



## DCMS Study on Regional Digital Ecosystems

### **Aim:**

The Department for Digital, Culture, Media and Sport (DCMS) is currently working with the consultancy firm Steer-ED to assess the UK's regional digital ecosystems and their ability to generate economic prosperity and growth.

The project is in development and we would like to give you the opportunity to see some of our initial findings and provide your views on the success and challenges of the digital ecosystem in your region.

Your contributions will inform the final report which is due to be published in September 2021.

### **Study Context:**

In order to meet the Government's commitment to "*build prosperity and strengthen and level up every part of the country*", we must grow the digital sector across the UK. The sector has the ability to increase prosperity in regional economies across the UK, generating higher than average GVA and creating high-earning and resilient jobs.

To better understand the disparities between regions and the diverse challenges facing different local digital economies, DCMS is developing a framework to assess the UK's regional digital ecosystems and to review their potential to generate further economic growth. The department commissioned Steer ED in March 2021 to complete this work.

This project aims to help DCMS to build its evidence base on regional digital ecosystems and to explore tailored interventions to promote digital prosperity. DCMS aims to publish a project report in September 2021.

### **Research project:**

The research project has two stages:

#### **Stage 1: Developing a comprehensive framework for digital ecosystems**

This consisted of a data collection phase which outlined metrics to assess the following:

- The performance of the digital ecosystem in each UK nation and region;
- A nation or region's ability to support an individual to benefit from the digital economy and the strength of growth; and

- The existing inter-and intra-regional disparities.

**Stage 2: Comprehensive review of The Digital Ecosystem across the UK's nations and regional specificities** and institutions, specifically assessing the following:

- Digital specialisms and institutions that support digital growth; and
- The region's ability to support a person to partake in the digital economy

This consisted of 12 roundtable discussions for each Nation and region which tested the emerging data and how the digital ecosystem is functioning in each region.

### **Consultation**

Steer-ED chaired 12 regionally focused roundtable discussions with businesses, local government representatives, universities, accelerators and skills providers. Here, we developed qualitative insights of how the digital ecosystem and economy is functioning in each region. Specifically the sessions explored:

- The Past - Success stories and constraints
- The Present – ongoing activities and the impact of COVID-19/EU Exit
- The Future – growth potential and needs

**The findings from the roundtable discussions relating to your area are presented in the table below.**

**Please review these notes and in column 3:**

- 1. Let us know whether you agree with the assessment made of your region's strengths, weaknesses, opportunities and challenges;**
- 2. Provide any further context, evidence or comments that we should be aware of for this project .**

**Please return to [jessica.sinyor@dcms.gov.uk](mailto:jessica.sinyor@dcms.gov.uk) by 21st June 2021.**

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Question	Roundtable response	Do you agree or disagree with the provided responses? Is there any further comments or evidence you would like to add?
<p>What are the <b>key successes</b> in the digital ecosystem in your region in the past 5/10 years?</p>	<p>Development of strong digital communities, in particular Tech Nottingham and Create Leicester.</p> <p>A coherent community (Tech Nottingham) with about 3,000 members, which makes it much easier to connect with other people.</p> <p>Seeing thriving levels of entrepreneurship, especially in Nottingham and Leicester. E.g. Leicester Startups Accelerator has seen an outstanding response over the last year.</p> <p>Attracting IBM (IBM Client Innovation Centre) was a big success for Leicester</p> <p>Great work being done by the EM universities in this area. E.g. the Ingenuity programme at the University of Nottingham</p> <p>Horizon Digital Economy Research Institute (at the University of Nottingham)</p> <p>D2N2 digital bootcamp</p>	

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<p>What are the <b>key challenges</b> in the digital ecosystem in your region in the past 5/10 years?</p>	<p>Access to talent, and workforce diversity.</p> <p>School-level education on digital hasn't caught up with business needs</p> <p>Digital connectivity is still a problem in some parts of the region</p> <p>Difficulty of attracting people into digital companies addressing traditional sectors (e.g. textiles)</p> <p>Apprenticeship schemes currently tend to favour bigger employers, and are less suitable for small digital businesses in the region.</p> <p>Difficulty of getting office space in Nottingham (though Lace Market was cited as a tech hub for the city).</p>	
<p>What <b>work is currently underway to support the digital ecosystem</b> in your region?</p>	<p>Universities for Nottingham partnership (Uni of Nottingham and Nottingham Trent Uni) aims to make a difference to the educational opportunity, economic prosperity, health and wellbeing and environmental sustainability of Nottingham's local communities</p> <p>Midlands Engine has done work which shows how digital skills and connectivity are holding back the region's productivity growth</p> <p>BEIS's Peer Networks Programme</p>	

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<p>What are the <b>impacts of Covid-19 and EU Exit</b>?</p>	<p>East Midlands has been successful in accessing and using EU funds (ESF and ERDF) for business support. Important not to lose this momentum, with the shift to the UK Shared Prosperity Fund.</p> <p>Positive shift in engagement with government, as digital and data has strong political backing as a key area for future regional growth, post COVID-19 and post Brexit.</p> <p>More remote working has led to less of a need to look to/travel to London for advice/support. Now greater propensity to reach out regardless of geography.</p> <p>Have seen remote workers move to the EM from London (though these workers are working remotely for London digital firms)</p> <p>Also seeing London firms offering London wages to people living in the East Midlands – leading to wage inflation in the region.</p> <p>COVID-19 has massively impacted the visitor economy businesses; SMEs have had to accelerate their digital marketing approaches and are now really keen to use digital solutions</p>	
<p>Where is the <b>growth potential</b> in our region's digital ecosystem?</p>	<p>MedTech (especially Nottingham); agritech (especially Lincolnshire); creative (especially Leicester)</p> <p>Digitisation of traditional sectors, including manufacturing</p>	

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	and food & drink	
<p>What should be the <b>main priorities</b> for your region to improve its digital ecosystem?</p>	<p>Sustained support for grassroots activity, rather than top-down programmes which are subject to funding coming to an end.</p> <p>Support for the development of 'human networks' within this area – anything that facilitates connections between people (e.g. co-working spaces, networking events, accelerators).</p> <p>Reviewing the application and use of the apprenticeship levy – to get the most out of its potential for supporting digital upskilling.</p> <p>Connecting colleges and universities with businesses, to retain students within the region and support the pipeline of future talent.</p> <p>Addressing digital poverty: without adequate equipment (such as laptops) and connectivity at home, people from more disadvantaged households will face real barriers to progressing in digital skilled work.</p>	