLA's ESF Delivery team.

1.10 The new Grade 10 1 x FTE will be appointed in December 2015 and will be in post until March 2018. The Grade 8 0.5 FTE is on the establishment within the ESF delivery team. Funding will cover 50% of the associated costs for this post between April 2016 and March 2018.

1.11 The 0.5 G8 FTE in the ESF delivery team will contract manage elements of the programme within strands 2 and 3 that are proposed to be delivered with an ESF funding contribution, subject to approval.

1.12 The ESF delivery team will lead on procurement of the ESF funded elements of the programme, subject to funding approval.

2. Objectives and expected outcomes

The objectives of the programme are to:

- a) Establish the London Digital Talent Pipeline to increase the number of young Londoners gaining employment in digital occupations
- b) Increase the number of places for people at 16 and over at FE colleges for young Londoners to study industry-designed and endorsed digital short courses that are going to lead to a job
- c) Increase the knowledge and awareness of young people (14-24), parents, career advisors and teachers of paths into digital careers and job opportunities in the sector

The programme aims to create a talent pipeline that will help 1,000 young Londoners enter a job requiring digital skills through the following mutually reinforcing strands of activity:

Strand	Outputs and Outcomes
Strand 1 Connecting London's digital talent with leading employers through a pipeline	<p>Outputs</p> <ul style="list-style-type: none"> • 50 FE courses reviewed • Best practice identified for the sector as a whole <p>Outcomes</p> <ul style="list-style-type: none"> • Employers are better able to articulate their needs to learning providers • Providers are better able to deliver skills demanded by employers
Strand 2 Business led vocational provision	<p>Outputs</p> <ul style="list-style-type: none"> • 350 Londoners (age 14-24) gaining a relevant qualification or unit at level 3 • 500 participants receiving support package <p>Outcomes</p> <ul style="list-style-type: none"> • Skills meet business needs more directly • Participants are job ready on leaving the pipeline
Strand 3 Higher level skills: building talent and opportunity	<p>Outputs</p> <ul style="list-style-type: none"> • 500 participants receive digital skills training • 600 industry placements/internships • 500 participants gain qualification at Level 4 or above <p>Outcomes</p> <ul style="list-style-type: none"> • Improved relevance of higher level skills to London's business needs • Participants are job ready on leaving the programme through gaining relevant industry experience
Strand 4 Capital investment in digital centres of excellence	<p>Outputs</p> <ul style="list-style-type: none"> • 1,000 additional learning places per year • Five new or enhanced digital learning hubs within leading FE colleges <p>Outcomes</p> <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

<p>Strand 5 Raising teachers' awareness of digital careers through increased industry exposure</p>	<p>Outputs</p> <ul style="list-style-type: none"> • 400 school / FE professionals supported • Initiatives across London to enable secondary schools, sixth form colleges and FE colleges to learn best practice from each other and improve their career guidance offer <p>Outcome</p> <ul style="list-style-type: none"> • Teachers are better informed about the opportunities and requirements of jobs with digital skills
<p>Strand 6 Engaging, inspiring and alerting young people to opportunities to learn more about digital careers</p>	<p>Outputs</p> <ul style="list-style-type: none"> • 2,000 14-24 year olds accessing career advice, work experience and digital learning opportunities <p>Outcomes</p> <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 Economic and Business Policy Unit 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
<p>The FE system in London will go through a process of re-commissioning and significant funding reductions during the life of this programme. This could significantly enhance the risk of supply chain failure for the commissioned elements of the programme.</p>	<p>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 assessment and due diligence at procurement.</p>	<p>High</p>
<p>The capital-revenue switch through the New Homes Bonus is not possible in 2016/17</p>	<p>The programme could be redesigned to increase the kit fund capital grants and aim to achieve the objectives by leveraging other activities</p>	<p>Medium</p>

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	Carry out market-warming activities and events before starting the formal commissioning process, and review planned outcomes	Medium
The proposed investment is too small to have a credible impact on the problem, which affects the majority of FE providers	Select the most promising proposals to develop hubs of excellence. Ensure these evaluate and share 'what works' across the FE 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 strategies and priorities

The project will support the Mayor's EDS economic objectives to:

- ensure that London has the most competitive business environment in the world and
- give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers.

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

The programme will implement an action agreed by the Mayor in his Digital Inclusion Strategy by helping Londoners acquire the skills they need to get and keep a job through affordable training. SMEs engaged on the programme will also be offered access to wider support to help them improve their connectivity. The programme will help to reduce digital exclusion for future generations by supporting teachers to effectively deliver the national Computing curriculum.

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. It is proposed the commissioning of the programme will be further informed through convening a panel of employers representing a range of sectors where digital skills are needed and through market warming activities with potential providers and interested parties promoted widely, including through the London Enterprise Panel.

5. **Financial comments**

5.1 Approval is being sought for the proposed approach to allocate a budget of up to £7m (£2m capital, £5m revenue) for the Mayor's Digital Talent programme.

5.2 Approval is also sought to recruit a fixed term Grade 10 post to oversee programme management for the period December 2015 to March 2018 and fund a 0.5 FTE Grade 8 post to monitor the

programme for the period April 2016 to March 2018 at a cost of up to £205,000, and to procure evaluation services at a cost of up to £95,000.

- 5.3 The sum of £2m capital has been received from DCLG as part of the 2015/16 Growth Fund allocation. An indicative £3m capital is receivable in 2016/17. The use of this for revenue has been confirmed via a capital revenue swap using the flexibility from the New Homes Bonus (NHB) grant funding to be received via London boroughs.
- 5.4 The sum of £2m revenue funding has been applied for from through the European Social Fund (ESF) and is subject to approval processes. It is anticipated that confirmation of the award of funding will be received in October, after which a further report will be presented to IPB. If this funding is not approved, the scope of the programme will be reduced accordingly.
- 5.5 The proposed profile of spend is :

	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000
GLA capital	-	1,000	1,000	-	2,000
GLA revenue	25	1,220	1,710	45	3,000
ESF revenue	-	550	1,075	375	2,000
TOTAL	25	2,770	3,785	420	7,000

- 5.6 With confirmation of the NHB spending proposals, funding has been identified to meet this and other revenue pressures in 2015-16 and 2016-17. However, whilst sufficient budget provision will exist in 2015-16, meeting the additional pressures identified in 2016-17 (including this one) will require savings of £3.2m to be identified in next year's budget process.
- 5.7 A carry forward request will need to be submitted as part of the year end closure of accounts process for any expenditure funded from the Digital Skills budget to be incurred in 2016/17 or future years. All budget carry forward requests are subject to approval.
- 5.8 It is the project manager's responsibility to ensure spend is contained within the budgets available.

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 ensure 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 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 that funding; and
 - 6.2.8 comply fully with all GLA HR/Head of Paid Service protocols in respect of staffing proposals, in particular the need to gain all necessary approvals for the creation of any new posts.
- 6.3 Given that the proposed programme and expenditure period extend beyond the current mayoral term officers must also observe the principle that an incumbent administration should not unreasonably fetter the discretion of any future administration, ensuring that its and all relevant documentation are structured so as to enable the GLA to terminate at any point for convenience and milestones and payments should be structured so as to minimise the impact of the exercise of such termination rights.
- 6.4 The Mayor may, under section 38 of the Greater London Authority Act 1999, delegate the exercise of the GLA'S functions to the Executive Director of Development, Enterprise and Environment should he wish.

7. Investment & Performance Board

The Investment and Performance Board at its meeting on 17 September 2015 accepted the proposed Digital Skills programme and approach to spending outlined within this report, and approved it progressing to the Mayor for approval.

A minor change has been made to increase the staffing budget allocation from £0.18m to £0.205m since the IPB approval to ensure there is adequate staffing provision until the programme ends in March 2018. The funding to cover this increased staffing cost has been moved from the budget for Strand 6 that was agreed at IPB, reducing the amount from £0.3m to £0.275

8. Planned delivery approach and next steps

	Milestones, deliverables and promotional activity	GLA lead	Planned date
1	Market-warming and project initiation	EBPU	October 2015 – December 2015
2	Procurement of contracts	"	January – March 2016
3	ESF procurement	ESF delivery team	January – March 2016
4	Announcement:	"	October 2015
5	Delivery Start Date	"	April 2016
6	Interim evaluation start-finish (self/external)	"	January – March 2017
7	Formative evaluation	"	March 2018
8	Delivery End Date	"	March 2018
9	Project Closure:	"	January 2019
10	Post project evaluation	"	January – December 2019

Appendices and supporting papers:

<p>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.</p> <p>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 <u>or</u> on the defer date.</p>
<p>Part 1 Deferral: Is the publication of Part 1 of this approval to be deferred? NO If YES, for what reason:</p> <p>Until what date: (a date is required if deferring)</p>
<p>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.</p> <p>Is there a part 2 form – NO</p>

<p>ORIGINATING OFFICER DECLARATION:</p> <p>Drafting officer: <u>Nathan Davies and Catherine Knivett</u> have drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.</p> <p>Assistant Director/Head of Service: <u>Mark Kleinman</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.</p> <p>Sponsoring Director: <u>Fiona Fletcher-Smith</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.</p> <p>Mayoral Adviser: <u>Joe Mitton</u> has been consulted about the proposal and agrees the recommendations.</p> <p>Advice: The Finance and Legal teams have commented on this proposal.</p>	<p>Drafting officer to confirm the following (✓)</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
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<p>EXECUTIVE DIRECTOR, RESOURCES: I confirm that financial and legal implications have been appropriately considered in the preparation of this report.</p> <p>Signature <u>M. J. Allen</u> Date <u>16.10.15</u></p>

<p>CHIEF OF STAFF: I am satisfied that this is an appropriate request to be submitted to the Mayor</p> <p>Signature <u>E. J. ...</u> Date <u>20.10.2015</u></p>
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