

Heart of the South West Local Enterprise Partnership

Paper - HOTSW Scrutiny

Report title: Digital Transformation

Date: 21 October 2021

Summary

The LEP Board is currently reviewing its funding support for digital transformation across Devon and Somerset in the context of the national goal of delivering gigabit capable broadband infrastructure to communities not covered in existing commercial or public sector plans for NGA delivery.

A 'deep dive session' took place at the beginning of September Board meeting, the aim of which is to understand the digital journey the HotSW LEP has been on since 2014 and to provide a strong steer on digital investment priorities over the next three years.

This was informed by an information pack which included:

- HotSW Digital Strategy 2021
 - CDS Local Broadband Plan 2020
 - Digital Infrastructure Chronology and Narrative, August 2021 - attached
 - HotSW Digital Skills Review 2018
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1. Background

1.1 In 2016, as part of the Local Growth Deal 3 funding, and to assist in the delivery of the strategic economic plan objective of 100% connectivity by 2020, the Board prioritised further investment in digital infrastructure through an outline business case from Connecting Devon and Somerset (CDS) for an investment of £8 million to target premises within the 'final 5%' that were unserved by superfast broadband or unlikely to get superfast broadband via the commercial private sector over the following 4 years. The project objectives were to:

1. Deliver superfast broadband to 100% of premises across the Heart of the South West by the end of 2020 (- in line with the SEP objective)
2. Prioritise business coverage in NGA 'white areas' where the commercial broadband market would not by itself invest.
3. Provide a quality service using appropriate technologies to deliver fast, secure broadband infrastructure which represents good value for money.

4. Provide a sustainable foundation for complementary activities to encourage business take-up of superfast broadband, improve digital skills and facilitate the development of community broadband hubs.
- 1.2 The outputs anticipated at the time were 100% additional superfast coverage and 5,000 business connections, and the match funding identified totalled £77.5 million from CDS partners, BDUK and an eventual private sector broadband supplier.
- 1.3 This was in addition to other significant commitments by the LEP in successive Growth Deals with Government (and through its Growing Places Fund allocation) to support the roll-out of broadband and mobile infrastructure in the Heart of the South West, namely:
 - Growth Deal 1 - £2.5 million for mobile infrastructure
 - Growth Deal 2 - £6 million for broadband infrastructure
 - Growing Places Fund - £4.2 million for broadband infrastructure
 - Growth Deal 3 - £1.57 million for mobile infrastructure
- 1.4 Clearly the SEP target was not reached and Broadband coverage is still approximately 95% rising to slightly over 96% once the current delivery programme completes over the next 2-3 years. Delivery of digital infrastructure in 'hard to reach' areas -ie not delivered through commercial roll-out has had many implementation challenges faced by each of these projects, and is significantly behind the delivery details anticipated during the initial Growth Deal allocations.
- 1.5 The LEP Board reviewed the funding for digital and mobile connectivity in November 2019 and agreed to ringfence the £8m from Growth Deal 3 for CDS to come forward with a broadband infrastructure proposal but reallocated some £4.5million of funding earmarked develop mobile coverage as the commercial position had changed significantly and there was little evidence to support further investment.
- 1.6 The Board agreed to reinvest this funding in Digital to support a broader range of digital delivery – including £1m vouchers to boost mobile connectivity and 5G delivery at Plymouth Smart Sound – the core enabling technology that supports Ocean Futures and Freeport.

2. Digital Investment Programme

At its meeting in 2021 the Board agreed the following principles for future funding:

- 1) Full £8 million to be invested in digital.
- 2) Comprehensive approach towards digital challenges and opportunities.
- 3) Investment programme should target delivery of HotSW Digital Strategy.
- 4) Aim for the same connectivity outcome to be achieved in all areas to enable digital inclusion.
- 5) Spend should be within three years (Dec 2024), or earlier if possible.
- 6) Programme should deliver against Growth Deal output targets.

The Board also agreed to invest the funding across the four themes of the Digital Strategy – namely Digital Skills, Digital Utilisation, Digital Infrastructure and the Digital Futures programmes in the Build Back Better plan.

The following investment programme has been developed taking on board these principles and focussed around these four priority areas.

A. Digital Skills

Following feedback from the Board and also the Skills Advisory Panel the Digital Skills strand of the programme will target three areas:

- Extending and expanding the existing digital engagement pilot with 100 mainstream and specialist secondary schools over three academic years from Spring 2022. A provider would need to be procured and an application process established for schools. DCMS have indicated they may be willing to match fund this skills programme, enabling more schools to be supported.
- Investment in digital training support for core sectors. This would include specialist provision for development of those within or entering digital skills roles within the digital sector itself as well as support for aligned digital careers in harder to reach and bedrock sectors such as Tourism, Agri-Tech, Food and Drink, and Health and Care. This would be a competitive programme adopting two delivery models: a bootcamp style approach allowing providers and employers to fast-track individuals into careers, broadly mirroring the approach taken in partnership with DfE over the past year, or a more formally structured qualification-based / supported apprenticeship offer. Delivery could start by April 2022 and would include a considered and targeted marketing and promotion plan to engage businesses. The detailed specification for the programme will seek to draw heavily on the content of recent Digital Skills Partnership mapping and gapping activity, as well as the emerging evidence base from the Local Skills Report around gaps within the digital sector.
- Investment in digital leadership training for 150 SMEs. A provider would need to be procured to deliver a cohort learning programme comprising a mix of workshops and 1-2-1 support to 12-14 business leaders per quarter. Delivery would start in April 2022. Links would be made with the sector focussed training to ensure that those priority sectors could also benefit from this leadership programme.

The LEP Board was particularly keen to make sure we took the opportunity to address digital inclusion with this funding. There are many programmes available on this across the Heart of the South West area and to avoid duplication, and also to deliver the greatest impact, we will instead require digital inclusion to be integrated into each of the three digital skills programmes with the provision of some form of bursaries.

As the LEP's skills lead, it is proposed that the Digital Skills Partnership, working with Devon County Council as its accountable body, be asked to submit a detailed business case by 30th November 2021 to deliver this Digital Skills programme.

B. Digital Utilisation and Triage

The current digital business support provision is patchy across the Heart of the South West. The Growth Hub Support Programme enables businesses to access digital advice after an initial 3 hour diagnostic meeting with an experienced business adviser. This forms part of 9 hours of free advice in the form of 1:1 sessions or webinars which also includes finance, HR, innovation, marketing and/or business planning. Plymouth have recently signed a contract to provide digital advice to businesses until March 2022 while in Devon there are a number of support offerings targeting particular geographies or segments of the business community. It is unclear what support if any is provided in Somerset and Torbay.

The proposal is therefore to establish a comprehensive three year programme that increases the technical digital resource available across the Heart of the South West, comprising the following elements:

- Specialist digital diagnostic and support to SMEs. The diagnostic would be comprehensive and include advice on digital connectivity, productivity and skills, with businesses receiving a digital roadmap/ action plan to start them on their digital adoption journey. The Digital Advisers would work closely with the Growth Hub team to signpost businesses to programmes such as the Growth Support Programme and other regional offerings for further in-depth advice, as well as national programmes such as Digital Boost, Enterprise Nation, Digital Garage and Help to Grow. Support from the Digital Advisers would not be time limited and instead be available via check in contacts.
- Sector focussed digital support for Tourism, Retail and Agriculture businesses would be provided by the Digital Advisors.
- Sitting alongside the business support offering would be a community focused service comprising a connectivity triage. The triage service would be a phone number/ contact form on the website where people are able to get advice on services available to them which could include fibre, 4G and Satellite. Where fibre is not currently available to them, they would be signposted to CDS or other local groups looking at community fibre builds using the Gigabit Voucher Programme to get fibre into their local communities.
- Community Digital Champions would be recruited on a voluntary basis primarily to help residents across the Heart of the South West but they could also be used to help SMEs if necessary with basic IT tasks. The Champions would be managed by the Connectivity Adviser and training/ upskilling provided by the Digital Advisers, who would also be able to provide ongoing support to the Champions via an online forum/ portal. The Champions would engage with the community via outreach clinics and public libraries and other public/community sites.
- All of the above would be brought together under the umbrella of a single Information Knowledge Hub managed by a Content Manager/ Curator who would gather relevant digital resources that are publicly available around the web, as well as commissioning specific content from the Digital Advisers and other specialists.

It should be noted that we have not tested the demand for the community triage service. This will need to be carefully monitored as part of an initial pilot phase. Elements of the community offer are also based on the model run by Dorset Council and discussions are ongoing about ways to collaborate with them to deliver the Digital Champions part of this programme since they have a scheme up and running.

The Strategic Investment Panel is asked to note that while the Board was particularly keen to integrate the business support and community triage offer into one service, a delivery mechanism for doing this is still

being explored. It is hoped that the outcome of discussions with the Growth Hub and CDS will be to identify a solution in time to inform the Board paper.

C. Build Back Better – Digital Futures

The Build Back Better plan includes three digital futures transformational programmes together with plans to support innovation by establishing a Technopole. This strand of the programme would provide a means to deliver some of these opportunities with a targeted call for applications focussed on three priorities:

- Tackling economic and societal challenges through analytics and digital innovation: Of particular interest is the opportunity to grow the environmental intelligence market, support further 5G and even 6G pilots, and accelerate development, commercialisation and dissemination of data analytics and AI technologies within the farming sector.
- Establishing a data-led Tourism Action Zone: Towards 2030 tourism plan identifies the need for a comprehensive data and research programme to support businesses to access better data, provide simple guidance on how to interpret and use data available to them, and ultimately to increase productivity. The recent Destination Management Organisation (DMO) review also identifies this as a priority, especially for their proposed Tier 1 DMOs, or Destination Development Partnerships. The government's Tourism Recovery Plan published in June this year also includes a commitment to explore the benefits of a Tourism Data Hub.
- Enabling transformation by establishing a 'technopole' innovation ecosystem: Work is underway to develop a business support package that will help drive the creation and growth of hi-tech innovative businesses and in turn, establish the Heart of the South West as a Technopole. Activity to support and build the tech ecosystem is an important part of this and an online platform managed by Tech South West would enable support to be provided that nurtured digital engagement across the tech sector and facilitate growth.

D. Digital Infrastructure

The LEP Board are keen to make sure this was targeted at the right intervention and so propose to wait for a review of the Local Broadband Plan as well as the outcome of the government's consultation on very hard to reach areas.

It is unclear when the government intends to publish the consultation findings, partly due to the recent change in the Ministerial team. CDS have however started an internal review of the Local Broadband Plan and discussions are ongoing to understand whether the scope of this satisfies the Board's requirements or whether additional work is required.