WMCA Board

Date	12 January 2024
Report title	Digital Roadmap (2024-2027)
Portfolio Lead	Culture & Digital - Councillor Patrick Harley
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director Strategy, Economy and Net Zero email: Ed.Cox@wmca.org.uk
Report has been considered by	WMCA Executive Board

Recommendation(s) for action or decision:

WMCA Board is recommended to:

(1)   To note the progress made on digital matters in the region since 2021 and endorse the activity highlighted in the updated Digital Roadmap (2024-2027).

(2)   Continue to champion the aims and objectives of the Digital Roadmap in order to encourage public, private and voluntary sector alignment and investment in its five broad missions.

(3)   To note concerns around the withdrawal of Project Gigabit Lot 35 for Birmingham and the Black Country; and

   a)   support the WMCA's request for further information from Government to clarify this decision and to expedite the identification and evaluation of interim solutions while re-examining the opportunity for the West Midlands to receive targeted funding from Project Gigabit; and

   b)   seek confirmation of the Government's support for Lot 11 covering parts of Coventry and Solihull.

1. Purpose

1.1 The purpose of this report is to inform Board members about the wide-ranging regional activity relating to digital inclusion, digital connectivity and the digital economy in the West Midlands. This has been brought together in a refreshed Digital Roadmap which identifies new ways to support the West Midlands region to become a forward looking and inclusive digital economy, where data is used to improve our public services and the latest technology used to reduce our carbon footprint. The report also sets out information about a recent decision by government to withdraw Project Gigabit Lot 35 which has implications relating to broadband connectivity for over 100,000 premises in Birmingham and the Black Country.

2. Background

2.1 The West Midlands has a burgeoning digital economy. Recent statistics show that the region's Tech sector is worth £15.3bn, with 2,400 businesses employing 144,000 people. The West Midlands is also the best connected region for 5G (outside of London) – with over 65% 5G geographic coverage[1] – as well as offering leading availability of gigabit broadband – with 94% of premises having access versus 79% in the UK overall[2].

2.2 But if it is to sustain and enhance this success, it needs to attend to several challenges. These relate to how we ensure everybody has access to digital opportunities; how we use data more effectively, particularly to transform public services; how we support businesses to adopt digital technologies; and how we further enhance our connectivity infrastructure so that everyone can benefit from fast, reliable and affordable mobile and broadband.

2.3 In 2021, the WMCA produced its first Digital Roadmap (2021-2026). This was intended to encourage and inspire a wide range of regional partners to recognise the opportunities and challenges in the region, each aligning their activities to the five digital roadmap 'missions'.

2.4 In many respects this has been a great success, since its publication we have seen key developments including:

- **Digital Skills** – continued investments in digital bootcamps and skills more broadly, with c.£15m worth of investment recently invested in bespoke training schemes.
- **Connectivity leadership** – The West Midlands has extended its leadership as the best connected region for 5G (outside of London) increasing geographic coverage from 23% to 65% from December 2021 to April 2023.
- **Connected Services Programme** - £4m secured through the Deeper Devolution Deal to support 20,000 residents that experience and/or are at risk of experiencing digital exclusion to access data and devices.
- **Tech WM** – Tech WM (formerly Birmingham Tech) is working closely with the WMCA to grow the region's digital economy and address three tech ecosystem priorities.

---

[1] Umlaut independent 5G coverage data April 2023
[2] Ofcom Connected Nations report December 2023. Think Broadband independent data, December 2023

- **SME adoption** – Over 700 SMEs in the West Midlands have received bespoke support to accelerate their adoption of 5G, internet of things and data technologies via the WM5G SME Adoption programme as well as additional support for SMEs in the manufacturing sector as part of Made Smarter.
- **Industry success** – Growth in key sub-sectors like Finance Tech which generates more than 6% of the UK's entire Finance Tech GVA, driven by companies like Credicar, and growth in Deep Tech, in particular AI with the wider Midlands region now having 300 AI companies, this represents 11% of the UK's AI business base.
- **Smart City Region** – £10m secured through the Deeper Devolution Deal to transform wellness and productivity by accelerating the adoption of remote monitoring, diagnosis and prevention technologies already proven through trials.
- **Connectivity R&D** - £80m investment from Government in UK Telecoms Lab (UKTL) in Solihull to lead cyber security and WM5G won £1.5m Government contract to develop UK Telecoms Innovation Network (UKTIN) focussing on skills and entrepreneurship as part of a consortium led by Digital Catapult.
- **5G Innovation Region** - the WMCA and WM5G are delighted to have won £3.8m of Government investment to accelerate the adoption of advanced connectivity, data & AI in the advanced manufacturing and social care & housing sectors – working closely with their partners JLR and the WMCA constituent Local Authorities as well as other sector and technology organisations.

2.5   Such has been the change, that in late 2023 it was decided to take a fresh look at the evidence concerning the digital landscape in the West Midlands and to refresh the Digital Roadmap.

2.6   In a new Evidence Base Report (which will be published alongside the Roadmap), several new insights have come to light including:

- 85% of technology decision makers in the West Midlands feel the region is a good place to start and grow a technology business.
- Research shows that public use of digital technologies could help industry reduce carbon emissions by 4-10%, thus contributing to the WMCA aspiration to be carbon neutral by 2041.
- Our region needs 280,000 more people to gain essential digital skills to be in line with the national average.
- The data shows that 47% of people in the wider region are accessing public services online, below the national average of 50%.
- Despite the region's 5G and gigabit broadband leadership, there remain significant areas that do not have access to fast and reliable connectivity. This includes the fact that there are at least 100,000 premises that do not have and are unlikely to get access to gigabit broadband in the next three years and the region is not yet achieving its fair share of full fibre broadband investment. As such it is disappointing that the Government has cancelled the Birmingham and Black Country Project Gigabit Lot (35) to accelerate gigabit broadband rollout[3].
- In addition, the latest Ofcom data shows over a-third of households in the UK are struggling to afford connectivity during the cost-of-living crisis.

---

[3] https://www.gov.uk/government/consultations/project-gigabit-birmingham-and-the-black-country-lot-35-public-review/outcome/birmingham-and-the-black-country-public-review-closure-notice#annexa

- The West Midlands ranks as 6th out of 12 UK regions for business ICT adoption overall[4] – implying that further work is required to accelerate digital adoption and realise the economic and social benefits.

2.7 The updated Digital Roadmap (2024-2027) is informed by these opportunities and challenges, it builds upon the original 5 roadmap missions and brings them up to date with a range of new priorities and activities.

2.8 The 5 Digital Roadmap missions are as follows:

- Securing access for everyone to digital opportunities, particularly those in poverty
- Sharing and using data to improve people's lives
- Becoming the UK's best-connected region
- Realising the potential of digital to transform our economy and build economic resilience
- Using digital public services to build a fairer, greener, healthier region

2.9 The refreshed roadmap has been informed by wide engagement with local authority, public, private and voluntary sector partners. It is important to note that it is not intended to be a 'WMCA strategy' but more a guiding framework to encourage and support regional partners to align their activity and investment to help address the regional challenges that we face.

2.10 The Digital Roadmap will be overseen by a Digital Roadmap Steering Group which will convene key stakeholders from across the 5 missions and help co-ordinate activity and investment. Each Roadmap mission also has some form of advisory group to enable and support engagement on the various regional opportunities and challenges relating to each mission.

2.11 Some of these groups already have some form of implementation or action plan relating to their mission but these will be developed and enhanced in the coming months. This process will be supported by a local authority officer group.

2.12 Members of the WMCA Board are encouraged to read, discuss and endorse the updated Digital Roadmap and to support its further development, not least through encouraging local, regional and national partners to align their investment and activity with its objectives.

Project Gigabit Lot 35

2.12 While the WMCA region has high gigabit broadband availability, there are still substantial parts of the region that lack access – especially in Birmingham, Dudley and Sandwell. In a separate development, government (through BDUK) has recently concluded the market analysis phase of Project Gigabit Lot 35 which has assessed whether it should invest in accelerating broadband in Birmingham and the Black Country. Through this work, BDUK has identified over 100,000 premises in Birmingham and the Black Country that lack gigabit broadband access, and which are unlikely to get it in the next 3 years.

---

[4] Tech UK Local Digital Capital Index 2023

2.13   However, while BDUK recognises this market failure it has decided not to proceed with Lot 35 because it appears to regard the market data as inconclusive, although it hasn't explained why. BDUK says *"It is likely that some small pockets of poor urban digital connectivity will remain unserved by the commercial market without government intervention. In order to accurately ascertain how to best serve these premises, we have chosen to pause our procurement timeline and engage the market, councils and other local stakeholders on the most suitable design and scale of any future intervention."* This decision appears to have been taken without consultation with the WMCA, WM5G or local partners.

2.14   For this reason, the WMCA Board is recommended to request for further information from BDUK to clarify this decision and to expedite the identification and evaluation of interim solutions – one possibility is the extension of broadband voucher schemes to start to address this issue – while re-examining the opportunity for the West Midlands to receive targeted funding from Project Gigabit. It is also recommended that WMCA seek confirmation of the Government's support for Lot 11 covering parts of Coventry and Solihull.

3.   Strategic Aims and Objectives

3.1   The report aligns to four of the strategic aims and objectives of the WMCA:

- To develop our organisation and our role as a good regional partner.
- To reduce carbon emissions to net zero, enhance the environment and boost climate resilience.
- To promote inclusive economic growth in every corner of the region.
- To ensure everyone has the opportunity to benefit.

4.   Financial Implications

4.1   There are no immediate financial implications from this report and no additional funding is being sought beyond the very limited (£50k) funding allocated to the Culture & Digital portfolio budget for 2024/25. The WMCA funding referenced in the Digital Roadmap is exclusively funding that has been secured through external grants for particular programmes from government and other sources.

4.2   Some of the activity described in the Digital Roadmap in order to address opportunities and challenges will require finance and funding but partner investment or external grant funding will be sought in order to unlock such activity.

4.3   The majority of funding will need to be sourced through a variety of routes, including central government, local authorities, private sector and the WMCA; this support will be both financial as well as in-kind. This will be considered and agreed on a case by case basis, based on priorities and funding.

5.   Legal Implications

5.1   There are no specific legal implications contained within the report.

6. **Single Assurance Framework Implications**

6.1 There are no SAF Implications for this paper, this has been verified by the Programme Assurance and Appraisal team.

7. **Equalities Implications**

7.1 A Health and Equalities Impact Assessment (HEQIA) was conducted for the Roadmap. The HEQIA supports the approach taken in the document to align Roadmap missions areas to all aspects of the Inclusive Growth Framework (see section 8).

8. **Inclusive Growth Implications**

8.1 The Inclusive Growth Team advised on how to show alignment between the Inclusive Growth Framework and the Roadmap mission areas. This advice was applied throughout the evidence base report and updated Roadmap document and clear alignment is shown throughout both documents. A summary is provided below:

- **Reducing CO2 -** Adoption of technology is a key factor in reducing emissions and this is a key priority for business support programmes like Made Smarter. Enabling residents to access digital public services could also help to reduce carbon emissions through a reduced need to travel.

- **Reducing health inequalities** – mission 5 activities are aimed at increasing the use of digital public services to improve health and wellbeing for residents.

- **Increasing skill levels** – the work across mission 1 is designed to increase skills, using skills investment fund provision.

- **Designing out homelessness -** the work across mission 1 is aligned to the designing out homelessness aspiration with much of the work being targeted at those that might be at risk of homelessness.

- **Improving accessibility of resources and opportunities** – mission 3 activities are aligned to this priority, in particular the work to increase the use of social tariffs by residents that qualify for cheaper broadband rates.

- **Reducing employment inequalities & Increasing household income** – the work to improve digital skills (mission 1) and to build economic resilience (mission 4) are aligned to improving employment inequalities and increasing incomes.

- **Citizens feeling that they have influence and agency** – some mission 2 activities are designed to improve residents access to WMCA published data, which will enable them to understand more about the WMCA and its priorities.

9. **Geographical Area of Report's Implications**

9.1 The priorities and resulting activities are targeted at and will benefit the seven Local Authority areas in the WMCA region. While the WMCA is confident that it can continue to deliver the Roadmap priorities with its partners, we would appreciate the Board's support to acknowledge:

- The WMCA's concerns around the withdrawal of Project Gigabit Lot 35 for Birmingham and the Black Country – with the implication that around 100,000 premises which do not have access to gigabit broadband and are unlikely to get it in

the next three years, will not receive Government support to accelerate broadband rollout, as has happened in other regions.

- Support the WMCA's request for further information from Government to clarify this decision and to expedite the identification and evaluation of interim solutions – such as the extension of broadband voucher schemes to start to address this issue – while re-examining the opportunity for the West Midlands to receive targeted funding from Project Gigabit.

10.   Other Implications

10.1   There are no other significant implications.

11.   Schedule of Background Papers

WMCA Digital Roadmap (2021-2026)
WMCA Digital Roadmap (2024-2027)
WMCA Digital Roadmap Evidence Report (2024-2027)