Economy Scrutiny Committee

Minutes of the meeting held on 28 February 2018

Present:
Councillor Richards– in the Chair
Councillors Davies, Hacking, H Priest, Shilton Godwin and A Simcock

Councillor B Priest, Deputy Leader
Councillor Stogia, Executive Member for Environment

Apologies – Councillor Green, Raikes and Razaq

ESC/18/12   Minutes

Decision

To approve as a correct record the minutes of the meeting held on 31 January 2018

ESC/18/13   Construction Skills for the future

The Committee considered a report of the Strategic Director (Development) and Deputy Chief Executive (People), which provided an overview of the digital sector in Manchester, including the vast opportunities both in terms of growth and businesses and the key role digital played in enabling reform, The report also examined the challenges facing the digital sector, including digital skills, digital infrastructure and artificial intelligence.

The Committee then received a number of presentations from representatives from Manchester Science Partnership and, Ordnance Survey as well as views an comments from representatives from Clicks and Links, Cisco and Vodafone as to the opportunities and challenges facing the sector

Officers and the representatives referred to the main points and themes within the report and their presentations which included:-

- Greater Manchester's creative and digital sector currently accounted for over 68,000 jobs and generated a gross value added (GVA) of £3.4 billion per annum;
- A percentage growth in the sector's GVA was predicted to be approximately 25% for the same period, the second highest of any sector;
- There was a need to develop an 'enabling' culture, which would be responsive to future trends, and which could look to build on academic and industry strengths within the region;
- Whilst Manchester had predicted strong digital growth, the city's digital strengths were not well known outside of the UK's digital sector. There was a need to increase the promotion of Manchester's digital capabilities outside of the digital world, both at a national and international level;

- By having a good understanding of what made the city more liveable, the Council had worked with industry partners to help apply digital technology as a solution in some of its areas, and was currently home to the UK's Internet of Things (IoT), City Demonstrator and CityVerve;
- CityVerve aimed to radically overhaul how the city's services were provided to its citizens by focusing on four themes, including Health and Transport. It used technology to facilitate 'smart' improvements for those that lived, worked and studied in the Oxford Road Corridor area;
- The digital skills gap was the most significant challenge facing the sector;, as employers were already not finding candidates with the right skills or the right combination of skills readily available, leaving a lot of vacancies unfilled;
- In some parts of Greater Manchester, over 15% of adults had never been online and over 25% lacked basic digital skills, including managing information, communicating, transacting and problem-solving;
- Gender imbalance appeared to be improving but not fast enough. There was also a large BAME gap, with BAME employees only making up 19% of the digital tech workforce;
- The pace of technological change made it difficult for schools and colleges to devise and maintain an up-to-date curriculum. Better information, advice and guidance was needed within schools so young people saw the industry as a viable career option;
- One of the main challenges facing digital infrastructure was ensuring that all residents could access it, both physically and financially in order to ensure that digital fully supported the inclusive growth agenda and digital exclusion was reduced;
- the GMCA had developed a first draft of a Greater Manchester Digital Strategy and it was essential that Manchester played its role in the delivery of this;
- As there were some challenges that were unique to Manchester, it was suggested that the Council developed a separate Manchester Digital Strategy which would be complementary to the Greater Manchester Digital Strategy on growth, as well as going further on areas such as digital public services and education.; and
- In line with the Our Manchester approach, it was proposed that the Digital Strategy would be developed in a collaborative way, recognising the creativity and vast digital expertise within the city to create a framework that worked for Manchester, not just the Council.

Some of the key points that arose from the Committees discussions were:-

- Clarification was sought as to whether the projected growth figures within the report related to Greater Manchester or just Manchester;
- How was the increase in GVA created;
- Concern was expressed that without integration with strategic planning a digital strategy would not achieve its desired outcomes;
- Members agreed that there was a need to be clear as to who a digital strategy was intended for;
- Members challenged whether developing a digital strategy was worthwhile for the Council to undertake on the basis of a potential lack in the necessary digital skills and understanding, the lack of a sufficient digital infrastructure across the

city, the limited power to deliver such a strategy and also what appeared to be a lack of private sector innovation;

- Was it likely for Manchester to implement a digital travel scheme, similar to the Oyster Card system by Transport for London (TfL);
- Was there capacity to ensure a digital strategy could be delivered which everyone could participate in and did not lead to inequalities amongst certain populations of the city;
- Members felt that there was a need to demonstrate across the city how digital innovations provided a benefit instead of just being confined to the area that CityVerve covered;
- In the view of the digital sector representatives, what should a digital strategy look to include;
- Was there a particular education path that young people could take which would best enable them to enter the digital sector;
- What skill level where digital sector employers looking for when recruiting; and
- In the view of the digital sector representatives, what was required if Manchester was to become a world leading smart city.

Officers advised the Committee that the projected growth figures contained within the report reflected a Greater Manchester forecast, however, the growth in the majority of jobs within the digital sector were within Manchester. Officers agreed to provide the exact growth figured for just Manchester to the Committee. In terms of the increase in GVA, this captured a number of areas, with digital growth forming just part of it.

In terms of a digital travel scheme, it was reported that smart ticketing was no longer new technology and the challenge of implementation a scheme in and across Greater Manchester was due to the deregulation of the bus services. It was also noted that the Oyster Card system operated by TfL would likely be overtaken in the near future by contactless payments connected to an individual's smart phone, akin to Apple and Google Pay.

The Strategic Director – Development, acknowledged the concerns raised by the Committee in connection to ensuring that any digital strategy was inclusive for all residents and agreed that the ability to easily access a digital infrastructure would be essential. He commented that he saw the Council undertaking an influencing role in ensuring this was delivered by digital providers. This view was supported by Vodafone, who commented that if Manchester was to be a leading digital city, it would need at its core, a fibre network.

The Committee was advised that the projects selected as part of City Verve had been done so based on value for money and a view of what was felt to be achievable over the course of the project. The representatives who formed part of the CityVerve project advised that that CityVerve was only a project to illustrate what was potentially achievable by harnessing and utilising data but acknowledged that when considering a digital strategy, consideration needed to be given to what could be delivered outside of the city centre.

The representatives from the digital sector commented that a digital strategy needed to be based on Manchester City Council's principles and focus on place. There also

needed to be a physical digital infrastructure to carry digital data. It was suggested that any strategy needed to be adaptive to change and have some degree of flexibility. Representatives commented that in delivering a strategy, the role of the Council could be that of an enabler; harnessing investment opportunities and acting as a catalyst in bringing digital providers together. Overarching all this however, was a need to develop a better understanding of what was achievable, using opportunities to learn from other cities both nationally and across Europe who had embraced the use of digital in delivering services to become true Smart Cities.

In terms of an education path for young people into the digital sector, it was commented that employers were not necessarily looking to employ people who were able to write computer code, rather the skill sets they were looking for were the ability to think laterally and problem solve. It was also commented that most digital employers would look for a potential employee with some form of graduate qualification in electronics, electrical engineering or computer science, however, this would not exclude other routes into this sector such as apprenticeships. Furthermore, as the skills requirements for some roles could be quite complex, there was a need for educational establishments to have a better understanding of what particular job/roles entailed so that they were able to provide improved guidance to their students.

Decision

The Committee:-

(1) Endorses the proposal of developing digital strategy for Manchester should focus on what Manchester will be as a place and how it will be inclusive for all residents;
(2) Agrees to add an item onto its work programme to consider the proposed digital strategy and how it will look to address the gap in talent both at a Manchester and Greater Manchester level;
(3) Requests that the Leader, Deputy Leader and Executive Member for Environment undertake a piece of work to broaden all Elected Members' understanding of the role digital can play in enabling reform across the city; and
(4) Requests that the Committee receive an update on the recommendations previously endorsed by the Committee and referred to the Executive for approval from the Sharp Futures report (minute ESC/16/27 refers)

ESC/18/14   Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

Decision

The Committee notes the report