

Press release

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Building a thriving regional digital economy: techUK publishes vision for inclusive growth

- *techUK's recommendations lay out the pathway to grow the digital economy across the whole of the UK*

MANCHESTER, 3 December 2024: Leading technology trade association techUK is today publishing the 2024 edition of its annual '*Local Digital Index*', unveiling its vision for economic growth across the UK.

The UK's digital economy is a powerhouse of innovation and growth, employing 1.7 million people and contributing £99 billion annually. Growing at 10% per year, it is one of the fastest-expanding sectors of the economy, contributing to making the UK the third biggest technology hub in the world.

However, this success is unevenly distributed across the nation, with significant disparities in access to investment, skills, and infrastructure. These challenges limit opportunities in many regions and risk leaving untapped potential on the table.

To address these issues, techUK's Local Digital Index 2024 provides a roadmap for enabling all regions of the UK to benefit from the digital economy's rapid growth. The index highlights key elements shaping the sector's development, including access to investment, Innovate UK funding, and R&D spending. While regions such as London, the South East, and East of England enjoy greater access to funding and infrastructure, success stories from cities like Manchester, Leeds, and Liverpool demonstrate that other areas are equally capable of thriving with the right support.

Demand for digital skills is both strong and broad across the UK, with 15% of jobs in York and North Yorkshire being digital roles in 2023, compared to 24% in the West of England. However, disparities in digital skills development and training create barriers that hold back local economies.

Similarly, while superfast broadband is widely available, rural areas continue to lag, and gigabit broadband access is concentrated in major urban hubs. Data centres, critical to supporting industries such as AI and IoT, are clustered in areas like Slough, East London, and Manchester, further emphasising regional imbalances in the physical infrastructure needed for growth.

The Local Digital Index sets out eight recommendations to tackle these challenges and ensure regional growth. These include:

1. Extending Tax Relief for Regional Start-Ups

Prolonging tax relief for early-stage start-ups outside London and the South East will incentivise investments, create jobs, and spread the benefits of the tech sector across the UK.

2. Building Collaboration Through Testbeds and Trials Programmes

Mapping regional testbeds will allow innovative companies to trial products, facilitating connectivity and knowledge-sharing that drive the sector forward.

3. Hosting an Annual Nations and Regions Digital and Technology Summit

A dedicated summit would unite policymakers, industry leaders, and stakeholders to collaborate on growth strategies and share best practices for scaling the UK tech sector.

4. Localising Digital Inclusion Strategies

Devolving responsibility and providing funding for digital inclusion to local and devolved governments will enable tailored approaches, empowering communities to bridge digital divides effectively.

5. Establishing a Digital and Technologies Sector Council

Creating a national council would ensure coordinated efforts to grow the sector, align it with local growth plans, and integrate digital innovation into the UK's wider economic strategy.

6. Supporting Rural and Coastal Communities

Building on the Shared Rural Network, a broader digital support program would boost connectivity, enhance digital skills, and foster economic growth in underserved areas.

7. Creating a 'CivTech' programme for the whole UK

The CivTech initiative has been transformative in Scotland. Expanding this model to other regions would help tackle public sector challenges and foster innovation among small businesses nationwide.

8. Establishing Regional Offices for Tech and Innovation

Regional Offices for Tech and Innovation would drive collaboration between local authorities and industry, helping to scale digital transformation efforts and deliver more for residents.

Through these recommendations, the Local Digital Index provides a clear path forward for policymakers, businesses, and local authorities to collaborate and create opportunities for innovation and economic success nationwide. By following these recommendations, techUK suggests that the UK can continue to flourish, growing its digital economy from third in the world to leading on a global scale.

Matthew Evans, Director for Markets and Chief Operating Officer at techUK, said:

"The digital economy is at the heart of the UK's future prosperity, but its benefits must reach everyone. If the UK tech sector is to achieve its full potential, we must move beyond regional imbalances and build an ecosystem that prioritises investment, skills, and infrastructure development to allow every part of the UK to flourish."

Mayor of Greater Manchester, Andy Burnham said:

"The Index is a vital tool for highlighting regional and city strengths to see who is leading the way and where there are opportunities to learn and collaborate. In the 21st century to be competitive we actually need to be highly collaborative. To look beyond our regional



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boundaries to a shared national ambition to grow our economy in a way that benefits everyone.”

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Notes to Editors

The full report will be available for download [here](#) (live from 00:01 on 3rd December 2024)

[Nations and Regions techUK programme](#)

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About techUK

techUK is the technology trade association that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve.

With over 1000 members (the majority of which are SMEs) across the UK, techUK creates a network for innovation and collaboration across business, government and stakeholders to provide a better future for people, society, the economy and the planet.

By providing expertise and insight, we support members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.