Economy Scrutiny Committee

Minutes of the meeting held on 22 June 2016

Present:
Councillor Richards – in the Chair
Councillors Amesbury, Appleby [ESC/16/26 - ESC/16/28], Battle, Davies, Farrell, Green [ESC/16/26 - ESC/16/28], Hacking, Moore, H Priest, Raikes, Razaq, Shilton Godwin and A Simcock

Councillor Priest, Deputy Leader
Councillor Stogia, Assistant Executive Member for Culture and Leisure and Greater Manchester Combined Authority (GMCA)/Association of Greater Manchester Authorities (AGMA) Scrutiny Pool member

Damian Payton, Hive Manchester
Katie Gallagher, Manchester Digital
Ian Ruff, New Economy
Rose Marley, SharpFutures
Jayne Hennessey, SharpFutures
Lewis Marsh, SharpFutures
Lacey Houghton, SharpFutures
Tim Rainey, Assistant Executive Director, Tameside Metropolitan Borough Council
Shaun Fensom, Community Broadband Network
Jim Braddock, Virgin Media
Dan Butler, Virgin Media,
Ashley Griffiths, The Loop – Gamma Telecom
Guy Matthews, Vodafone
Angela Blackburn, Barker and Hood

ESC/16/26   Minutes

Decision

To approve as a correct record the minutes of the meeting held on 25 May 2016.

ESC/16/27   Digital Skills

The Committee received a report of the Head of Work and Skills which provided an overview of the growth and employment opportunities in the City's digital sector and the critical role of skills to drive growth and ensure that Manchester's residents were benefitting from the career opportunities in the sector. The Head of Work and Skills introduced the report across its main themes.

The Committee welcomed Damian Payton from Hive Manchester, Katie Gallagher from Manchester Digital and Ian Ruff from New Economy.

Mr Payton informed members that Hive Manchester worked to equip young people with digital skills, through informal education, particularly clubs and events, but wanted to integrate this work with the formal education system.

Katie Gallagher informed members that Manchester Digital was the digital trade association for digital businesses in the north west of England. She advised members that companies were struggling to find employees with the necessary digital skills and about the work her organisation was doing to try to address this. She reported that some organisations were having to outsource work or were considering relocating elsewhere due to the digital skills shortage.

Ian Ruff from New Economy reported that his organisation was working on a Greater Manchester plan to address the issues raised. He informed members that this was a challenge for the education sector due to the fast paced change within this area. He reported that informal learning was working to fill this gap but that a more joined up approach was needed, involving the companies who required these skills. The Chair recommended that the Committee consider New Economy's skills plan at a future meeting.

The Committee also welcomed a number of guests from SharpFutures, a social enterprise which supported young people into employment in the creative digital sector – Rose Marley, CEO, Jayne Hennessey, Head of POD (People On Demand), apprentice Lewis Marsh and Lacey Houghton, who was undertaking a graduate work placement

The Committee watched a short video, which provided an overview of SharpFutures' work. SharpFutures also circulated a report to the Economy Scrutiny Committee which provided an overview of their work and recommendations for future priorities. Members welcomed the recommendations in SharpFutures report and agreed that these recommendations should be submitted to the Executive for their consideration.

The Committee welcomed Councillor Stogia, who informed members that she was attending as a member of the GMCA/AGMA Scrutiny Pool. She reported that the Scrutiny Pool was considering setting up a Task and Finish Group to scrutinise what the GMCA was doing in relation to digital skills and digital infrastructure. She advised members that the growth of the digital economy presented a major opportunity for the city and that there was an urgent need to ensure that local people had the skills to fill the jobs being created. She emphasised the importance of creating a credible plan, involving all stakeholders to address this issue at a Manchester and Greater Manchester level. Members supported this recommendation.

The Committee discussed the challenges in encouraging young people, particularly young women, to become interested in digital skills and consider this as a career option. Members discussed whether careers advisors were able to provide appropriate advice for young people on careers in digital industries. Mr Marsh and Ms Houghton reported that the careers guidance they had received in school and college had not met their needs, in advising them on the best path to pursuing a career in this area.

Members discussed how to equip older residents, including those already in the workforce with digital skills, identifying two separate issues, how to equip residents with basic IT skills and how to enable residents to gain the digital skills needed to

move into a career in digital industry. The Head of Work and Skills reported that basic IT skills were essential to enable people to enter the workforce as many companies used online job application process. She reported that Manchester Adult Education Service (MAES) and Manchester College provided training in basic IT skills and could support residents to move on to other training. She reported that the Adult Education budget had been devolved to Greater Manchester but was primarily for supporting people to develop basic skills. She advised that there was a need to engage with employers in the development of higher level skills and that businesses needed to invest in developing the skills of their workforce.

A member welcomed the work being done by the invited organisations to improve digital skills but emphasised the need to scale up the work being carried out. However, she noted that there was not currently capacity to do this as there were not enough people with the necessary skills who could teach it to others.

The Director of Education and Skills acknowledged that this was a significant challenge for schools. He reported that a lot of work on this was being done by teaching schools, which received government funding for the training and development of teachers. He advised that children currently in primary schools and in the early years of secondary schools had generally received a better level of education in digital skills. He reported, however, that children who would be leaving school in the next few years did not generally have the same skill level and that needed to be addressed. He reported that many schools were trying to build these skills through children's wider experience, not just through the taught curriculum.

Mr Payton reported that Manchester Hive had run an event to equip teachers with digital skills. He informed members that 180 teachers had been trained and that the course was over-subscribed. He advised that sessions his organisation ran for young people had also been over-subscribed and that the way to meet the demand was to train teachers to pass these skills on to young people.

Mr Ruff reported that identifying how to accredit digital skills was a challenge for the education system and for Ofsted. He advised members that digital skills needed to be embedded across the school curriculum. He reported that the devolution of the skills agenda could present an opportunity to make progress in this area. The Director of Education and Skills informed members that the current measures by which schools were held accountable focused on academic achievement, not whether young people had the skills, knowledge and behaviours needed by employers. He reported that, as part of devolution, local authorities and schools across Greater Manchester were in discussion with the Department for Education (DfE) about introducing measures relating to 'employability'.

Ms Gallagher emphasised the importance of connecting industry with education and reported that companies were keen to get involved because they realised the effect that not having people with the right skills would have on their businesses. She advised members that many small and medium enterprises (SMEs) did not feel they had the necessary knowledge on how to structure and manage a work placement and so were reluctant to offer students this valuable experience. However, she reported that her organisation wanted to develop a toolkit to support SMEs to offer placements. She reported that apprenticeships were not widely used in the digital

sector and highlighted some of the reasons, including the bureaucracy involved and the view of many parents and teachers that high achieving children should go to university rather than undertake an apprenticeship.

The Director of Education and Skills reported that the Digital Skills Network shared best practice in this area, although more progress was needed. He informed the Committee that he would communicate the information from today's meeting to the Digital Skills Network to consider how the issues raised could be progressed.

Decisions:

1. To thank the guests for attending.
2. To recognise the importance of improving the digital skills of adults and to consider this as part of a future report.
3. To consider New Economy's full skills plan at a future meeting, when it is available
4. To recognise the need for a clear Greater Manchester digital skills strategy, involving all stakeholders.
5. To support the following recommendations from the SharpFutures report and to forward these to the Executive:

PRIORITY 1
"To ensure that there is a pipeline of enthusiastic well skilled young people we need to."
1. Every school pupil in Manchester to visit and be inspired at least once by The Sharp Project and The Space Project to create greater volume of interest and awareness.
2. Parent Engagement is key.
3. Join up CEIAG (Careers Education Information Advice and Guidance) through a 'Digital Skills Passport' that employers also understand and recognise.

PRIORITY 2
"Increase 'on the job' experience for learners at all levels with focus on higher skills."
1. School work experience programmes co-ordinated across the city rather than ad-hoc.
2. to ensure higher level apprenticeships are connected to employers through work experience.
3. POD (people on demand) working with Universal Credit rolled out across the city / sector to ensure meaningful experience is gained. Supported by Universal Credit a 'New Deal for Digital'.

PRIORITY 3
"Up-Skill digital workforce including teachers and lecturers."
1. SMT (Senior Management Team) in primary and secondary schools to attend 'Discover Dojos' for teachers dispelling myths, giving confidence, wholly integrating our educators into the process and providing CPD (Continuing Professional Development) for the City's educators.

PRIORITY 4
"City of Digital Learning."

1. We shouldn't lose the Creative element of Creative Digital.
2. Wholly encompassing – Councillors, Chief execs, Parents, Lord Mayor's competitions to International Women's day. Everybody in the city should be aware we are UK's stand-out city for digital learning.
3. Digital Passport to join up the strategies.

Recommendations to grow
Invest in Capacity
Join up the strategy with unifying engagement
Do more – The Sharp Project and The Space Project

[Councillors Appleby and Hacking declared a personal interest in Manchester College.]

ESC/16/28   Digital Infrastructure

The Committee received a report of the Strategic Director (Strategic Development) which provided an overview of the challenges and goals which Manchester needed to embrace in respect of the digital infrastructure to improve internet connectivity and enable the city to sustain its economic growth trajectory and stay economically competitive in a global market. The Strategic Director (Strategic Development) introduced the report across its broad themes. He advised members that the city needed a more structured approach to expanding the digital infrastructure, including utilising opportunities when the ground was being excavated for other improvement works. A member supported this view, emphasising the importance of this work being built into the plans for other infrastructure development to avoid additional inconvenience and costs for residents and businesses.

The Committee welcomed Tim Rainey from Tameside Metropolitan Borough Council, Shaun Fensom from the Community Broadband Network, Jim Braddock and Dan Butler from Virgin Media, Ashley Griffiths from The Loop – Gamma Telecom, Guy Matthews from Vodafone and Angela Blackburn from Barker and Hood.

Mr Butler provided an overview of Virgin Media and its service provision. He delivered a presentation which outlined their ongoing work to expand their network and their plans to invest in Manchester.

Mr Griffiths delivered a presentation, which outlined the Loop's approach, which made use of existing assets, including connecting businesses to the 127km of 'dark fibre' cables already in the ground, and working with a range of stakeholders including health and education partners and the City Council.

Mr Rainey delivered a presentation which provided an overview of Tameside Metropolitan Borough Council's work to build the borough's digital infrastructure, the drivers for this change and the approach taken. The Strategic Director (Strategic Development) advised members that Tameside's work should inform Manchester's work in relation to its district centres as this was where new businesses were likely to start up.

Mr Matthews informed the Committee that Vodafone had invested in the mobile network in Manchester and nationally. He emphasised the important role of the mobile network, including supporting mobile working in the public sector and providing internet access for people who did not own computers and relied on mobile phones for internet access. He informed members that the mobile masts and stations plugged into the fixed network so his organisation was also affected by the issues discussed by other guests. He reported that providers were currently reliant on BT Openreach's infrastructure and Ofcom was currently reviewing this situation. He advised that the best option would be to structurally separate this infrastructure from BT so that other companies could invest in it. He informed members that the role of councils should be to assist private companies to invest in developing the digital infrastructure.

Ms Blackburn informed members that Barker and Hood was an international logistics company based on the Cargo site at Manchester Airport. She advised members that this site was still not connected to fibre broadband and that this severely impacted on their business as they relied heavily on e-mails and the internet. She reported that the system could go down several times a day and upload and download speeds were slow. The Strategic Director (Strategic Development) reported that work was taking place to address this but it was commercially sensitive.

In response to a member's question, Mr Butler outlined some of the obstacles his organisation faced, including regulations, such as planning regulations, and the time and cost of obtaining the necessary approvals.

In response to members' questions, Mr Rainey advised that the Ashton Old Baths development would have a data centre, enabling new digital businesses to start up and operate the business from the site. He also reported that it was hoped a range of telephone and internet service providers would want to be involved in the Tameside Digital Exchange and that this would drive innovation. Mr Fensom advised members that the local authority could take a lead in this work, working with other public sector partners including housing associations, and inviting the private sector to join in.

A member reported that the meeting had given Committee members a better understanding of this subject and that a key question was how far the market could meet demand and what role the local authority should play. She also expressed concern that many city centre residents were not able to access high-speed broadband. The Strategic Director (Strategic Development) advised that the Council's role was to facilitate and enable the private sector to expand and improve the digital infrastructure.

Councillor Stogia emphasised the importance of the digital infrastructure in realising Manchester's Growth and Reform ambitions and the need to put in place the digital infrastructure which would underpin the Digital Skills strategy. A member reported that the provision also needed to be affordable and accessible to residents.

The Strategic Director (Strategic Development) acknowledged that a clear strategy was needed. He advised members that the Council's Digital Strategy was produced

in March 2012 and, as this was a dynamic, fast-changing area, the strategy needed to be revised to reflect the current situation.

The Chair advised members that this discussion was a starting point and that the Committee would be considering this further at future meetings. She requested that a future report include information on priority areas geographically within the city, for both business and residents, and what was being done to address these. She recommended that the revised Digital Strategy be considered at a future meeting. She also recommended that the District Centres Subgroup consider the digital infrastructure of district centres, particularly provision for start-up businesses.

Decisions:

1. To thank the guests for attending.
2. To receive a further report at an appropriate time, to include information on priority areas geographically within the city, for both business and residents, and what was being done to address these.
3. That the revised Digital Strategy be considered at a future meeting.
4. That the District Centres Subgroup consider the digital infrastructure of district centres, particularly provision for start-up businesses.

ESC/16/29   Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained key decisions within the Committee's remit, responses to previous recommendations and the Committee's work programme. The Committee was asked to approve the work programme.

The Digital Infrastructure report was received late and was issued in a supplementary agenda.

A member reminded officers that the deadline for reports for the next meeting was Friday 8 July. The Chair informed members that, in future, if reports were not included in the courier dispatch to members on the Friday before the meeting, the item would be withdrawn from the agenda.

Decision

To note the report.