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Digital Inclusion

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Manchester Digital can  
equip you and your  
business



# DIGITAL SKILLS FESTIVAL

MANCHESTER DIGITAL  
SKILLS AUDIT REPORT  
2018 @MCRDIG



Manchester Digital is the largest independent network for digital and technology businesses in the North, it is independent and fully owned by its members. The skills shortage is the single biggest issue affecting the growth and prosperity of digital and technology businesses in our region. Manchester Digital is committed to working alongside its members to deliver practical solutions and lobby regional and national government to ensure that policies are put into place that are fit for purpose and will deliver the volume and quality of talent we need to fill our businesses.

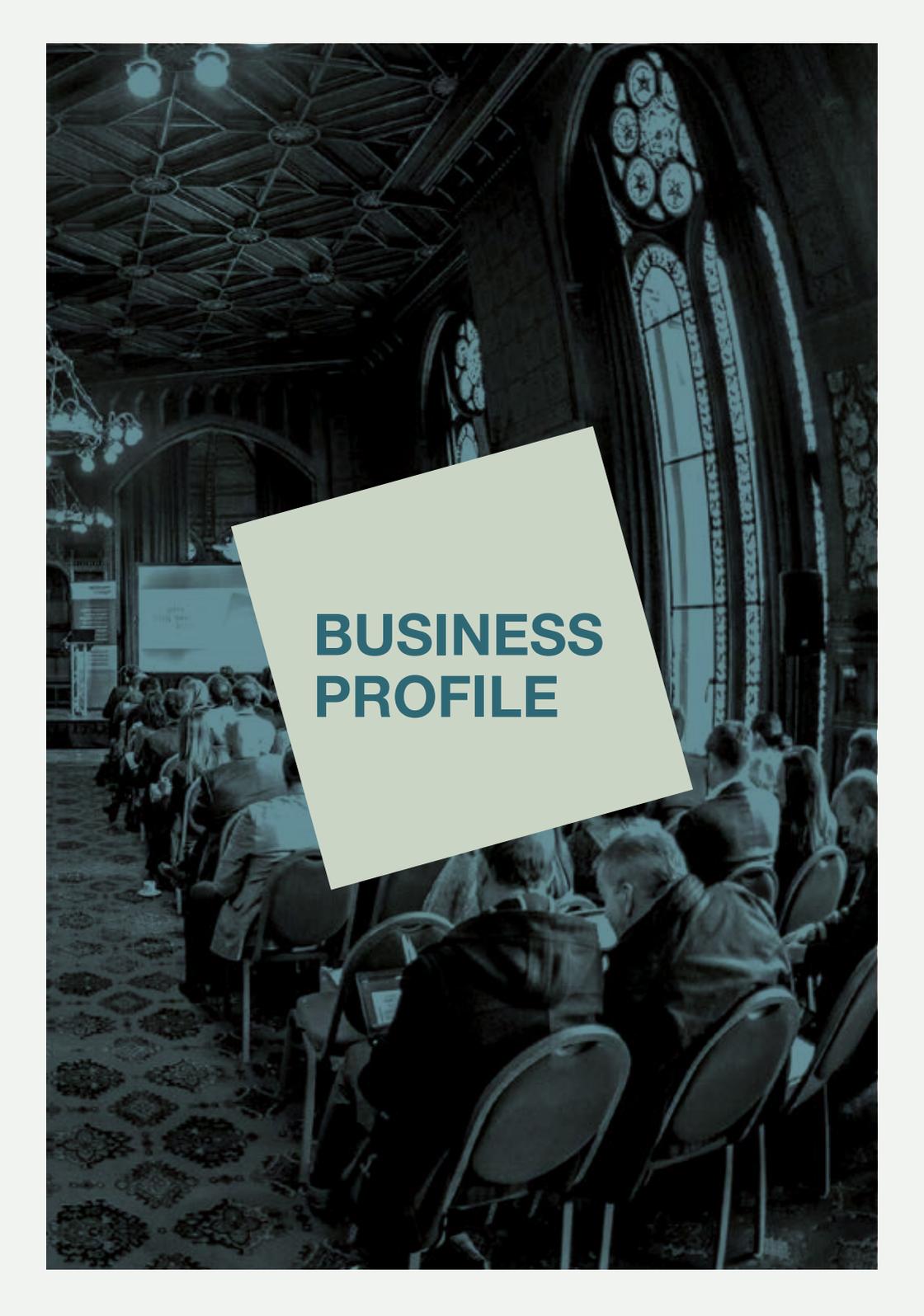
Each year we survey our membership and present the results at our Digital Skills Festival. This report contains the full findings from the survey and where relevant shows what has changed over the last 12 months and what the drivers behind it might be.

This year we updated some questions and slotted in some new ones such as the number of businesses relocating to the NW and have companies felt any impact from Brexit.

Headline findings from this year's survey include:

- A 6% drop in the number of companies reporting growth in turnover to 77%
- Acquiring machine learning and AI skills is a key concern for the region's digital and technology businesses
- Data science and analyst roles have also grown significantly in demand.
- Less companies taking on apprentices - this falls in line with the national decline in apprentices being recruited and is widely attributed to being down to poor implementation of the the Levy.
- Diversity is still a huge issue for the industry but there has been marginal progress over the last 12 months

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**BUSINESS  
PROFILE**

## Which businesses filled in our survey?

The profiles of companies filling in our survey has stayed pretty much the same over the past 4 years. Digital agencies remain dominant but categories such as technology provider, corporate and public sector are increasing each year reflecting the diversity and direction of the Manchester Digital membership.



**31%**

employ 1 - 10  
people



**11%**

employ 11 - 25  
people



**10%**

employ 26 - 50  
people



**34%**

employ 51-250+

Company Type	%
Telecoms	1
Hosting	3
Infrastructure (ISP Cloud etc.)	3
PR	3
Content Production	5
E-commerce	5
Product Development	5
Design Agency	6
Corporate with digital function (Bank, Law Firm)	8
Consultancy	9
Public Sector	9
Technology Provider	9
Software Development	16
Digital Agency	18

Have you relocated your business to the NW in the last 12 months?



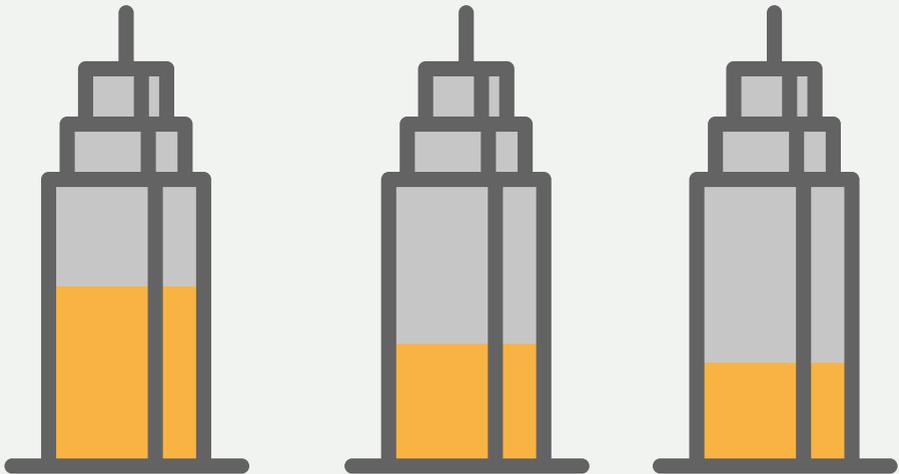
**10%** said they had relocated all or part of their business to the NW (or within the NW) in the last 12 months.

## Where in the NW have you relocated?

Manchester City Centre is seeing a high level of digital and technology businesses opening branches or relocating entirely. This puts pressure on the talent pool but is encouraging in terms of our ambitions to become a global destination.

There are some digital and technology businesses relocating to other areas of Greater Manchester such as Salford and Trafford but we are seeing many smaller businesses moving out of surrounding towns such as Warrington, Macclesfield and even Chester as they cannot recruit the skills they need from their locality.

Wigan and Tameside are both good examples of GM 'boroughs' who are working hard to make themselves attractive destinations for digital tech businesses and creating their own USPs.



**45%**

Relocated to  
MCR City Centre

**30%**

Rest  
of NW

**25%**

Rest  
of GM

## Business growth by turnover in the last 12 months

This is the first year since we have been running the skills audit that this figure has decreased, last year 83% of our businesses reported growth.

This figure could be due to several factors including economic slowdown in certain sectors or a lack of talent to service growth. For smaller businesses losing key members of staff in an increasingly competitive market could have a severe impact on their turnover.



**77%** reported growth

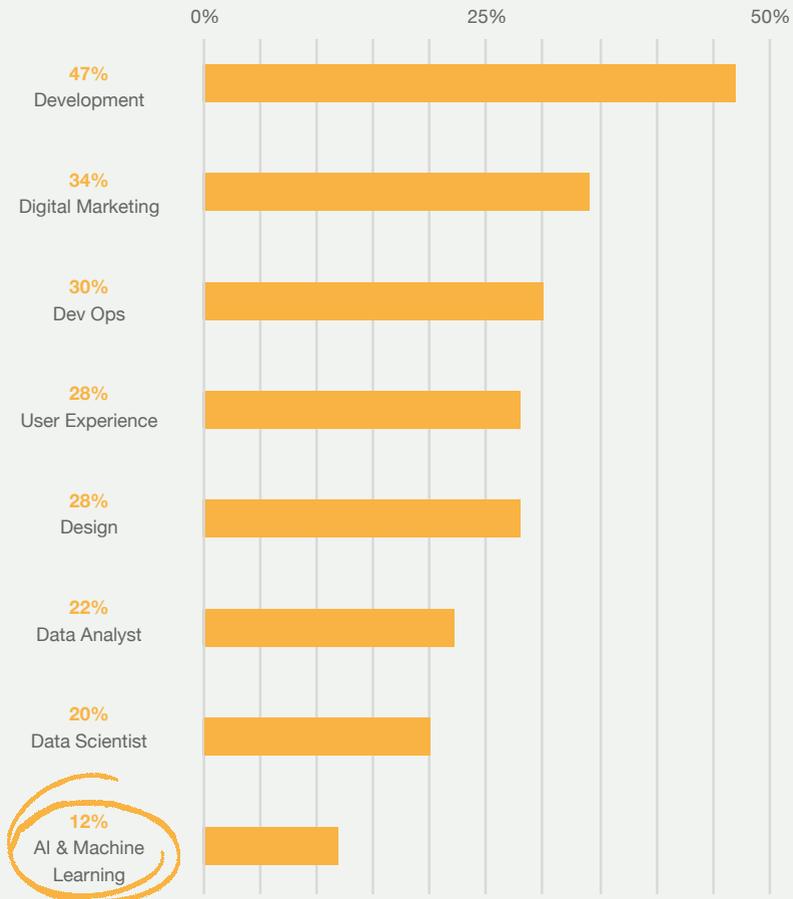
## Last year's recruitment plans

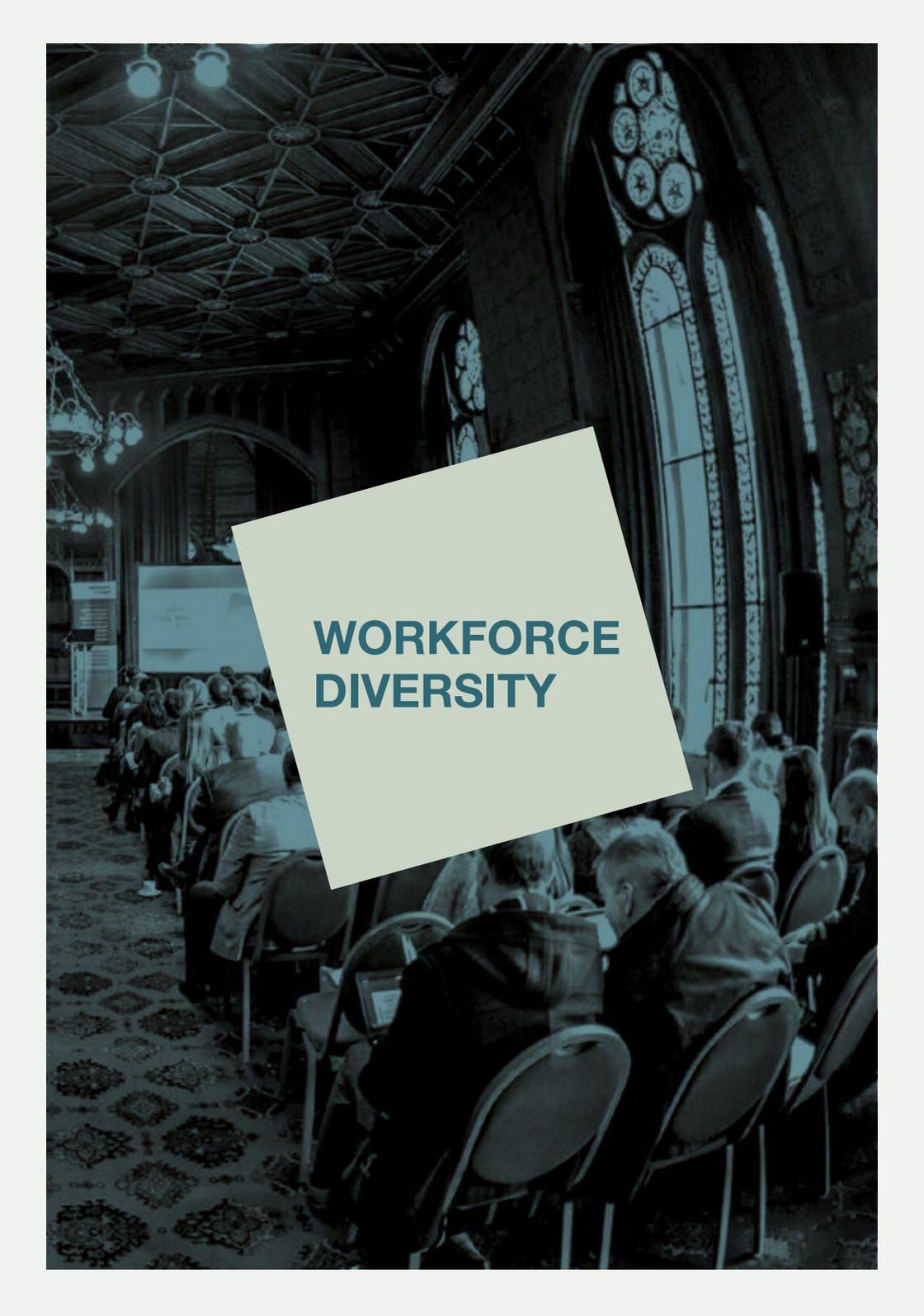


On average businesses had a **68%** success rate on filling vacancies they had advertised.

## What roles were businesses recruiting for?

Developer is always the most in demand role but we have seen a sharp increase in the demand for data science and analyst roles. Machine learning skills are becoming much more important to our members but research we did in this area shows that most companies are teaching themselves and using informal/peer learning to up skill themselves rather than recruiting those skills from universities etc.



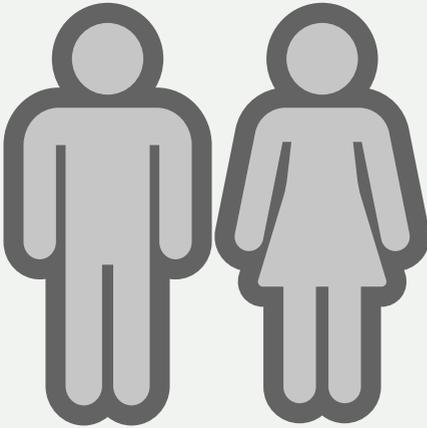


**WORKFORCE  
DIVERSITY**

## Roles split by gender

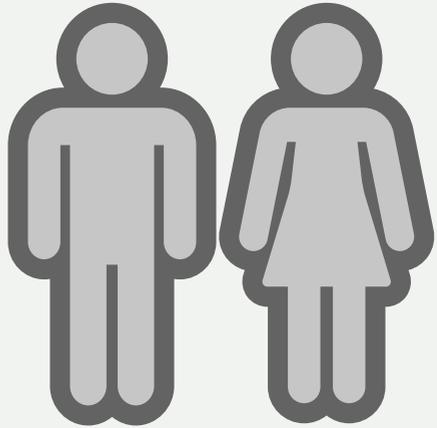
The stats are slightly better than 2017 but not significantly enough to be able to say that we are making any headway in improving the gender diversity in our tech workforces.

Work in tech businesses



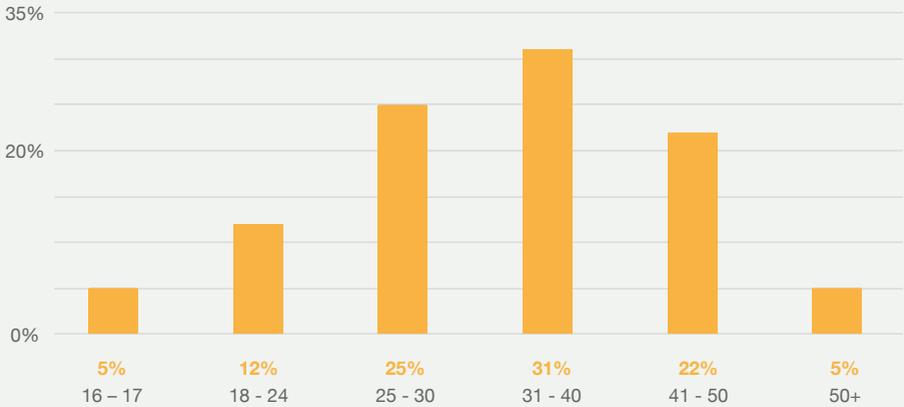
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Work in technical roles

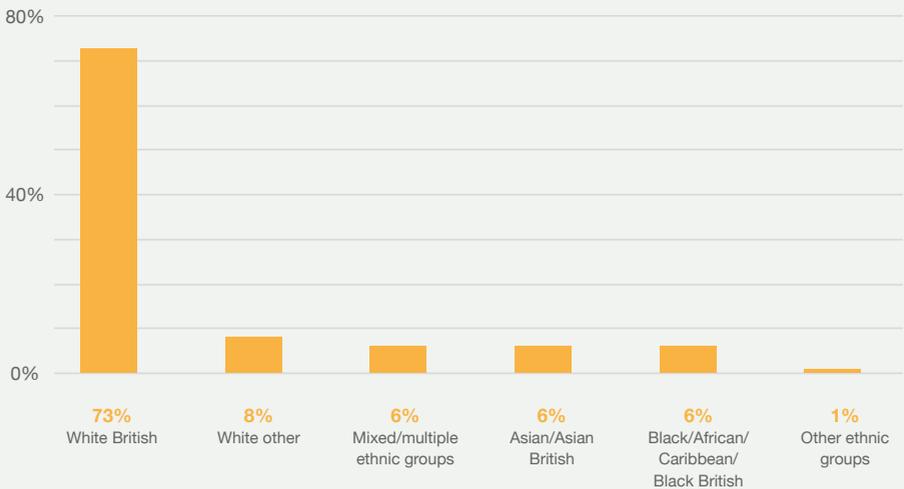


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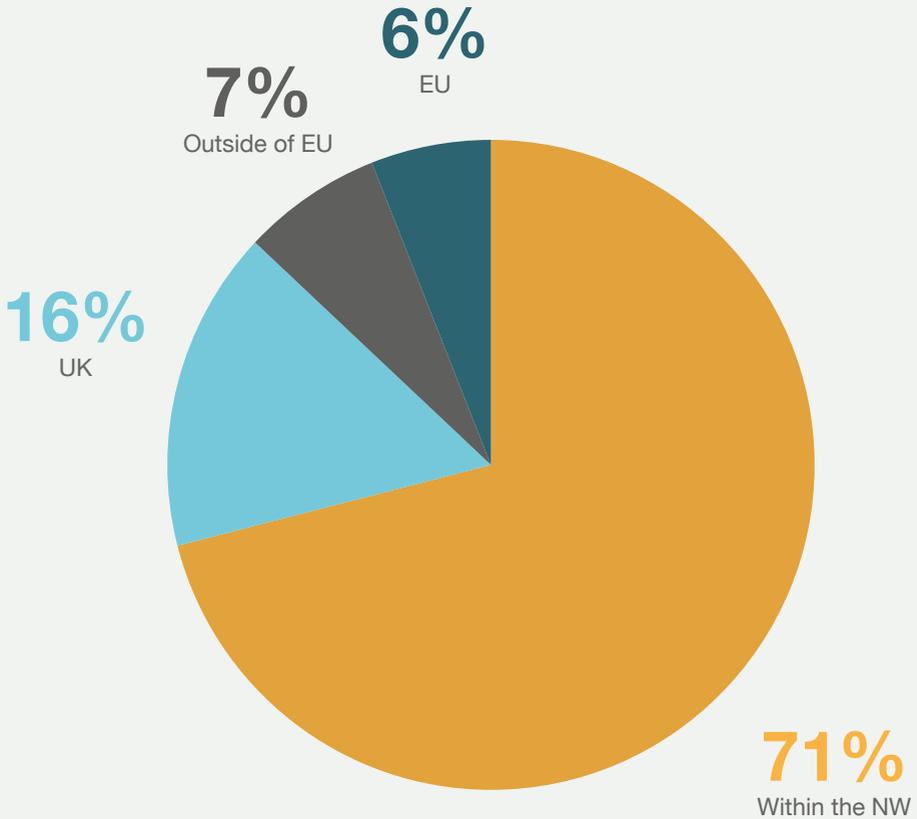
## Age profile of the people working in our businesses



## Ethnicity of the digital tech workforce



## Origins of workforce



The majority of the workforce is local as you would expect, dependence on EU talent has dropped from **10%** in 2017



# **BREXIT AND OFFSHORING**

## **45%** said their business had felt effects from the uncertainty around Brexit

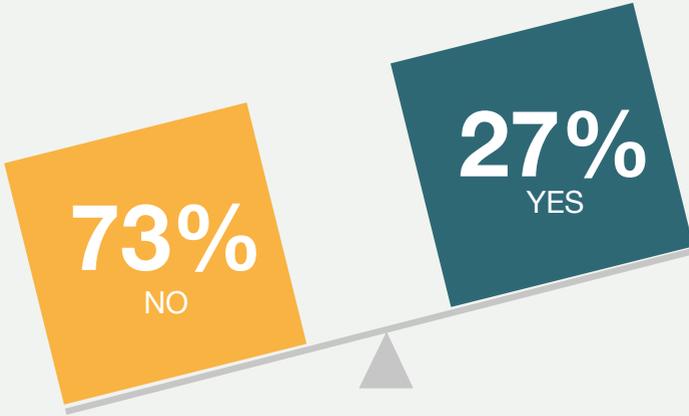


Of those 45%

**56%** cited concerns around losing key staff members and how they will fill gaps if EU workers rights are altered.

**48%** of businesses said that customers are delaying work or they have seen orders slowing down.

Have you had to turn away work as a result of not being able to find the right talent?



Have you offshored work?

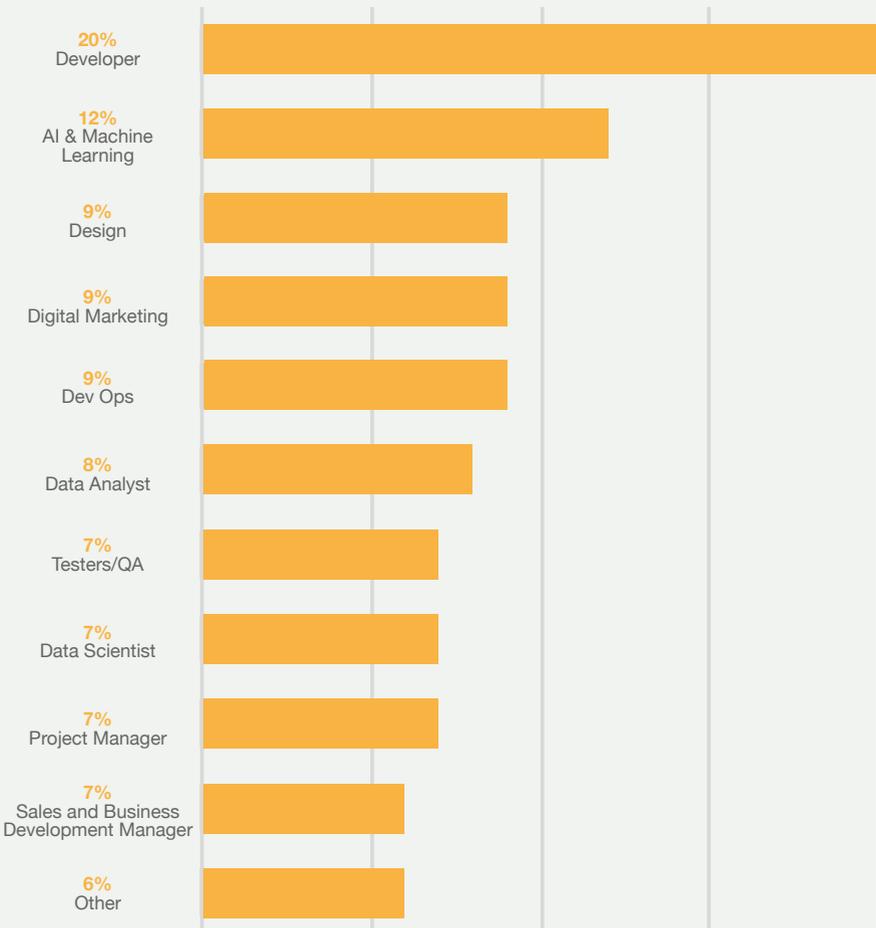




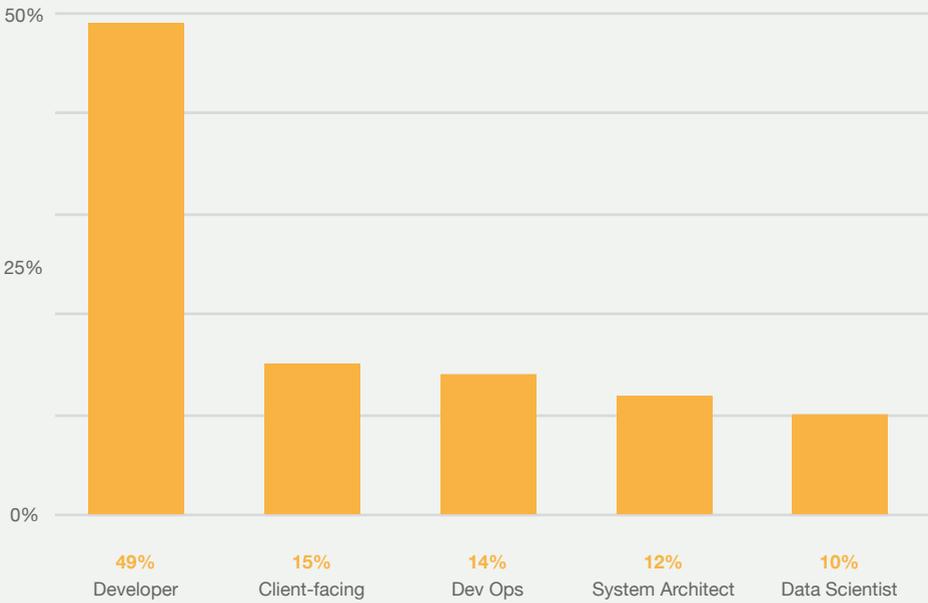
# SKILLS

## Which skillsets will grow in importance to your business?

AI & Machine learning is a new entry for this year and given the demand we must make sure that the region's colleges and universities have high quality modules within relevant courses.

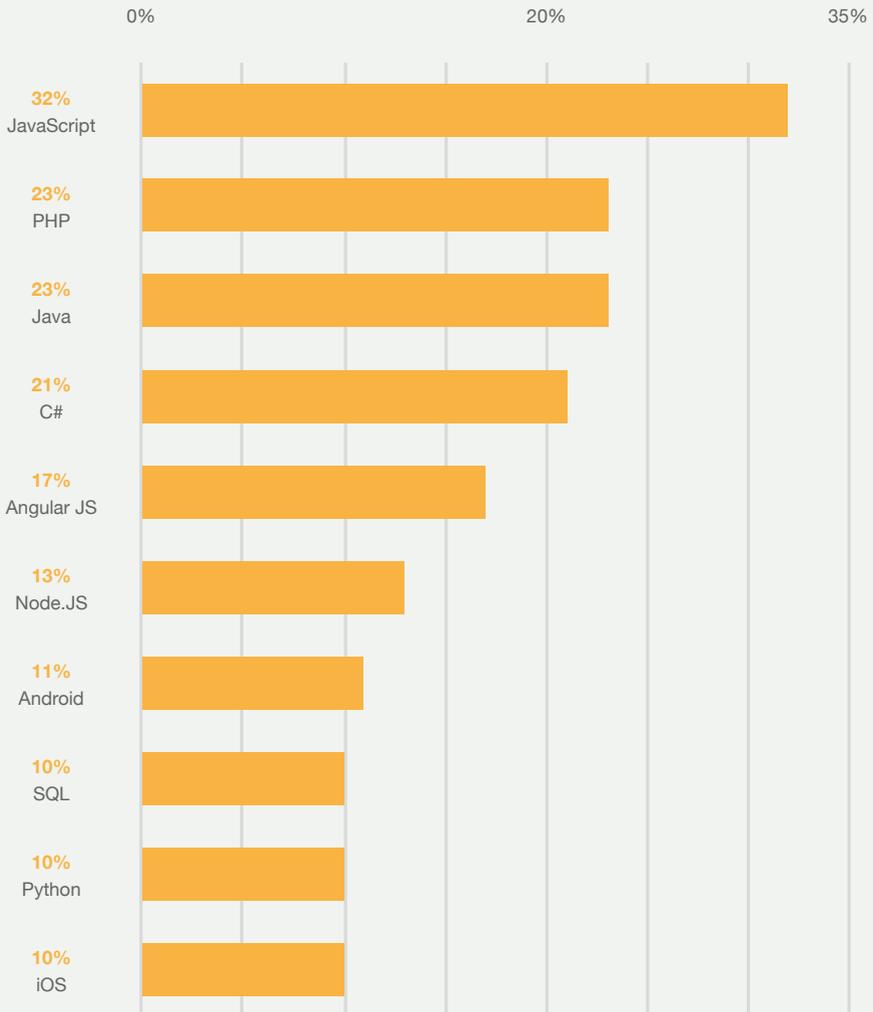


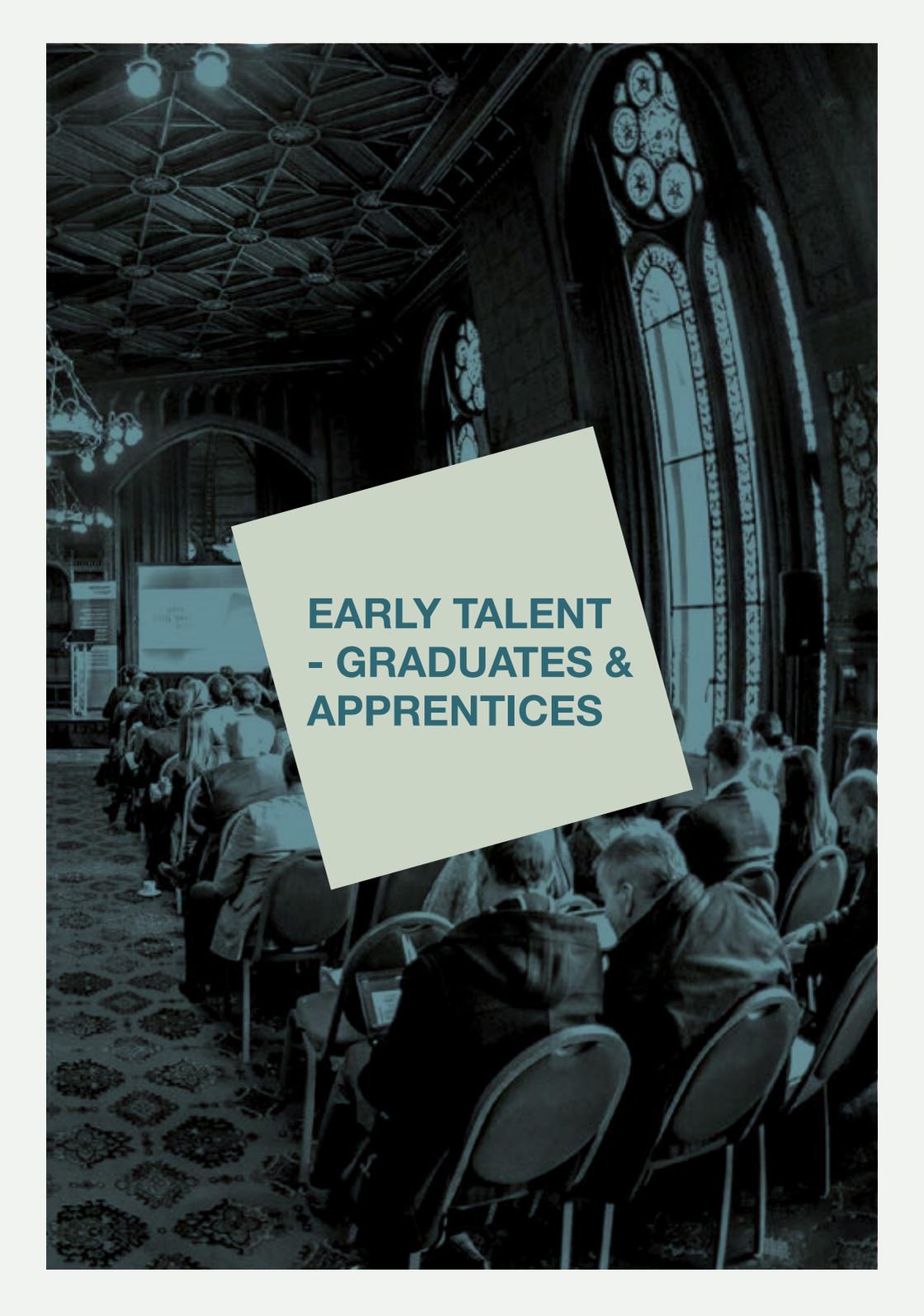
## Most difficult roles to fill



## Most in demand programming languages

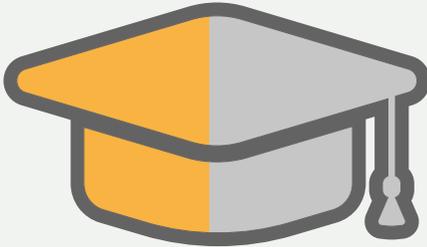
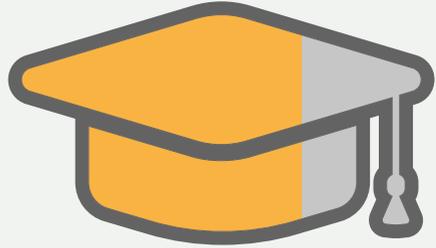
The top 4 languages are the same as last year's survey findings and broadly fit with national and international surveys. PHP demand reflects the high volume of digital agencies that we have in the Greater Manchester eco-system. We have seen a sharp decline in the use of Swift as developers move to multi-platform languages such as C# and JavaScript.





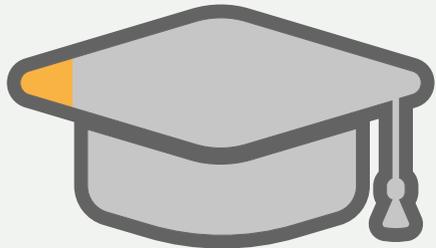
**EARLY TALENT  
- GRADUATES &  
APPRENTICES**

**70%** of businesses recruit graduates



**48%** of businesses run their own graduate scheme

Only **13%** of businesses felt that graduates had the right soft skills and technical knowledge for work readiness



We are seeing the number of companies who run their own graduate schemes grow year on year. This reflects the growing number of companies who realise that they need to make a significant investment and take a structured approach to growing their own talent. The other side of this argument is that nearly 50% of companies don't feel that graduates are work ready and they have developed schemes that upskill recent grads to the standard required by the business.

## Which local universities do businesses recruit from?



**28%**  
MMU



**25%**  
University  
of Manchester



**19%**  
University  
of Salford



**14%**  
Liverpool  
University



**14%**  
University  
of Chester

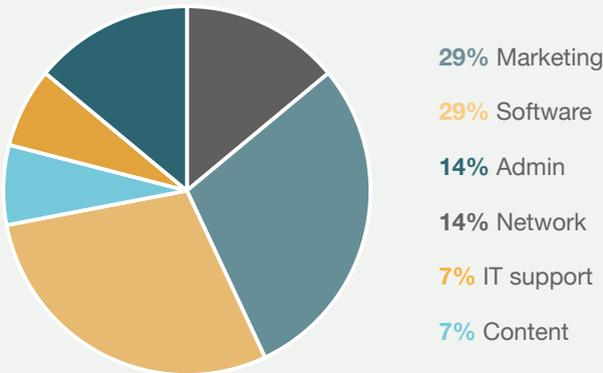
## 4 in 10 businesses employ apprentices

A very low number of businesses employ apprentices and this figure is down on previous years, nationally there has been a 61% decline in employing apprentices and this is mainly down to poor implementation of the Levy by government.



27% of businesses run their own apprenticeship scheme.

## Business areas that apprentices work in



## Apprenticeship experience and expectations



A third of businesses said apprenticeship programmes failed to meet their expectations because of:

- Training quality
- Apprentices lacking technical skills, knowledge and work readiness

### Top 3 reasons for not hiring an apprentice

Management  
capacity

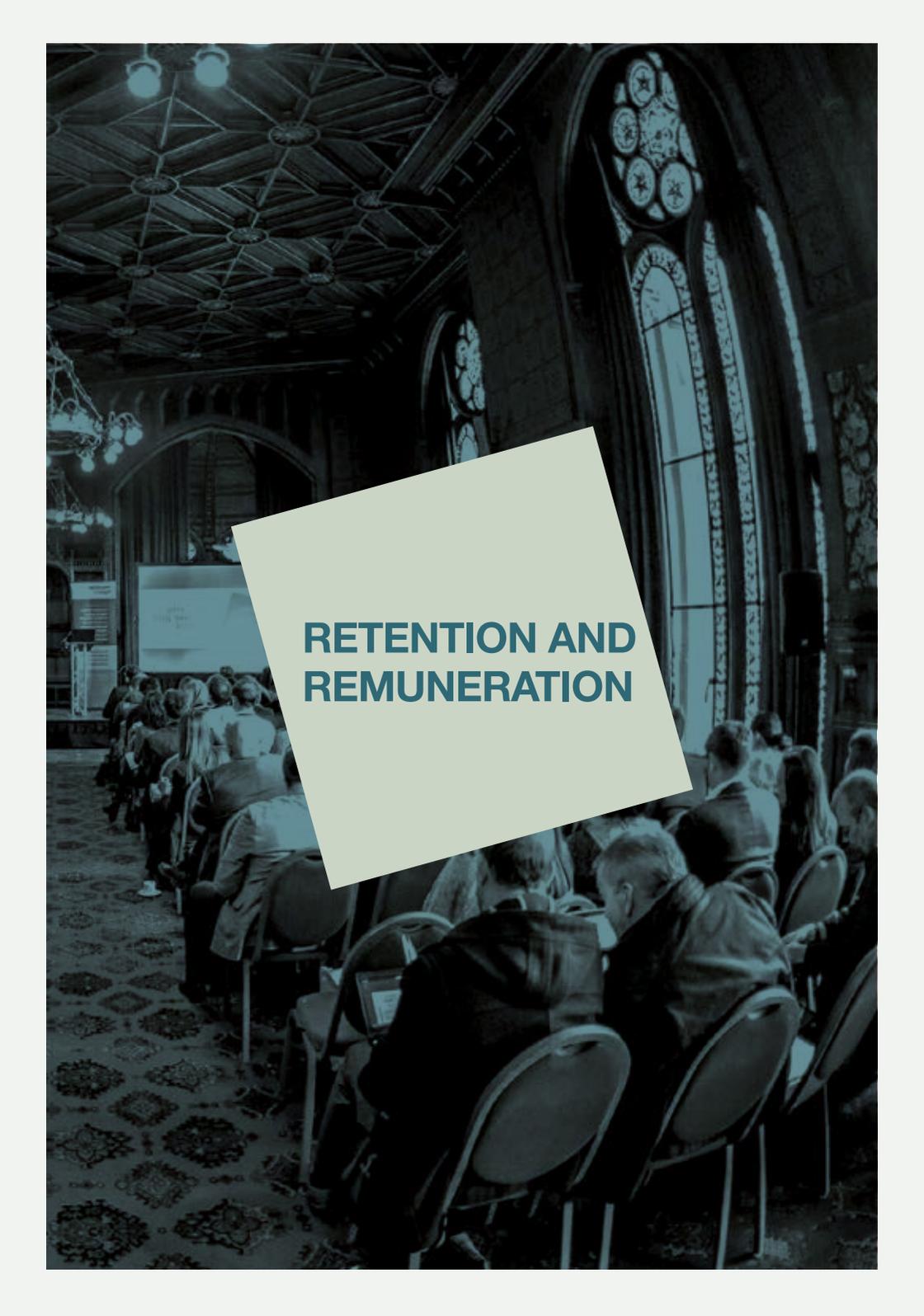
Cost/  
productivity

Apprenticeship  
standards

**3/4** of respondents believe there's not enough industry intervention in education to equip young people for digital and tech careers.



Industry based schemes that are sustainable and scalable are scarce, the public sector needs to seriously consider how it makes interventions into our industry and find partnership models where they can work closely with industry bodies such as Manchester Digital.



**RETENTION AND  
REMUNERATION**

## The biggest challenges for talent retention



**Salary  
demand**

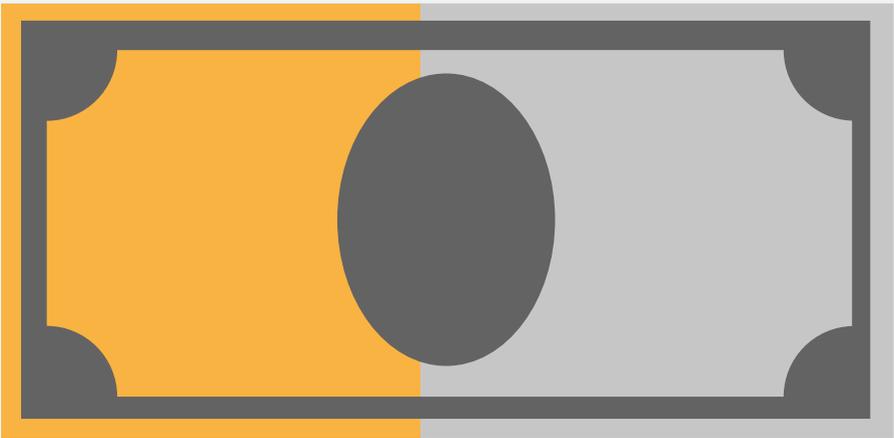


**Competitors &  
poaching**



**Being able to  
offer and support  
progression  
& development**

**47%** of businesses have inflated salaries to remain competitive

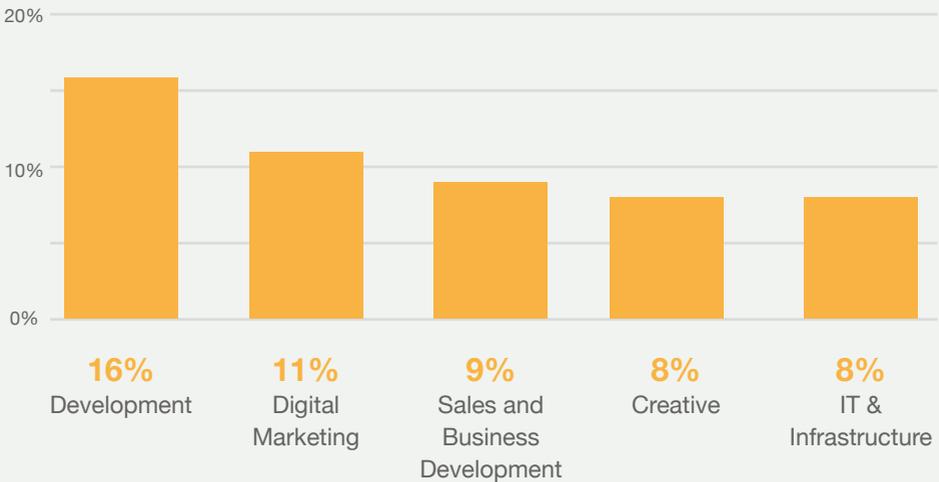


**47%**  
Yes

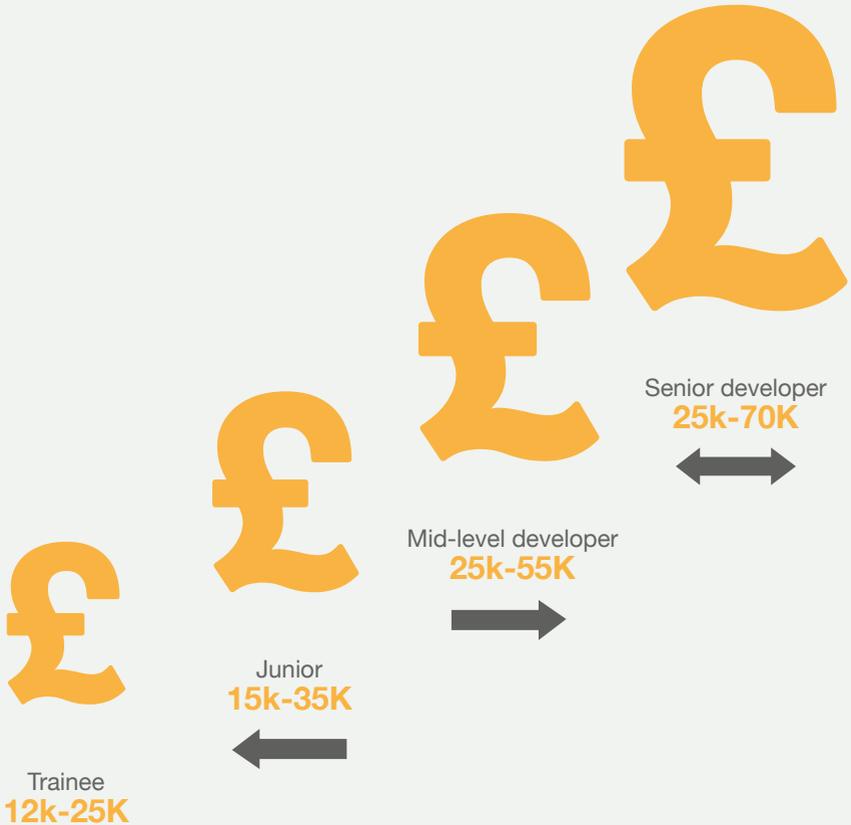
**53%**  
No

## Roles with the biggest pay rises

Average wage inflation remains at **10%** for most technical industry roles, however developer and digital marketer are both cited as receiving above average rises.



## Average Developer salary



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## Notes

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## Notes

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# Moneysupermarket Group

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University of  
**Salford**  
MANCHESTER

# (“Manchester”)+ (“Digital”)>

Manchester Digital represents over 500 digital tech businesses across Greater Manchester. We take direct action to solve the problems facing our industry and are the region’s thought leaders on how to tackle the skills shortage.

## How we can help your business attract and retain more talent:

- Free unlimited jobs posting on our jobs board
- Quarterly Employer’s Forum - share best practice and gain insight from other employers
- Market intelligence - access to talent reports and salary surveys
- Overview of university specialism and course provision
- Access to our mentoring network for business managers and staff
- Training and CPD courses, designed to meet the needs of our industry
- Raise your profile with the community via our directory
- Influence how the industry develops and government is lobbied

Being a Manchester Digital member means you are an integral part of the growing and diverse technology community in Greater Manchester.

### Join now

[manchesterdigital.com](https://manchesterdigital.com)

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