

## Press release

### techUK's 2025 Local Digital Index calls for bolder action to unlock regional tech growth

- *New data from techUK reveals both progress and persistent imbalance in the UK's digital economy, urging government to "back the winners" driving regional growth and resilience*

**[Edinburgh, UK] 20 November 2025** – Technology trade association techUK's new Local Digital Index, published today, shows that while the UK tech sector continues to outperform most of the economy - now contributing £101 billion in Gross Value Added (GVA) the economy and employing 1.7 million people - growth remains uneven.

Drawing on 23 economic, connectivity, and skills indicators, the Index highlights progress since 2020 (including record gigabit rollout and the establishment of local innovation clusters) but warns that growth and investment remain too heavily concentrated in London, Oxford, and Cambridge despite world-class potential across the whole of the UK.

The Index provides local leaders, investors, and policymakers with a clear picture of where and how the UK's digital economy can grow faster and more inclusively.

Releasing the findings, techUK is calling for urgent government action to ensure that regional economies can attract investment, connect businesses, and develop the skills that will define the UK's digital future.

### Areas for action

The report finds that:

- Overall growth for the digital sector has forecast of 8.9%, above the UK average. However, the projected rate has decreased slightly since last year's index.
- **London, Oxford, and Cambridge (the Golden Triangle)** still account for a disproportionate share of digital investment.
- Gigabit broadband coverage has risen sharply since 2020, from **27.7%** to **well over 90% in the West Midlands**.
- 5G coverage across the North West has now reached **79.1%**, using better technology to improve upon the 82.5% for 4G recorded in 2022.
- STEM job demand is highest in Greater Manchester, however, digital graduates are most concentrated in Westminster, Camden, Birmingham, Nottingham, and Manchester.

- Wales leads the UK for local government ICT spend with SMEs, showing how procurement can boost local tech ecosystems.

These figures underline both progress and imbalance, and techUK is urging Government to act decisively to translate potential into nationwide prosperity.

techUK outlines three priority areas for action:

- **Catalyse investment beyond the Golden Triangle:**

Investment remains at the heart of innovation; yet capital, both public and private, is still clustered in the South East.

techUK calls for a deliberate effort to channel investment into high-potential regional ecosystems, ensuring that scale-ups from across the UK can access the finance they need to grow.

This includes expanding regional investment funds, aligning Innovate UK and the British Business Bank to support early-stage innovation pipelines, and establishing a Digital Technologies Office for Investment to showcase UK strengths to global investors.

- **Accelerate digital infrastructure for business connectivity:**

The UK's digital infrastructure has strengthened significantly since 2020, yet too many communities and business parks still face slow or unreliable connectivity. techUK urges Government to treat business connectivity as critical national infrastructure, fast-tracking the completion of Project Gigabit and the Shared Rural Network while expanding coverage measurement to include commercial sites, not just homes.

To incentivise deployment, techUK proposes targeted business rates relief for next-generation fibre and 5G standalone networks, alongside support for alternative technologies such as satellite to close the rural gap.

- **Align skills supply and demand to drive regional growth**

The UK produces exceptional digital talent, but the Index shows growing disparities between where people train and where they find work. Some regions risk becoming "training grounds" for talent that relocates elsewhere.

techUK calls for a more flexible, regionally empowered approach to digital skills. Reforming the Growth and Skills Levy would allow employers to fund short, modular training aligned with emerging technologies such as AI, semiconductors, and cyber security. Local and devolved authorities should also be empowered to reinvest levy underspends into digital inclusion and community-based upskilling.

Universities, meanwhile, should act as anchor institutions for digital adoption, helping local SMEs modernise management practices and embed digital tools across supply chains.

**Matthew Evans, Director of Markets and COO, techUK said:**

“Our Index shows that there is incredible innovation happening across the whole of the UK. However, only some of the regions are reaping the benefits. We must ensure the benefits of innovation reach every region and community. If we invest now in infrastructure, capital, and skills, we can build a digital economy that delivers growth and prosperity everywhere.”

**Paul Connell, Co-Founder and Executive Chair, The Data City said:**

“We are very proud that our Industry Engine is providing the Real-Time, Data Infrastructure for the techUK Local Index, which is helping techUK to continue its vital work to champion the digital economy for everyone. You can see in the data that The UK’s great cities have the digital capability and innovation capacity to power economic growth – it’s time the Government stepped up and backed each one of them to be winners.”

**Deputy First Minister Kate Forbes said:**

“Scotland offers enormous opportunities to drive UK-wide economic growth through innovation - from deep research capabilities at our world-leading universities to a strong track record in strategic sectors like life sciences and advanced manufacturing and an expanding ecosystem of innovative and enterprising start-ups.

“The Scottish Government continues to stand square behind our technology sector to ensure we capitalise on these opportunities, drive investment and create jobs – and I wholeheartedly agree with techUK’s assessment that the skills, talents and opportunities that lie across the UK must be supported strategically and equitably.”

**-ENDS-**

**Notes to Editors**

The full report can be downloaded [here](#).

The Local Digital Index can be found [here](#).

## 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.



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With over 1,100 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.

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