Economic Regeneration in the Black Country

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We are evolving toward a diverse yet unified global market,
with customers, partners and suppliers that work together
across cultures and continents. The global workforce is
always on and
always connected.

Bill Gates

The Knowledge Economy

- Knowledge sits at the heart of a prosperous economy
- Occurs when technology and educated minds come together to create wealth and drive innovation
- The value of knowledge to an economy comes from sharing this with others on an individual, business and community level.

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Microsoft and economic regeneration

Bring the benefits of technology to people at all levels that will drive economic development by driving the skills, creating jobs and strengthening local communities

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Translating this into economic growth

ICT is a driver & enabler in creating economic opportunity for individuals, businesses, and places

Education and Skills	• Identify the skills requirements for an ICT literate society ready for the future world of work – from basic digital literacy to universities
Digital Inclusion	• Support the digitally/socially excluded and create a more economically active inclusive community
Innovation	• Encourage & support local software economy & innovation/ entrepreneurship
SME Acceleration	• Support and grow businesses – new businesses, growth strategies, social enterprises
Citizen Services	• Place shaping responsibility of local authorities: e-enabled citizens, collaboration & connectedness

The Economic Impact of ICT

- **2007 IT spending: $84.2 billion (45.7 billion GBP); software spending: $18.1 billion (9.8 billion GBP)**
- **2006-2011 annual IT spending growth: 5.5%; software growth: 7.5%**
- **IT spending as a percent of GDP: 3.4%, compared to 2.5% worldwide**
- **2007 IT employment: 1,374,000**
- **2007 Microsoft-related IT employment: 549,000**

- United Kingdom's IT sector will generate more than 142,000 new jobs from 2007 to 2011 and account for the creation of more than 4,600 new IT companies.
- Investments by the Microsoft ecosystem, including infrastructure, people, marketing and business development, are expected to be more than 3.6 billion GBP in 2008
- Over the next four years, United Kingdom's IT industry will drive $26.5B (14.4B GBP) in new tax revenues and contribute new revenues of $51.1B (27.8B GBP) to GDP.
- Software spending represents 21% of the total United Kingdom IT market, while 59% of IT employees, in industry and the user base, are engaged in creating, distributing, installing, or servicing software.
- **40% of United Kingdom's 2007 IT employment stems from the Microsoft ecosystem.**
- **For every £1 of Microsoft revenue in United Kingdom, over £7 is generated by other companies in the Microsoft ecosystem of hardware OEMs, software companies, and channel and service firms.**

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The Black Country

Today

- Population decline: Net out migration is 4k/year
- Population is 1.1m
- Income is 81% of UK average
- Manufacturing is 22% of total employment - little knowledge-based industries
- £2.6bn output gap & 100k fewer jobs today than in 1970s
- *25,000 less people working than English average*
- *52,000 with less degrees*
- *1,000 less businesses opening*

2031 Goal

- Reverse population decline – grow 100k to 1.2m
- Overall 71k new dwellings and 120k new people
- Raise income levels to 90% of UK average
- 4 key strategic centres to add 77k new jobs and 7.7k new homes
- 50k more higher earning/skilled households (A/B) required
- Add 160k new jobs in financial, business services, logistics and high tech manufacturing
- 100k more skilled workers and 60k more with qualifications of at least a degree level
- Retain 2.2k ha of employment land of which 1.6k needs to be transformed for knowledge based business
- Create an additional 284k sqm gross retail space
- BCC as an urban park to transform the environment eg use 177kms of canals to underpin residential/business environments

Black Country and national IT Skills stats

- **17% of economically active individuals in the Black Country have no qualifications (Source: LSC West Midlands)**
- **24 % of youths do not advance past post-16 education in the Black Country." – (Source: LSC West Midlands 2007)**
- **9.8% are not in education, training or employment in the Black Country"- (Source: LSC West Midlands)**
- **Nationally, 77% of the workforce now use IT in their jobs but over a third (37%) of employees do not have the IT skills they need. (Source: ESkills UK)**
- **40% of women and 30% of men in the UK are unable to carry out basic ICT tasks (Source: Eurostat Survey, March 2007)**

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18 months ago

- MS/BCC announced a 3 year partnership whereby MS is investing £14m to drive economic uplift in Black Country
- This would result in:
  - 35 000 trained
  - 1 800 into jobs
  - Working with 137 Community Centres
- BCC submitting a bid to match MS investment

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Driving Economic Growth in the Black Country: Three Technology Programmes

SME Acceleration

- Apprentice pilot
- IT Advisory Service pilot

Digital Inclusion

- Digital literacy through Community Centres
- Connect communities, learners and teachers

Education

- Education Challenge
- Building Schools for the Future
- SportStore

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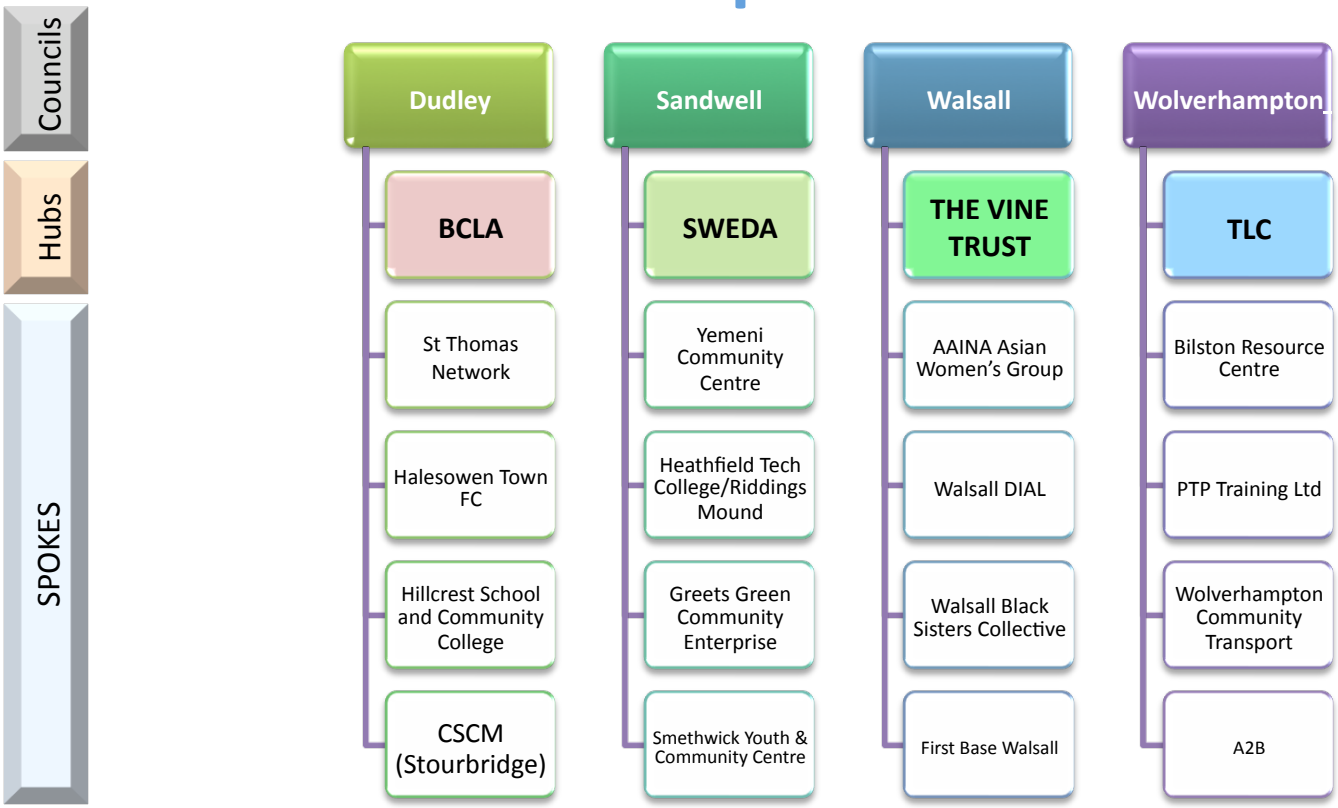
Hub & Spoke Model



BC Net is the community builder tool which connects the learning centres www.bcnet.org.uk

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Scaling Nationally

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- Apprentice pilot
- IT Advisory Service pilot

Digital Inclusion
- Digital literacy through Community Centres
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Longitudinal Research

National Partners

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