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To: Economic Development Cabinet Committee, 6th March

Subject: 'DIGITISING KENT': Maximising the benefits from the Kent and Medway BDUK project

Classification: Unrestricted

Summary:

Poor broadband infrastructure has been identified as a major barrier for economic growth, whilst universal online access is a key enabler for transforming public sector services. Kent County Council is investing over £10 million, through the Kent and Medway BDUK project, with the ambition of bringing broadband to every premise across Kent and ensuring that most will be able to access superfast broadband services. However in order to ensure that Kent achieves the maximum economic uplift and public sector efficiency savings from this investment, it will be important to develop a digital plan to stimulate take up and utilisation of these new services.

1. Introduction

“The UK is not maximising the potential offered by digital technologies, because too many individuals and organisations are not using them to their fullest or not using them at all. We estimate that the UK could have increased its annual 2011 GDP by up to £63 billion if it had achieved global leadership in digitisation.”

Booz&Co. “This is for Everyone” Report, November 2012 (Commissioned by GO ON UK)”

1.1 The UK Charity GO ON UK, which is chaired by the Government’s digital champion, Martha Lane Fox, has set out a compelling case for universal digitisation across the UK – that is, getting everyone online and encouraging both individuals and organisations to maximise the use of digital technologies within their lives and businesses.

1.2 They argue that the socio-economic benefits of developing greater digital capability across organisations, businesses and individuals has the potential to:

- Create a £63 billion uplift in UK GDP if the UK could become a global leader in digital adoption.
- Boost SME annual turnover by £18.8 billion if SMEs marketed and sold online.
- Save £5.1 billion by developing and promoting digital public services.

1.3 In Kent alone, on this basis, higher levels of digital usage, capability and leveraging of emerging transformative technologies could translate into:

- an estimated £1.5 billion increase in Kent's GDP
- enhanced SME turnover
- significant savings for the public sector

1.4 Whilst the UK continues to score consistently high rankings across a range of indices of digital maturity (i.e. levels of access to, and adoption of digital technologies and services), it is worth highlighting that:

- 16 million people in the UK still don't have basic online skills.
- Only 14% of SMEs sell products and services online.
- 4.5 million people in the workplace lack basic online skills.
- Over one-fifth of the UK's population do not use the internet at all.
- 800,000 of the most disadvantaged school children lack home-access to the internet.

1.5 As a result, GO-On have advocated a greater national policy focus on stimulating take up and utilisation of new technologies to ensure that the anticipated outcomes of the UK's broadband infrastructure investments are realised and maximised. This should include bringing both individuals and SME's online, but also enhancing existing levels of digital capability and adoption (i.e. use of social media, video conferencing applications, cloud-based technologies etc).

2. Maximising the outcomes from Kent's BDUK investment

2.1 Kent County Council is currently working in partnership with the Government's Broadband Agency, Broadband Delivery UK (BDUK), to deliver a major project to transform Kent and Medway's rural broadband infrastructure. The project aims to address current gaps in current market-led plans and therefore ensure that by the end of 2015, every property in Kent and Medway has access to a basic (2mb) broadband service and that most will be able to access superfast broadband services.

2.2 This project, in combination with currently commercial deployments, will substantially transform the County's broadband infrastructure and

provide a more robust digital foundation for delivering Kent's bold step ambitions.

- 2.3 However, whilst high quality broadband infrastructure is a fundamental prerequisite for high levels of digitisation, the availability of high speed, many commentators have advocated that affordable broadband services, alone, are not enough to drive high levels of take up and utilisation of digital technologies. As a result, they have called for the Government and local bodies to consider introducing plans to enable greater benefit optimisation.
- 2.4 As a result, there is a need to develop a cross-directorate, digitising Kent Action Plan to optimise the usage of these new broadband services – and ensure that the anticipated local outcomes around enabling economic growth and public sector transformation are fully realised. Such a strategy would also meet BDUK's emerging requirements for each county to develop a demand stimulation plan to encourage take up of new services.

3. Digitising Kent Action Plan

- 3.1 In order to achieve the above, it will be particularly important for the Digitising Kent plan to focus on the following three areas:
- a) Ensuring ongoing access to an affordable, accessible, fast and robust broadband infrastructure i.e. the digital foundation. The principle delivery mechanism for this objective would be the delivery of the Kent and Medway BDUK project, which is currently in procurement. The plan should also take a longer-term view regarding future funding opportunities to further enhance Kent's rural superfast broadband coverage (i.e. to upgrade to those areas which will not receive superfast enhancements under the Kent and Medway BDUK project).
 - b) Promoting internet use to build digital capability across organisations and individuals – through encouraging both SME uptake and optimisation of new technologies (Skype, cloud-based technologies, social media) and encouraging greater digital inclusion/universal internet usage by Kent's citizens (i.e. encouraging people who are not online to use the internet).
 - c) Fostering innovation by leveraging new infrastructure investment and adoption of new transformative technologies to grow Kent's economy – i.e. fostering the growth of new emerging growth sectors in the new 'internet economy and maximising Kent's proximity to London (and initiatives such as Tech City) to attract and incubate high tech business start-ups. A Digital Sector conversation is planned for 21st

February in Margate. The sector is a key priority for Grow for It campaign

- 3.2 It should be stressed that, in addition to the Kent and Medway BDUK project, there are already a raft of workstreams currently in train or development that would contribute toward the delivery of the above objectives. These workstreams include the digital inclusion being undertaken by Kent Libraries to encourage residents who are currently not online to develop the necessary skills and confidence to use the internet; participation in the national demonstrators for Telehealth and Telecare; and KCC's work streams around 'channel shift' to increase online public service transactions.
- 3.3 In addition, there is also the opportunity to achieve additional 'added value' out of existing workstreams by mainstreaming digitisation objectives across existing KCC and partner work programmes. Example of this could include developing a high-tech incubator within the forthcoming incubator programme, examining how digital technologies could enable SME export development and considering how digital optimisation advice/information could be integrated, or enhanced within existing business support programmes.

4. Next steps

- 4.1 It is proposed that a draft action plan should be developed by July 2013, which will set out how local investment in broadband infrastructure upgrades can be maximised, and translated into economic uplift and efficiency savings for both businesses and public sector organisations. As highlighted above, the plan will also meet emerging BDUK requirements around 'demand stimulation' for the Kent and Medway BDUK project.
- 4.2 This will require cross-directorate input and productive conversations have already occurred at officer level between the BDUK, Economic Development, ICT and Customer and Communities teams.

5. Conclusions

- 5.1 Given our early position in the BDUK procurement pipeline and close proximity to London and its high tech incubator hubs, Kent is well-placed to benefit from the new emerging 'internet economy'. However, this strategic advantage – and potential economic uplift – could be further enhanced through the development and implementation of a 'Digitising' Kent action plan. This would bring together a number of existing workstreams and 'digital proof' both existing and proposed delivery to secure additional added value and return on investment from KCC's BDUK project investment.

6. Recommendation

6.1 Members of Economic Development Cabinet Committee are asked to NOTE and DISCUSS this report.

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Background Documents: None