

Press release

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techUK launches new index to assess digital sector across the UK

- Local Digital Capital index makes the case for digital investment to be a key component in post-pandemic recovery and levelling-up the UK
- West Midlands, Northern Ireland and South West found to have the strongest digital tech sector after London, East of England and the South East

BIRMINGHAM, 9 September 2021: techUK, the leading technology trade association, today launched a new framework to assess the digital tech sector across the different regions of the UK.

The Local Digital Capital index was created in response to a consultation with the wider tech industry in March 2021 in order to understand and measure the depth of local digital capital, the building blocks that make up a strong technology ecosystem, in each region in the UK for the purpose of the levelling-up agenda. It measures eight components including digital infrastructure, digital skills, digital adoption, data ecosystems, research and innovation, finance and investment, trade support, and collaboration and cooperation.

Through these components the index seeks to understand a region's strengths and aid policy and decision makers in their interventions and further investment in the nations and regions digital economies.

In its results, the index identifies the strength of London and the South East in the digital tech sector but also shows reasons for other nations and regions to be optimistic, with strong findings in the West Midlands, North Ireland and the South West.

However, the index notes that there is still much to do if the UK is serious about having a strong digital sector across the whole of the UK. techUK has listed a series of recommendations to improve the national tech ecosystem:

- Build location-specific data on the strength of local data ecosystems;
- Establish a Chief Digital Officer forum at a national level;
- Continue to measure progress through further iterations of the Local Digital Capital index;
- Deepen the understanding across the sector of where and how collaboration can support growth;

- Local decision makers should embed the Local Digital Capital Index into their digital strategies with a commitment to furthering Local Digital Capital in their locality;
- Embed digital job growth in the post-COVID-19 recovery when considering levelling up across the UK, especially in regions such as Yorkshire and Humber and Wales.

Julian David, CEO, techUK, said:

"Our work identified a strong desire for a tech-savvy United Kingdom where all nations and regions can participate in, and benefit from, a rapidly digitising global economy. However, what we lacked was an ability to measure the impact of digital technology on a specific locality. Our Local Digital Capital index seeks to remedy that.

"The index is not about playing one region off against another. It is a tool that we want local areas to be able to use to understand their own strengths, where they need to reinforce and where best practice can be found. At the same time, we want this to be a tool for national policymakers, and a way of making the case for investing in regional digital economies as a part of the Levelling Up agenda."

Andy Street, West Midlands Mayor, commented:

"This is a really important piece of work that demonstrates the progress we've made in the West Midlands to expand our digital economy. We've seen real success with initiatives like our 5G testbed and our Digital Skills Bootcamps, but we can do more in areas like digital adoption and data sharing, and this Index gives us a useful tool to support our strategy. We've worked previously with techUK on our Digital Roadmap, and I look forward to working with them on this as well as the wider Local Digital Capital work to improve the region's digital capability."

Andy Burnham, Mayor of Greater Manchester, said:

"In Greater Manchester we are committed to being a digital city-region that puts our residents at the heart of our plans and are working towards our ambitions to be recognised as a world leading digital city-region. Intense collaboration is at the heart of what we do differently here as the Local Digital Capital Index from techUK highlights.

"Our city-region has an ever-growing tech eco-system made up of entrepreneurs, innovators, enthusiasts, and innovators from multiple sectors working closely together. This strong eco-system is energising thought, creativity, building networks and fuelling innovation and helping us on our way to achieving these ambitions."

Lee Waters MS, Deputy Minister for Climate Change, Welsh Government, said:

"I welcome the opportunities that the Local Digital Capital Index can bring to inspire a national discussion on driving digital adoption, the importance of exploiting technology and collaborative working.

"Our Digital Strategy for Wales articulates how digital is not just about tools and technologies, it's about culture and people too. Digital skills and confidence are key to embracing the benefits of digital innovation in order to build a prosperous and healthy modern economy.

"The Welsh Government has an established national support programme to help businesses understand, adopt and exploit digital while maximising the significant Welsh Government investment in superfast broadband infrastructure. Growth in data centre investment and disruptive technologies such as FinTech and AgriTech industries are a key part of our broader digital ecosystem, alongside developments in Artificial Intelligence, Machine Learning and Cyber.

"The Local Digital Capital Index will complement this work already underway in Wales, helping us to better understand our strengths, improve policy making and offer opportunities to collaborate and innovate more widely."

The index comes after techUK began the development of the concept of Local Digital Capital, a way to describe the building blocks that make up a strong digital tech ecosystem, with a number of focused digital dialogues with over 260 businesses, local and devolved government officials, tech sector representatives, start-ups and others. The new index is the latest step in the work to develop the conversation and information required to strengthen the digital tech sector.

-ENDS-

Notes to Editors

The full list of recommendations highlights:

- **Build data on the strength of local data ecosystems.** There is currently little location-specific data on the strengths or otherwise of regional data ecosystems that are publicly accessible. The Government's National Data Strategy makes data availability a key part of its mission to unlock the power of data across the economy. Improving data on data ecosystems should therefore be a mission for both the public and private sector.
- **Establish a Chief Digital Officer forum.** Strengthening how the tech sector collaborates will help improve Local Digital Capital. A Chief Digital Officer (CDO) forum at a national level would be welcomed but to improve collaboration locally there should be CDO forums in the nations and regions to support collaborative working and co-ordination.
- **Continue to measure progress through further iterations of the LDC Index.** We know that there will be differing views about the data sources that we have chosen, the weighting allotted and the depth that we have been able to go to. We will continue to improve the index and will work with the sector and partners to do so.
- **Deepen the understanding of where and how collaboration can support growth.** There are examples of best practice across the UK, and this should be celebrated but

also shared to allow every nation and region to strengthen Local Digital Capital. There must be further exploration to see if a measure can be developed in this field e.g. the presence of groups, private or public, that actively champion the use of tech in a specific area. While this might not form a metric it could form a map of support on offer across the UK's nations and regions and allow collaboration to be represented and demonstrated.

- **Local decision makers to embed the LDC Index into their digital strategies with a commitment to furthering Local Digital Capital in their locality.** The goal of improving Local Digital Capital can be achieved but requires local decision makers and leaders to commit to the prize on offer. This means ensuring leaders and decision makers build LDC and the LDC Index into their local strategies and considerations.
- **Embedding digital job growth in the post-COVID-19 recovery** should be crucial when considering levelling up across the UK, especially in regions such as Yorkshire and Humber and Wales.

The index will be launched today in Birmingham with West Midlands Mayor Andy Street and techUK CEO Julian David at the offices of Advanced – the UK's 3rd largest provider of business software and services – and include representatives of the sector from across the UK's wide ranging digital technology sector.

Media Contacts: Margherita Certo | T 07462107214 | E margherita.certo@techuk.org

About techUK

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

With over 800 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 our members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.

[Local Digital Capital index](#)