

## **DIGITAL OPPORTUNITY IN THE LIVERPOOL CITY REGION -AN INTEGRATED APPROACH**

### **BACKGROUND**

Greater Merseyside Digital Development Agency (GMDDA) is a cross sector voluntary partnership of key Digital / ICT stakeholders on Merseyside.

Formed in 2002, the Agency exists to raise awareness and develop the Digital / ICT agenda across the Liverpool City Region and provides advice and support to a wide range of public, private and community sector organisations. The partnership is structured in the form of five working groups covering business, community, public services, technology infrastructure and learning & skills.

The working groups are populated by organisations and individuals with an interest in the role of Digital / ICT opportunities in the regeneration of the Liverpool City Region. The Chairs of the five Groups form the hub of a Board of 19 members representing public / private agencies including the NWDA, local authorities, private sector ICT companies, and community based organisations.

The Working Groups and Board of non executives are supported by a dedicated Executive Officer, currently located with Liverpool Chamber and funded until 31/3/2008 through Objective 1 monies.

Merseyside ICT (also funded through Objective 1) work closely with the GMDDA and The Mersey Partnership (TMP) to support ICT and Digital business development and inward investment.

The Merseyside Investment Fund (MSIF) is also a valuable resource, providing funding to assist existing and new ICT / Digital business start ups.

GMDDA has a proposition for the Liverpool City Region, namely

**To achieve an integrated approach to ICT and Digital Opportunity, placing it at the heart of physical, social and economic regeneration across the sub-region.**

This paper seeks to develop this proposition

## 1. Vision & Value Proposition

Vision:

***"A Liverpool City Region where the economic and social opportunities of ICT and Digital Technology are optimised for the common good of those who work, live and visit the region."***

Value Proposition:

***"All organisations will support and mainstream an agreed Digital / ICT Strategy for the Liverpool City Region by influencing, engaging and informing, in order to optimise the economic and social benefits through the delivery of digital technology."***

## 2. Strategy Summary

- 2.1. The appropriate exploitation of digital technology has a major contribution to make to the ongoing economic and social prosperity of the Liverpool City Region<sup>1</sup>.
- 2.2. The Sub Regional Partnership has recognised by supporting the *Regional Economic Strategy* (RES) and specifically through the *Merseyside Action Plan* (MAP), that ICT and Digital Opportunity is a fundamental component of raising business opportunity & productivity, and driving social/community regeneration.
- 2.3. Strategic interventions over the past five years have been successful in driving only limited cultural change in the field of digital technology. However, for the ambitions of the RES and MAP to be realised, a new additional set of interventions now need to be delivered and driven forward across sectors.
- 2.4. The current state of digital technology, productivity and economic activity was most recently benchmarked by the NWDA ICT Data Survey in 2004. This provides indicators against which progress can be measured over the next three years.
- 2.5. The GMDDA partners have developed a set of additional interventions that they believe are necessary to deliver step-change improvements.
- 2.6. The GMDDA recommends support for and the adoption of this proposition by the Merseyside Sub Regional Partnership and across all sectors – public, private, education and the third sector.

## 3. Strategy Detail

As previously stated the GMDDA<sup>2</sup> is a partnership that has aimed to help the Liverpool City Region optimise the economic and social benefits of digital technology for those who work, live and visit the region. It has done this by promoting strategic management of existing digital initiatives and advising those driving regional development on appropriate actions aligned with the *Regional Economic Strategy*<sup>3</sup> and *Merseyside Action Plan*<sup>4</sup>.

This proposition recommends a strategic approach to ICT and digital technology to support the further regeneration of the Liverpool City Region over the next three years.

The proposition has been prepared by stakeholders from the digital arena, and builds on the strategic statement<sup>5</sup> adopted by that partnership in 2005.

This proposition recognises a portfolio of activity<sup>6</sup> delivered in the last few years and others currently underway in the City-Region, to realise the potential of ICT and digital technology in supporting economic and social prosperity.

This proposition essentially looks ahead to the next three years and the strategic priorities it identifies are intended to both build on current activity and make the most impact.

### **What's the problem?**

Two of the key challenges identified in the Regional Economic Strategy and Merseyside Action Plan are to:

1. Accelerate business opportunity and close the productivity gap in economic performance between the North West and the rest of England, particularly the South of England.
2. Promote community regeneration to enable people to overcome barriers to employment and economic opportunity.

It is recommended that, in light of the predicted return on investment and anticipated level of resources, the Liverpool City Region focuses for the next three years on delivering against the potential of digital technology in these two specific areas.

### **3.1. Productivity and Economic Performance – TRANSFORMING BUSINESS**

Recent research by the Organisation for Economic Co-operation & Development<sup>7</sup> identifies that ICT and digital technologies are major drivers for business productivity growth and GDP growth in the EU-15<sup>8</sup>, with some 25% of GDP growth and 40% of productivity growth attributable to the exploitation of digital technology.

No other single factor is driving greater economic performance than this is in the European Union, but despite the widespread availability of DSL and other broadband infrastructures in the North West, the take up and exploitation of digital technology by the region's businesses is off the pace of other more progressive regions.

The ambitions contained in the RES and MAP for business competitiveness and productivity can only be realised if a concerted effort is made to get more businesses using and exploiting digital technology effectively in their business processes.

To achieve this, it is recommended that in addition to the good work underway, additional interventions<sup>9</sup> are required to step the whole challenge up a significant gear and enable the business community to achieve a step change i.e. a culture shift to thinking and acting in a digital way.

According to the last major survey<sup>10</sup> of business usage of digital technology on Merseyside, in 2004:

- 74% of Merseyside businesses had a computer.
- 2% generated more than half their sales through digital technology.

- 58% had a website or email.

Based on anticipated progress since that survey, and the projected impacts of additional interventions, it is recommended that the sub regional partnership adopts the following targets to be achieved by the end of 2009 and that the survey should be refreshed at that time:

- **85% of Merseyside businesses have a computer. (+11%)**
- **12% generate more than half their sales through digital technology. (+10%)**
- **78% have a website or email. (+20%)**

**NB** The achievement of these targets has been calculated in line with the impacts expected, based on a level of public investment as indicated in the Merseyside Action Plan.

### 3.2. Driving Community Regeneration – TRANSFORMING COMMUNITIES

Significant policy frameworks such as the EU i2010<sup>11</sup> and the UK Government's Digital Strategy<sup>12</sup> set out the evidence that digital technology has a massive and accelerating potential to impact on the issues that create barriers to learning, skills, employment and economic opportunity.

Some of the key reasons for people being economically excluded are linked to education and skills, health and social care, lack of opportunity to overcome social exclusion, and the impacts of crime and community safety.

There is a growing consensus that the way in which digital technologies are changing the core delivery and consumption of services in these areas make it an ideal tool for driving up economic activity and tackling the core issues that exclude people from job opportunities.

The Liverpool City Region has some particularly challenging issues that contribute to high levels of economic exclusion. Its crime rates are rising contrary to falls in other UK regions. Some incomes are 20% below UK averages. Claimant unemployment is higher, business starts are lower and life expectancy is shorter. Educational attainment and the skills base remains well below competitors. If the city-region and the region as a whole are to achieve long term prosperity, it must impact positively on these issues.

Exemplars of best practice, such as those engaged in the UK Government's *Digital Challenge*<sup>13</sup>, are demonstrating how digital technology can bring real benefits to some of these long standing economic and social problems. As a regional finalist in the Digital Challenge process, the Liverpool City Region has an established partnership of informed experts in this arena.

To achieve the required step-change, it is recommended that in addition to the good work<sup>14</sup> delivered in recent years, additional interventions<sup>15</sup> are required to create a mix of best practice exemplars that will inspire, inform and educate other stakeholders across the sub region and enable them to develop new ways of thinking and working. This 'multiplier effect' will be used to generate a cultural acceleration across the region encouraging a climate of innovation and enterprise which impacts on the community regeneration.

Local Strategic Partnerships have a pivotal and significant role in leading, delivering and monitoring the required step-change.

The Universities, LSC, Colleges and Schools are equally critical to successfully meeting the challenges presented by the skills and education aspects of the digital agenda.

According to the last major survey of household and citizen usage of digital technology in Merseyside, 2004:

- 66% of households believed they did not have appropriate digital skills.
- 48% of Merseyside citizens had not accessed the internet.

Based on anticipated progress since that survey, and the projected impacts of additional interventions, it is recommended that the sub regional partnership adopt the following targets to be achieved by the end of 2009 and that the survey should be refreshed at that time:

- **50% of households believed they did have appropriate digital skills. (+16%)**
- **75% of Merseyside citizens had accessed the internet. (+23%)**

**NB** The achievement of these targets has been calculated in line with the impacts expected, based on a level of public investment as detailed in the Merseyside Action Plan.

#### 4. Proposition & Actions

GMDDA can not achieve the required step-change in isolation and there is great merit in developing an integrated approach to the ICT / Digital agenda.

Therefore, it is proposed that

1. **All** public, private, education and third sector organisations across the Liverpool City Region support and mainstream through their individual and partnership strategies and action plans the approach and actions advocated in this proposition in respect of ICT and Digital Opportunity. Many have already started this process while others have yet to fully embrace this agenda.
2. In line with this proposition, it is proposed that the number of GMDDA 'working groups' be reduced to reflect the new sub-regional focus. It is proposed that GMDDA adopt two 'work streams':
  - Transforming Businesses
  - Transforming Communities
3. It is envisaged that members of the current working groups will join the above groups where relevant. New members will be invited to ensure a good representation from across the City Region.
4. These groups will be tasked with working towards the objectives outlined above, and supporting partners across the City Region to deliver the step-change required.
5. GMDDA in conjunctions with the Sub Regional Partnership and Local Strategic Partnerships will facilitate an Annual Conference and periodic Focus Events/Policy Forum to share best practice and monitor progress.
6. It is proposed that, to ensure the full integration of the ICT / Digital agenda within the SRP, that the Executive Officer of GMDDA be co-located with, and line managed through TMP. (Liverpool Chamber would continue to hold the Executive Officers contract). This would cement the already close working relationship that currently exists between the GMDDA, TMP and Merseyside ICT.

7. The ICT / Digital agenda would also benefit from identifying a sub-regional "Champion" to lead the agenda and raise the profile. This individual could chair the GMDDA and hold a high profile role on the Board of TMP.

David Parr  
Chair – Greater Merseyside DDA  
Chief Executive – Halton Council  
21/01/07

## 5. References

- 1 The Liverpool City Region is identified as the area also known as Greater Merseyside; this includes the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral
- 2 A partnership of key ICT and digital technology stakeholders including public funding bodies, Universities, the private sector and local authorities. More information from <http://www.merseyside-dda.org.uk/aboutus/theboard.html>
- 3 See the full Regional Economic Strategy here <http://www.nwda.co.uk/RelatedContent.aspx?&area=100&subarea=476&item=20063274801819097>
- 4 The Merseyside Action Plan is the sub regional response to the regional strategy and is produced by Greater Merseyside partners. More here <http://www.merseyside.org.uk/displaypage.asp?page=59>
- 5 A statement setting out the strategic objectives for the partnership in 2005. More information <http://www.merseyside-dda.org.uk/strategic/index.html>
- 6 Some of the key projects in terms of business take up of digital technology include Business Link Best Practice Programme, Digital Academy, ICT Investment Fund. Email Richard Spragg at GMDDA on [richard.spragg@gmdda.org.uk](mailto:richard.spragg@gmdda.org.uk) for further information.
- 7 The OECD undertakes a wide range of activities aimed at improving our understanding of how ICT contributes to sustainable economic growth and social well-being and their role in the shift toward knowledge-based societies. More here [http://www.oecd.org/topic/0,2686,en\\_2649\\_37441\\_1\\_1\\_1\\_1\\_37441\\_00.html](http://www.oecd.org/topic/0,2686,en_2649_37441_1_1_1_1_37441_00.html)
- 8 EU-15 refers to the 15 countries in the European Union before the expansion on 1 May 2004, when eight central and eastern European countries as well as Cyprus and Malta joined the organisation.
- 9 Additional interventions to drive business take up and exploitation of digital technology. These are detailed further in the GMDDA Delivery Statement and include: a business technology demonstration and advice centre and a best practice research and dissemination service.
- 10 The North West Development Agency undertook a major survey of businesses and citizens in 2004 to establish a regional benchmark for ICT in the region. More from <http://www.nwda.co.uk/>
- 11 The EU i2010 action plan is directly linked to achieving its policy centre piece, the so called Lisbon Strategy by 2010. The strategy aims to make Europe a dynamic knowledge driven economy. More on i2010 here: [http://ec.europa.eu/information\\_society/eeurope/i2010/index\\_en.htm](http://ec.europa.eu/information_society/eeurope/i2010/index_en.htm)
- 12 Connecting the UK; the Digital Strategy is a joint report of the Prime Minister's Strategy Unit and the DTI. It promotes a digitally rich and inclusive society and sets out a challenge for the next five years. More here [http://www.strategy.gov.uk/work\\_areas/digital\\_strategy/index.asp](http://www.strategy.gov.uk/work_areas/digital_strategy/index.asp)
- 13 A strategy by the UK Government for creating a more digitally enabled and inclusive Britain. More here <http://www.digitalchallenge.gov.uk/about/about-the-digital-challenge>
- 14 Some of the key Merseyside projects in terms of addressing issues of economic inactivity, in recent years include Interchill, Kensington Vision, 3TC, and the International Centre for Digital Content. Email Richard Spragg at GMDDA on [richard.spragg@gmdda.org.uk](mailto:richard.spragg@gmdda.org.uk) for further information.
- 15 Additional interventions to drive community regeneration including a 'utility computing' pilot delivering a range of economic and social services.