The Digital Skills Pathway for Shared Prosperity: What Works and What Next

By March 2025, the Shared Prosperity Fund will provide £2.6 billion of new funding for local investment, with all areas of the UK receiving an allocation via a funding formula, to be planned and delivered by Local Authorities and Mayoral Authorities. In readiness, the Government's UK Community Renewal Fund supported innovative pilots. Three Combined Authorities – Greater Manchester, West Midlands, and North of Tyne – selected Good Things Foundation as a partner to pilot Digital Skills Pathways for digitally excluded adults. Successful in reaching, motivating, and upskilling digitally excluded adults, the Digital Skills Pathway model provides a firm foundation for local investment and national partnership.

Key messages for future use of the Shared Prosperity Fund

- The Digital Skills Pathway is an effective model for improving digital inclusion in communities in support of shared prosperity and skills for local economic recovery.

- Digital inclusion support (devices, data, skills) through community organisations can transform the lives of those who face challenges in education, work, and life skills.

- Funding is the key to providing digital inclusion support. Without this, community organisations are unable to deliver tailored support to local people who most need it.

- Government investment in digital inclusion (national, regional, local) can be significantly-enhanced by using the free support offered by Good Things Foundation through the National Digital Inclusion Network – enabling local partners to tackle digital access and skills barriers.

- Partnership working between Community Organisations, Adult Community Education provid-ers and Further Education colleges ensures people have the opportunity to progress into further learning and employment.

- Local ecosystems of support play to the strengths of diverse providers.

The Challenge: Digital Exclusion and Economic Recovery

Basic digital skills are an entry requirement for two-thirds of UK occupations, with 82% of online job vacancies asking for digital skills.[1] Yet analysis of the UK Consumer Digital Index 2022 highlights the scale of the basic digital skills gap and its implications for economic growth and recovery:

- 3.2 million adults in the labour force (8%) cannot do any of the tasks or skills set out in the Essential Digital Skills for Work framework;

- People not currently working are four times more likely to lack all the essential digital skills for work than people in work (20% compared to 5%).[2]

Access, as well as skills, is a barrier. Ofcom reports that 6% of households with fixed broadband and 8% of households with a mobile phone are struggling to afford these bills; people claiming benefits, living with a disability, and minority ethnic groups are far more likely to be struggling.[3]

While Digital Skills Bootcamps and Essential Digital Skills entitlements aim to raise digital skills, they primarily benefit those who already have sufficient digital skills to register with a learning provider. These initiatives, while welcome, create additional barriers:

- For people who are digitally excluded but do not seek and/or are not ready to do a formal qualification, often reflecting poor past experiences of education and low confidence;

- For voluntary and community organisations and social enterprises who are well placed to build people's confidence and skills, but may be ineligible for Adult Education Budget or Shared Prosperity funding, subject to procurement frameworks.

The economic case for investing in basic digital skills is strong. For every £1 invested in interventions to enable digitally excluded people to build their basic digital skills, an estimated return of £9.48 is gained throughout the economy, with a returned Net Present Value of £12.2 billion.[4] There is growing recognition of the leadership and coordination roles which devolved administrations and combined authorities can play[5] alongside the vital role of councils in tackling digital exclusion in communities.[6]

So, the challenge is: How can digital inclusion be embedded in local investment for shared prosperity?

The Digital Skills Pathway model was developed in response to this challenge.

1. WorldSkills UK (2021), Disconnected: Exploring the digital skills gap.
2. Lloyds Banking Group with FutureDotNow (2023), UK Essential Digital Skills for Work Report.
3. Ofcom (2023), Affordability of Communications Services: April 2023 Update.
4. Cebr (2022), The Economic Impact of Digital Inclusion in the UK.
5. Good Things Foundation (2022), Digital Inclusion: A roadmap for combined authorities.
6. Local Government Association (2023), The role of councils in tackling digital exclusion.

The Digital Skills Pathway Model

The Digital Skills Pathway pilots aimed to address the challenge of how to embed digital inclusion in local investment for economic recovery. It did this by creating local pathways of support with the potential for transformational impacts in the lives of digitally excluded adults. Three Combined Authorities – Greater Manchester, West Midlands, and North of Tyne – joined with Good Things Foundation to pilot Digital Skills Pathways for digitally excluded adults. Over 12 months, 82 community organisations were supported to deliver the pilots. The key features of support were:

- Providing a device with free data connectivity to reduce digital access barriers

- Supporting people to build basic digital skills (a mix of one-to-one and small group provision)

- Advice, guidance and transition support for people who wanted to take their next steps onto further learning or employment.

Target groups were people seeking work, in work, or not currently active in the labour force. Reflecting regional and local priorities, the key performance indicators were: progression towards further learning and education, progression towards work, and support to improve life skills. Alongside direct provision, active steps were taken to build on existing networks and form links between community organisations and Further Education providers.

The Impacts

Across all three areas, performance data was monitored and an independent evaluation carried out.[7] The results were impressive and suggest strong potential for replicability and scaleability.

During a 12 month period, **5,347 people were supported**; **44%** seeking work**, 40%** economically inactive, **16%** in work. At least two-thirds (**66-73%**) of people supported in each pilot area were from minority ethnic communities, and around half (**48-59%**) also faced English language barriers.

Improvements in people's digital access, skills and confidence were significant:

- **94%** reported improvement in their digital skills

- **92%** felt more confident to use the internet

- **87%** said they had access to a suitable device and / or data to use the internet.

Two-thirds (68%) of people supported achieved at least one desired outcome:

- **79%** reported being motivated to keep on learning

- **47%** progressed onto further learning (including intention to progress)

- **44%** reported better employment prospects

- **33%** applied for a job.

Nearly four in ten (**38%**) people who were 'long-term unemployed' or 'economically inactive' were supported to improve their life skills. Importantly, the holistic support also improved people's sense of health, wellbeing and connectedness, with **74%** feeling less lonely, **63%** reporting improved mental health, and **48%** reporting improved physical health.

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7. Good Things Foundation (2023), Digital Skills Pathways for Shared Prosperity: Learnings and Insights From Three UK Community Renewal Fund Pilots in England.

What Worked Well and Less Well

The results demonstrate the value of investing in community organisations as providers of informal digital inclusion support, and of developing local ecosystems of support which recognise the complementary roles that community organisations and adult training providers can play.

The key ingredients for success were:

Removing digital access barriers to digital inclusion, alongside digital skills support: Access to digital devices and data (gifted not loaned) was integrated into support for around 60% of people alongside opportunities to develop their digital skills.

Locating digital inclusion support in local communities: Community organisations have established, trusted relationships with local people, knowledge of local needs and languages, skills and experience to tailor support.

Facilitating partnership working between community organisations and FE providers: Forging links made it easier to guide people's next steps to further learning and employment, enabled effective referrals, and facilitated good practice sharing.

Impact was held back by recurring challenges experienced by community organisations:

- Costs of providing resources for interpretation and translation into community languages

- Insecure funding for community organisations

- Short-term funding which made it harder to build, and sustain, partnerships to support referrals and progression, as well as engage people over time for greater impact.

Recommendations For What Next

Digital Skills Bootcamps and the Essential Digital Skills entitlement will not reach deep enough into communities to ensure people facing the biggest barriers have the confidence, motivation, and digital basics to even get started. Given the strength of the economic case for investing in basic digital skills (£9.48 return for every £1 invested), decisive action must be taken.[8] We recommend:

- A vision of shared prosperity and local economic growth which recognises the necessity of fixing the digital divide - addressing all three barriers of connectivity, devices, and skills.

- Shared Prosperity Funds and Adult Education Budgets maximised to drive up digital inclusion, reach into communities, and fund those who know their communities best.

- Regional and local economic growth strategies and digital inclusion strategies are developed (if not in place) and aligned, prioritising basic digital skills and access.

- Increasing use of free resources offered by Good Things Foundation via the National Digital Inclusion Network: mobile data (National Databank), devices (National Device Bank), and resources and training to help people learn digital skills (Learn My Way).

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8. Local Government Association (2023), The role of councils in tackling digital exclusion.