

Lives Transformed by Digital Technology

West Yorkshire Economic Recovery Board

August 2020



Summary

This proposition aims to ensure everyone can reap the benefits of digital technology as we begin our economic recovery. It asks for £158.9m to support a range of programmes to drive up citizen and business adoption and exploitation of tech across Leeds City Region to deliver economic, social, health and wellbeing outcomes.

Background and context

Covid-19 has brought into sharp focus the significant opportunities and challenges that digital can bring for people, for businesses and for society at large. As we recover, we have a once in a lifetime opportunity to both capitalise on some of the gains born out of necessity (environmental, skills and tech adoption) but also the opportunity ensure no one is left behind in a digital and tech enabled future.

Over recent months we have seen an unprecedented rise in the number of remote workers and businesses relocating and working from home. At the same time we have seen the disproportionate impact that digital poverty is having on education, social and health outcomes: home-based learning is particularly challenging for our young people, and we are increasingly relying on remote/virtual access to healthcare services, presenting challenges for both patient and practitioner.

And whilst many of these businesses have used the opportunity to take stock and plan for a more digitally enabled future (16% of SMEs developed a new or increased online presence during lockdown), we know that opportunities and appetite to do this as we move through recovery will be restricted without external support.

But our strong and thriving digital sector itself is emerging relatively unscathed. 23% of digital tracked companies in West Yorkshire could have seen a positive impact (e.g. increased demand), whilst 41% face a low risk as a result Covid-19. We have also seen relatively little furloughing of staff in the ICT sector. Our challenge is how we translate these opportunities to other sectors and industries to ensure a resilient future for all.

Digital transformation was a priority pre-crisis for West Yorkshire and lives transformed by digital tech is the focus of the City Region's Digital Framework, which was established to provide a framework for activity and investment in digital across the City Region. The five high level outcomes set out an approach to the digital economy and the development of digital capability across the City Region's population and institutions, that encourages all actors in the region to align with both the LEP/Combined Authority and each other.

- Digital opportunities for all businesses.
- Digital skills and inclusion for all.
- Thriving digital sector.
- World class digital infrastructure.
- Tech for good.

Beyond the Covid-19 crisis, this becomes more important than ever; grasping the opportunity to build on a thriving sector that delivers good jobs, ensuring everyone can engage with and benefit from the acceleration of work and business moving online, and

enabling the embedding of travel behaviour that supports our response positively to the climate emergency. By doing so, we will position Leeds City Region as the Digital Powerhouse of the North.

The Offer in Leeds City Region

In Leeds City Region we have significant strengths on which to build our aspirations. Unrivalled strengths around healthtech, data analytics and cyber, coupled with a strong and extensive manufacturing base sets Leeds City Region as a hub for innovation and creativity. But we must ensure the benefits of digital reach across the City Region to ensure nobody (individuals and businesses) is further disadvantaged and left behind and we're using tech for good.

The economics of investing in digital tech support are clear. The Good Things Foundation identify a benefit of almost £15 for every £1 invested in digital inclusion support, while OECD analysis shows that uneven uptake and diffusion of digital technologies throughout the economy is an important source of productivity slowdown.

The Leeds City Region Digital Board has identified several key priorities where need is both greatest and the biggest impact can be realised, building on our existing assets and strengths. The Board, which oversees our Made Smarter Working Group and Local Digital Skills Partnership, brings together key stakeholders from across the Framework's five outcomes and the whole of the City Region to deliver a step change in digital.

And we are already making good headway against these priorities, for example with a new digital voucher scheme focused on remote working and cybersecurity for micro and smaller businesses, implemented in response to Covid-19. And our new Local Digital Skills Partnership will focus on digital skills across a range of industries and sectors, further ensuring training provision is aligned to future labour market needs across our economy.

Ask of Government

To capitalise on recent behaviour changes, achieve our ambitions and contribute significantly to the Government's digital aspirations, we need investment to build on existing activity and grow the region's digital capability and capacity. Key areas include:

Business opportunities

Made Smarter Adoption pilot: Our extensive manufacturing base coupled with our thriving digital sector provides a significant opportunity for West Yorkshire to deliver against the Government's Made Smarter objectives. As agreed in the devolution deal, we welcome continued conversations with Government to explore opportunities to roll out the adoption pilot programme across West Yorkshire (£20m).

Digital Enterprise: The hugely successful and heavily oversubscribed ERDF Digital Enterprise Programme has demonstrated the importance of providing digital and tech advice to non-digital businesses. The Growth Service has recently added to the offer through a bespoke cybersecurity support package but there are significant opportunities to further scale up and capitalise on current opportunities to drive productivity gains (£20m).

Digital skills and exclusion: 100% Digital Leeds City Region

The pandemic has highlighted the disparity of life chances between those who have access to digital and those who do not. Digital poverty (access to kit or connectivity) is a critical issue to address in ensuring our inclusive growth aspirations are met. We also have longstanding exclusion issues around basic digital skills which must not be forgotten: nearly a quarter of Yorkshire and Humber population lack essential digital skills for life, with the elderly, low-skilled and those on low income highly represented in that group

Our ask is centred around funding to support the roll out of **100% Digital Leeds City Region** (building on the successful Leeds project), working with DfE and the West Yorkshire ICS, to work with and through local community groups to support individuals with training, access to kit and connectivity. This will result in significant uplift in health, social and economic outcomes for the region, and will include exploring opportunities to repurpose existing space as community digital hubs, supporting both basic digital skills training, home workers and start-ups (£10m).

Without investing in skills and accessibility for individuals and businesses, building national infrastructure alone will not result in the economic benefits and return of that investment. In addition to our plans to support digital inclusion, we have aspirations to support the digital skills of the workforce more generally to prepare for future job opportunities. Our LDSP is currently being established with funding secured for the first year. We would welcome and early discussion to explore opportunities to ensure we can make this opportunity sustainable (£0.5m).

Infrastructure

Rural Gigabit Voucher Top Up: To further address the digital rural/urban divide, additional funding of £10.2m would be used to enhance the national rural gigabit voucher scheme within West Yorkshire, speeding up deployment in hard to reach areas and providing subsidised connectivity to approximately 2,000 premises. This aligns with our existing Superfast Broadband Programme to support home working and reduce isolation and an extension would allow us to capitalise on the strong take up of vouchers and expertise locally. The level of 'top up' would be equivalent to the Welsh Government and Borderlands Partnership extensions, equating to the maximum value of vouchers for rural residential beneficiaries increases by £1,500 to £3,000 and for SMEs from £3,500 to £7,000. This scheme is scalable and would be limited to a specific number of vouchers.

West Yorkshire Rail Network Fibre Delivery: Additional funding of approximately £15m to deliver telecoms fibre along all West Yorkshire rail routes in partnership with Network Rail Telecoms. This would build on the experiences from the Manchester, Leeds and York rail fibre project funded by DCMS and will deliver benefits to many rural communities by providing accelerated access to enhanced fibre broadband and 5G mobile connectivity. Aligning with the Government's Outside In Programme by delivering fibre in an accelerated and cost effective way within rural areas, it also adds resilience to the national fibre network and allows access to robust, diverse fibre connections and backhaul solutions. A second phase could deliver 5G/Wi-Fi at rural station locations and track to train 5G connectivity delivering passenger experience and productivity benefits.

Extension to West Yorkshire and York Superfast Broadband: Local partners have a strong track record of delivery with our superfast broadband programme, providing enhanced broadband connectivity to premises across West Yorkshire and York. Contract Three is in the final stages of procurement with c£7m of capital funding using a gap funding model to deliver connectivity to 1,723 SMEs in rural areas by the end of 2022.

We have approximately 13,000 (urban) and 5,300 (rural) premises with sub-superfast broadband speeds, that are eligible for public sector support under state aid. Additional funding of up to £82m would enable the extension of Contract Three to provide connectivity to these 18,300 premises, providing 100% Superfast (or above) connectivity across all of our region. This would unlock a range of benefits including productivity gains across for SMEs, enhanced possibilities for remote working and carbon reduction due to a reduced need to commute from rural areas.

West Yorkshire Long Range Wide Area Network (LoRaWAN): The City Region's Digital Framework outlines an ambition to deliver a world class digital infrastructure alongside innovation and a movement towards a 'smart city' agenda or way of working. A LoRaWAN is a type of low power, wide area network designed to wirelessly connect battery operated 'things' to the internet in local to national or global networks. It supports key Internet of Things (IoT) requirements such as bi-directional communications, end-to-end security, mobility and localisation services.

A standardised West Yorkshire network, estimated to require £1m of funding, would act as a simple and robust platform to develop a range of solutions on. It would enable public sector partners to work with local companies and education establishments to deploy cutting edge 'smart city' solutions and trial/implement of IoT technology, tackling key issues such as traffic management, Covid-19 business and environmental recovery, health & inclusive growth, carbon reduction and achieving cost savings.