

Digital Innovation & Transformation



LEP Board Briefing



What is Digital Transformation?

WofE Digital Taskforce paper* defines as:

“...the integration of digital technology into all areas of an organisation or place, fundamentally changing how it operates.

It has been identified as a key contributor to increased productivity, crisis recovery, new solutions for tackling the climate emergency and resilience building.”

* Precursor to WofE Recovery Plan

Alignment of Strategic Interests

Government ➔ UK gigabit-capable ASAP plus majority 5G coverage by 2027

Metro Mayor ➔ rapid broadband rollout to improve connectivity & inclusion

B&NES, BCC, NSC, SGC Strategies ➔ shared goal to improve digital connectivity

WofE Recovery Plan ➔ digital infrastructure, skills & inclusion, business transformation

LIS ➔ create a 'Smart Alliance' to deliver infrastructure needed for future prosperity

WELEP & WECA ➔ significant 2-y investment to accelerate digital transformation

Do you want to exploit this opportunity?

Programme Overview

Aim & Objectives

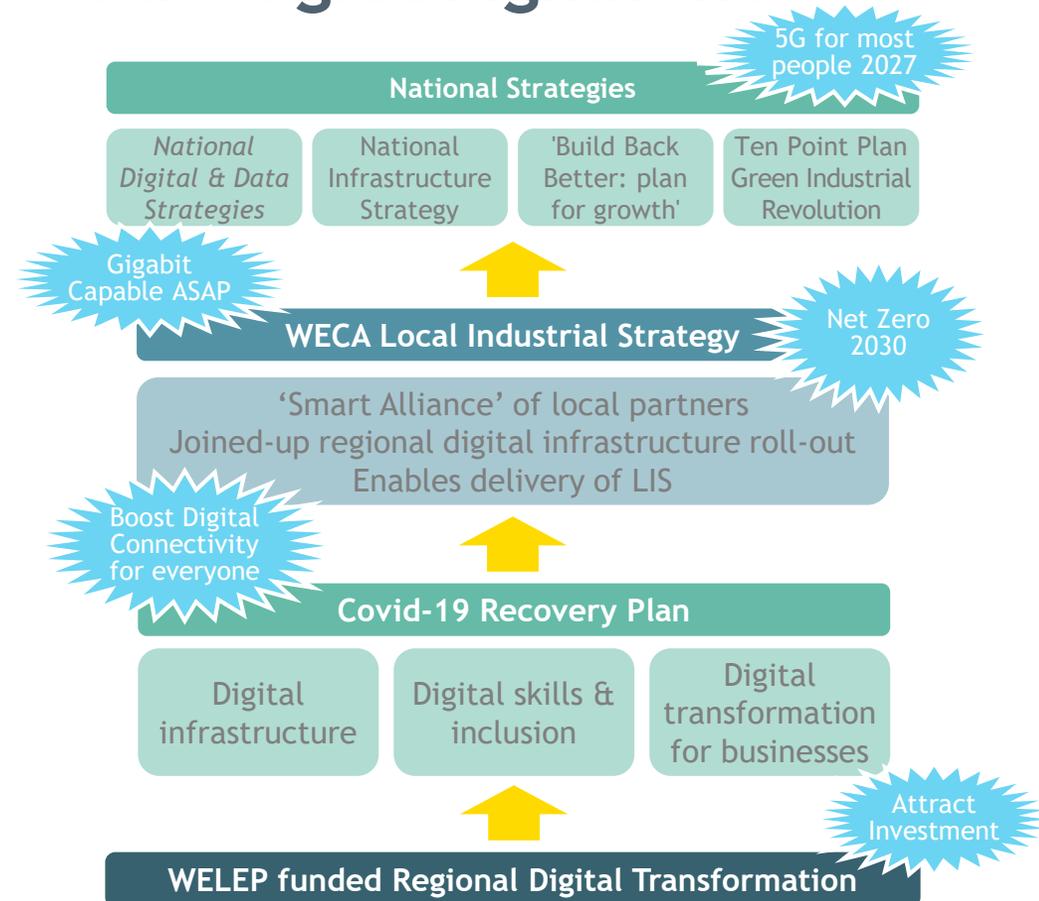
In 2 years deliver a digital transformation framework that will accelerate regional digitisation as set out in Recovery Plan and LIS

Main objectives:

- Reboot Smart Alliance
- Develop West of England Digital Transformation Strategy
- Activate regional Digital Transformation Programme

LEP-funded Programme Manager in post to deliver

Strategic Alignment



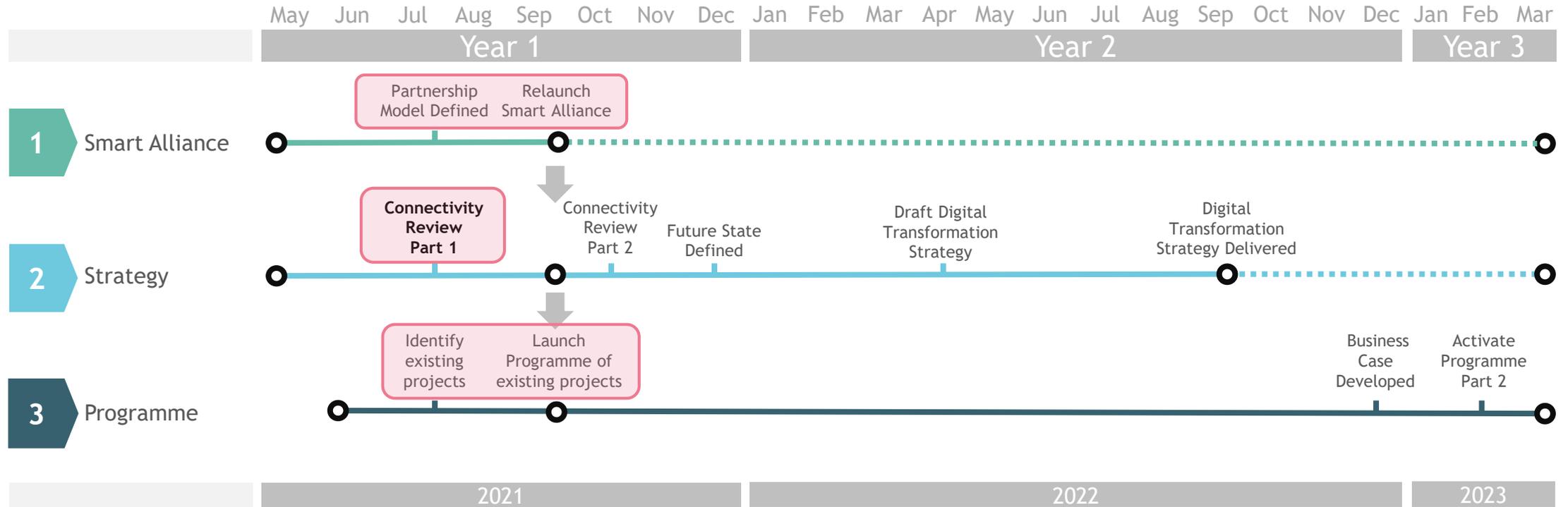
Development & Delivery

Delivery in 3 distinct phases. Each phase overlaps to facilitate an iterative, collaborative approach:

- 1 Phase 1: Reboot the West of England Smart Alliance**
Design and implement Smart Alliance reboot to cement its role as strategic driver of inclusive digital innovation and transformation as per LIS
- 2 Phase 2: Deliver a West of England Digital Transformation Strategy**
Articulate region's ambition and actions required to accelerate digital transformation and innovation that leaves no one behind
- 3 Phase 3: Activate regional Digital Transformation Programme**
Portfolio of projects that will deliver the strategy and pathways to impact in priority areas

Outline timeline & milestones plan

- Indicative timescales**
- Phase 1 Smart Alliance: 0-6 months duration
 - Phase 2 Strategy: 12-18 months with **early delivery of connectivity baseline**
 - Phase 3: 18-22 months with short-term quick win

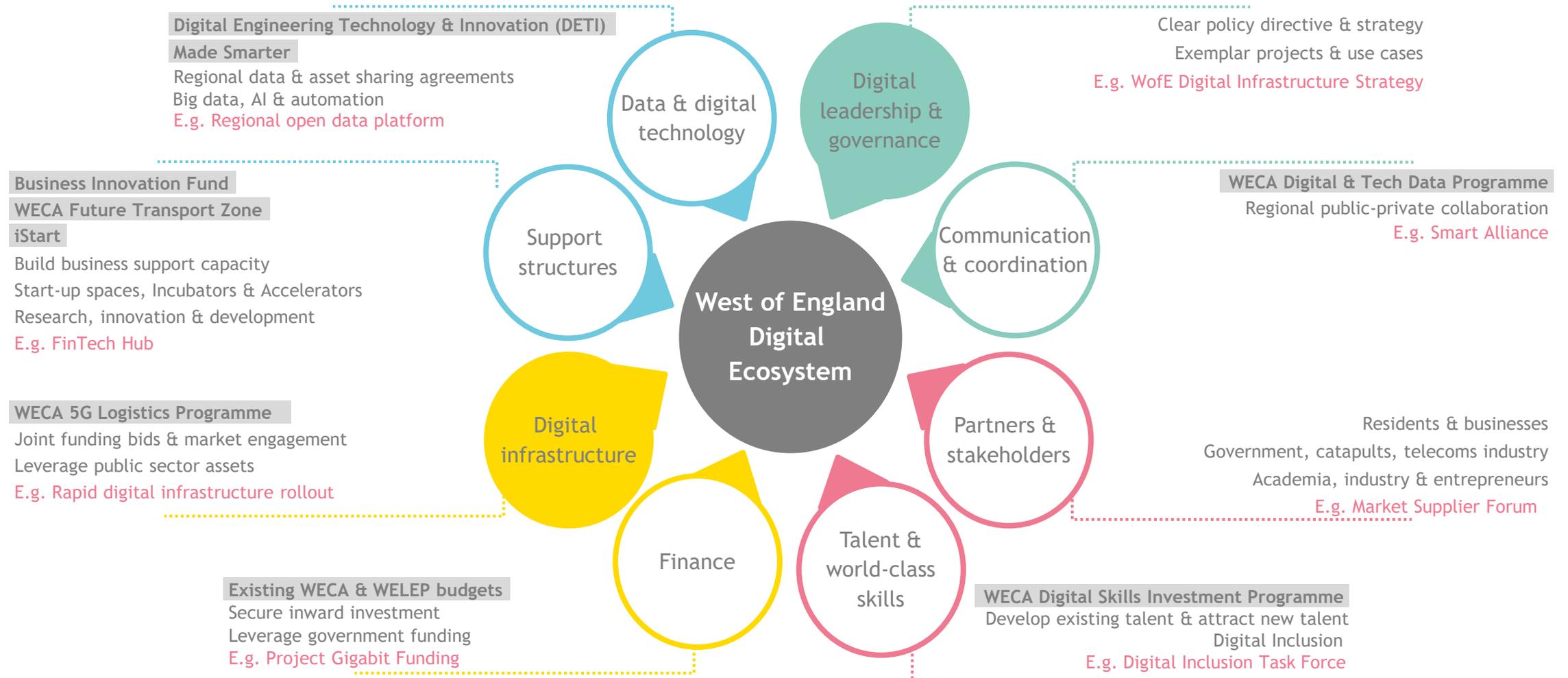


Current Activity

Priority tasks

- Engagement and onboarding ► Reboot Smart Alliance
- Digital Connectivity Review ► Review of recommendations / options assessment
- Baseline current digital ‘as is’ ► Collate evidence base and current/planned initiatives
- Develop Digital Inclusion ‘wrapper’ ► Show how existing initiatives address issue
- Coordination around emerging funding opportunities ► DCMS DCIA Regional Pilot
- Stakeholder engagement ► Identify advisors & good practice to support Smart Alliance
- Identify existing initiatives & external engagement ► Interim Digital Inclusion comms

Potential Pathways to impact



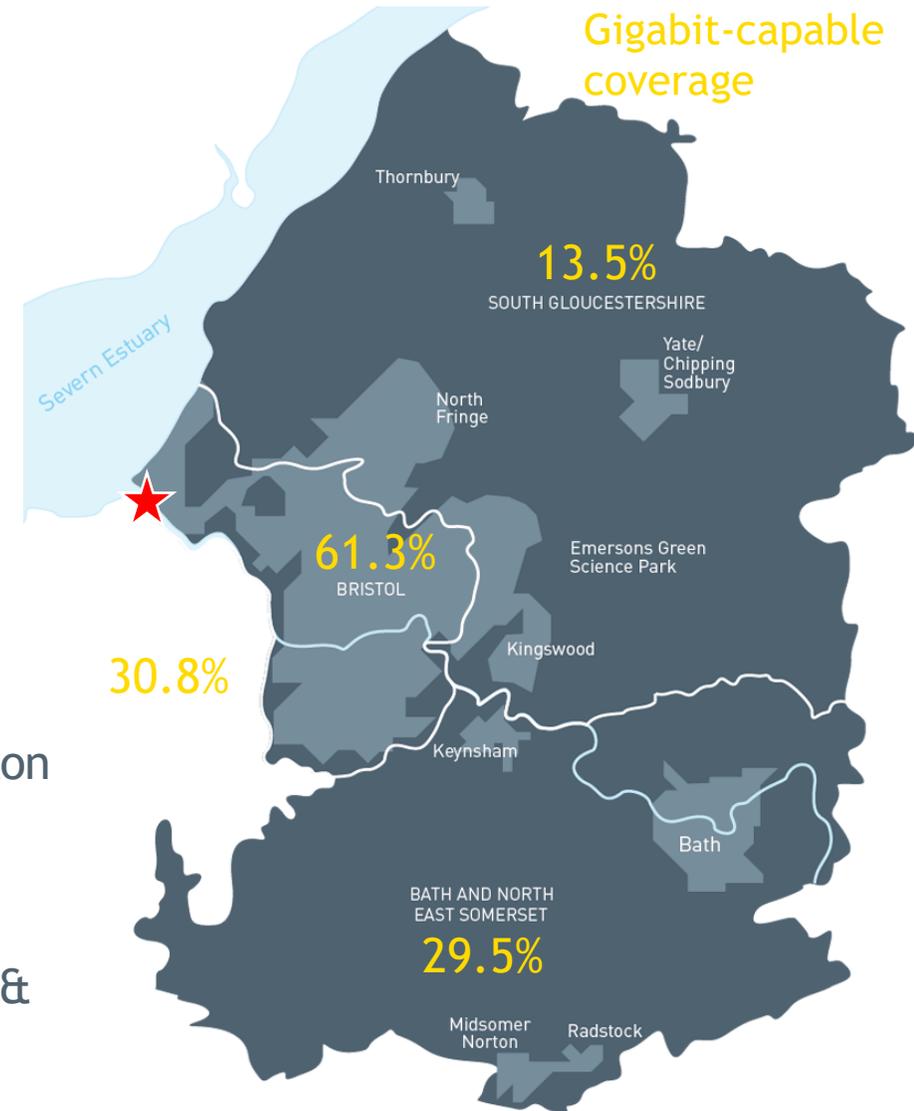
Digital Connectivity Review

Fixed Broadband

- ~3.5k premises without a 'decent connection' & struggling with <10Mbps, including Bristol Port area
- ~18.5k premises don't have access to superfast (<30Mbps)
- Gigabit-capable coverage just behind UK (38.7% vs 42%), but rural areas being left behind
- Full-fibre & gigabit-capable broadband becoming global standard

Mobile Broadband

- 4G & 5G coverage on a par with rest of UK
- Early 5G roll-out in Bristol (46-49% coverage), some in Bath & Weston
- Industry adopting 'demand-led' strategy so market failure likely (similar to gigabit coverage), plus 5G needs full-fibre for backhaul
- 5G innovation, but other regions accelerating sector development & practical exploitation



Why we need to do this now

Sustainable, inclusive recovery

- Priorities changed during Covid crisis & **everyone reliant on digital connectivity**
- Poor connectivity is **affecting access** to work, education, services, democracy
- Globally recognised tech cluster, yet **region missing out** on inward investment, trade, opportunities
- Digital a **significant attractor**, especially to businesses looking to relocate
- Digital tech could **deliver nearly 1/3 of carbon emissions** required by 2030

Leverage opportunity & investment

- **£5bn DCMS Project Gigabit** on national mission to level up & lift UK out of the digital slow lane
- DCMS-run procurement competition to deliver **85% gigabit-capable UK coverage by 2025**
- **Suppliers investing to deploy infrastructure** and maximise access to DCMS funding
- Higher demand, barrier busting, new operators, suppliers & tax incentives creating **dynamic delivery market & rapid deployment**
- **Gigabit will become digital norm** as UK regions & other countries drive full-fibre roll-out

Current path - Participate in market

Business as Usual



- Each Council proceeds as per DCMS Project Gigabit procurement
- South Gloucestershire (Phase 2) with Swindon & Wiltshire procurement - procurement starts ~Aug 22, fibre roll-out starts ~Aug 23
- North Somerset & BANES (Phase 3) part of CDS scheme. No dates yet for this phase
- Bristol not included in Project Gigabit
- Multiple, smaller council-led procurements (DCMS Type A/B) more difficult to manage across boundaries and intervention areas
- May result in reduced 5G coverage compared to other regions
- *Risk of staying in digital slow lane*

Valid option, we can still do good stuff around barrier busting and digital inclusion
DCMS and the market will drive what 'good' connectivity looks like for our region

Ambitious Approach - Drive the market

95% by 2026

- Regional target to reach 95% full-fibre coverage across region & maximise 5G potential
- Deliver +10% coverage (extra 53.5k premises) by 2025 with greater focus on digitally excluded
- Achieve via larger regional DCMS Type C procurement & £124m from Government & Telcos (£80m) plus local WECA & partners (£44m)
- Embed good practice & new delivery mechanisms to deliver +£129m final 5% coverage scheme & universal coverage by 2028
- *Chance of delivering universal coverage*

To implement ambition, need to start driving this now to influence DCMS

Next Steps

Fast track - implement before end of 2021

- Engage DMCS to negotiate an Open Market
- Full assessment of Type A, B and C procurement options
- Develop Investment Model
- Stand-up Market Supplier Forum & Digital Programme Office
- Develop focused WofE Digital Infrastructure Strategy & Action Plan

Digital Connectivity across the West of England

What's our level of ambition?

Option 1 or
Option 2?

Wait for the
market or shape
the market?

