

Digital High Street 2020 Report

Digital High Street Advisory Board
March 2015



Digital High Street Advisory Board

Chair: John C Walden, Chief Executive, Home Retail Group PLC

Private business

Argos
BT
Facebook
Google
Hammersons
IBM
John Lewis
Lloyds Banking Group
M&S
Post Office
Sainsbury's
Telefonica O2
Tesco
Westfield

Trade bodies

Association of Convenience Stores (ACS)
Association of Town and City Management (ATCM)
British Retail Consortium (BRC)
British Independent Retailers Association (BIRA)
British Council of Shopping Centres (BCSC)
GSMA (Mobile Network Operators Association)
IMRG (UK's Online Retail Association)

Public sector (ex officio observers)

Department for Business Innovation & Skills (BIS)
Department for Communities & Local Government (DCLG)
Dartford Borough Council
Innovate UK (formerly Technology Strategy Board)



Contents

Foreword	4
Executive Summary	5
Defining a Goal for our High Streets	7
Sufficient Access Through Infrastructure	10
Basic Digital Skills	13
Keeping Pace with Consumers and Technology	17
Measuring the Digital Health of our High Streets	22
Conclusion and Next Steps	27

Appendices (Available upon request)

- A. High Street Community Aspiration
- B. Infrastructure
- C. Digital Skills
- D. Digital Trends
- E. Digital Lab Proposal
- F. Digital Health Index
- G. Current and developing digital projects, products and services
- H. Report references and sources



Foreword

The Digital High Street Advisory Board (Board), on whose behalf this Report is published, was formed in April 2014. The Board arose from the work of the Future High Streets Forum (FHSF), which was established in 2013 by the Department for Communities and Local Government to bring together the public, business and trade sectors to address a range of challenges facing local high streets. The FHSF has introduced The Great British High Street competition, commissioned research on the future of the high street, and provided guidance on a range of issues including local parking strategies, the use of discretionary rate relief, and successful management models for local town teams.

It became clear that addressing high street success requires consideration of the revolutionary impact of digital technologies - on the behavior of consumers who might frequent our high streets, and the competitiveness of our high street merchants. Indeed, the digital revolution is arguably the most disruptive factor affecting our communities, but its effects are not often considered central to high street revitalisation. At the request of the High Streets Minister, I agreed to form and chair the Digital High Street Advisory Board, with a remit to provide an independent recommendation from the business community, with cross-sector support, of strategies to revitalise our high streets in the context of a digital future.

I firmly support efforts to enhance the vibrancy of high streets, their positive affect on the social health of our communities, and the power of digital technologies to transform lives, organisations and economies. I have been pleased to undertake the work of the Board.

This Report takes for granted three overlapping premises:

- Healthy high streets have economic and social value and are worth saving;
- Small, independent businesses (SMEs), such as those that reside on high streets, are important to our economy; and
- Broad digital adoption and digital innovation will create significant value for the UK.

Various pieces of work have addressed these self-evident premises over time, and this Report presumes the premises to be true. Further, the Board has not undertaken the challenge of quantifying the size of the problem we are trying to solve – that is, the actual costs and lost opportunity costs in the event our high streets and SMEs further deteriorate due to their failure to adequately respond to digital emergence. Instead, this Report seeks to recommend a holistic solution.

I appreciate that the Digital High Street 2020 Report is being published in a politically charged environment only weeks before a General Election. Readers may look for political motives or partisan positioning, but I assure you there is none intended. The business-led Board believes the health of our high streets is a universal concern, and its strategic recommendations contained in the Report are right for the UK and thus worthy of support by whichever government is next in power.

I would like to thank the Board members, especially our work-stream leaders, for their considerable contributions during the past several months notwithstanding their significant full-time work commitments. It has been a pleasure working towards such a worthy aspiration.

Respectfully,

John C Walden

Chief Executive, Home Retail Group PLC
Chairman, Digital High Street Advisory Board



Executive Summary

The British high street has weathered sweeping changes in society, varied economic cycles, successive layers of property development and retail expansion, and the seismic impact of digital technology on communications, entertainment and commerce. Our high street communities have survived through these changes to varying degrees, but importantly the challenges to high streets are far from over. Over the next five years, digital technology will continue to redefine the interactions among our citizens, commercial businesses, public services and charities - indeed, every component of a high street community.

It would be fair to suggest that the UK citizenry and government generally see enormous social and economic value in restoring vibrant high streets, and have sponsored many activities in recent years in an attempt to address various challenges to our high streets. One notable example is the Future High Streets Forum (FHSF), formed in 2013 under the direction of the government's Department for Communities and Local Government, comprised of a collection of leaders from private business, government and trade, and tasked with addressing more comprehensively the health of our high streets. The Digital High Street Advisory Board (Board) was formed to further the work of the FHSF. In particular, since the digital revolution is likely to be a dominant factor affecting the future vibrancy of the high streets, the Board undertook to recommend strategic initiatives to improve our high streets in the context of a digital future.

This Digital High Street 2020 Report makes four principal recommendations that the Board believes are critical to the revitalisation of our high streets in the impending digitally dominated world:

- 1) Sufficient Access Through Infrastructure - Raise infrastructure and connectivity standards for 2020, including i) universal fixed connectivity of not less than 24 Mbps, with 75% of the UK's residences and businesses having access to fixed broadband speeds of 100 Mbps, ii) high speed mobile data coverage with 4G available, from multiple operators, to 98% of the population across both indoor and outdoor geographies, and iii) clear public access WiFi standards for consumer experiences, to ensure non-disruptive handoffs as consumers move among venues and providers and to encourage broader deployment.**
- 2) Basic Digital Skills - Eliminate the current gap in digital skills in our communities by 2020 to ensure that all digitally capable¹ residents of our communities – individuals, SMEs and VCSEs – have basic digital skills.**
- 3) High Street Digital Lab - Centralise the aggregation of generally available technologies, digital applications, tools, methods and training programmes, in order to provide a platform for digital consumer services for each community across the UK on behalf of its local government, high street businesses and charities.**

¹Our goal is that all residents who can acquire basic digital skills do so - to the full extent of their potential, without exclusion and regardless of current skill level.

4) High Street Digital Health Index - Adopt the High Street Digital Health Index concept as a resource for both national and local governments to i) assess the competitiveness of a particular local high street community or high streets generally, ii) understand the key measures of economic value creation from digital developments, and iii) inspire local governments and private enterprises to make positive change.

One could fairly argue that portions of these recommendations may already be underway by various parts of the UK's government and private sector, or that no individual recommendation is wholly novel or unique. Indeed, these four recommendations are obvious on their face if our goal is to make our high streets competitive in quickly changing digital markets. For example, how can citizens, governments, charities and businesses even begin to use digital services in the absence of effective connectivity or basic digital skills? As many members of high street communities have neither the time nor money to build and exploit digital technologies, they will fall further behind without economies of scale and a compelling incentive to get online. A Digital High Street Health Index simply provides local governments with direction, data-driven insight and a measurement of progress; critical when they face challenges that they may not know how to address.

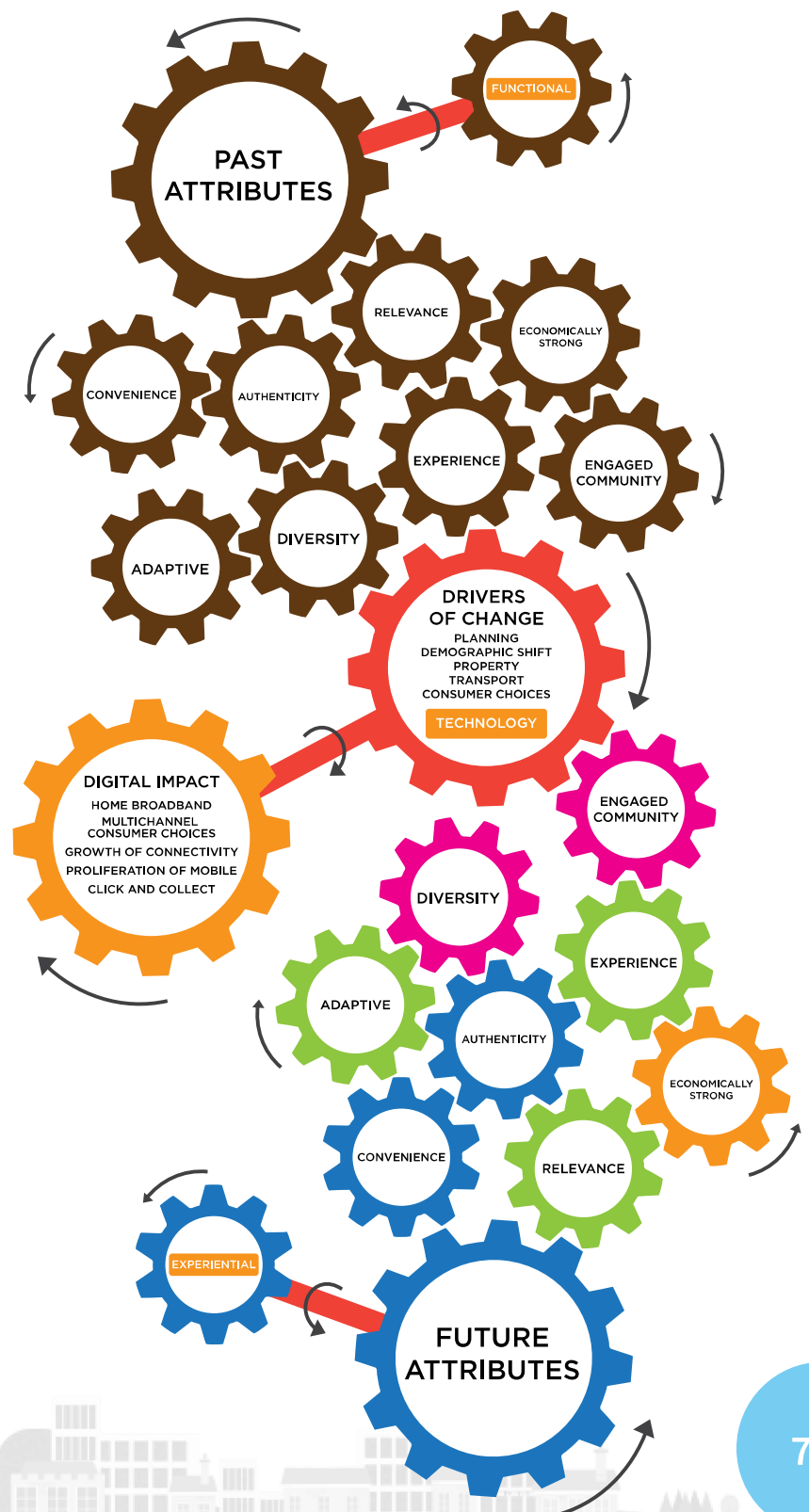
Beyond the individual novelty of each recommendation, however, the Board believes its contribution lies in recognising the systemic nature of the solution. For each recommendation, the ambition, scale and governance reflect the Board's view of how to actually solve the problem rather than merely make incremental progress. Further, the Board recognises that these recommendations are interdependent. Unless we move from piecemeal to a more complete solution represented by these four recommendations, our high streets generally will continue to erode as the digital world progresses. For example, improving infrastructure and basic digital skills falls short unless we get SMEs online and help them become competitive again. Without the clarity of a Digital Health Index, our goals and progress will drift. Although these recommendations will not be achieved easily, they will create the fundamental change in high street competitiveness, indeed UK competitiveness, that is worthy of our communities and citizens.



Defining a Goal for our High Streets

A critical first step to addressing perceived challenges to our high streets is defining in specific terms what we intend to accomplish. There are many views of what work is necessary to recreate vibrancy in our high streets, and many choices of problems to try to solve. This is not uncommon when attacking a complex problem such as high street success. But in the absence of a well-defined goal success will be unlikely - for example, it will be easy to treat a series of symptoms rather than the systemic problem; limited resources could well be diluted across multiple activities; and to observers who define the problems differently than those of us undertaking the solutions, those solutions can never be sufficient. Past high street efforts and trials, although arguably producing some positive outcomes, may have suffered from some or all of these shortcomings. The consequence is an inability to achieve broad consensus or even to simply demonstrate success. Thus the first step for Digital High Street 2020 is to define the aspiration.

Although high streets have experienced many changes over the years, the underlying attributes of a successful high street have not fundamentally changed, nor have the aspirations to restore past community values to modern high streets and town centres. However what is different today, and will be further different into the future, is how the attributes and values manifest themselves given the tools available.



- **Economically strong** – Earning and spending by local people and businesses have always driven the local economic engine. Without a general level of high employment, either through well-paid jobs located within town and city centres, or outside the centre but held by those living in the area, the high street businesses cannot operate successfully. In a more digital world businesses will employ people to do different jobs, and will make money in new ways, but the local economic engine remains a bedrock of a strong high street.
- **Convenient** – Accessibility to goods and services is rooted in the value of time-versus-cost of interactions. The ease and hours of access, the availability of popular products and services, and the location and security of parking and transport have always been factors in attracting visitors. Digital services will continue to redefine the standard for convenience, where consumers can research, transact or communicate 24/7, at home and on the move, and have products delivered to their homes. Integrated digital and high street services, like ecommerce channels, parking apps, extended hours and click & collect will help the high street elevate its convenience.
- **Engaging** – A vibrant high street provides social, human connections with the local community including among consumers, public services, local businesses and charities. People are drawn by the offer of connections whether via high street services, public services, community activities, entertainment or special events. With the help of digital tools, engagement can reach a new standard harnessing online, in-store, mobile and social platforms. The ubiquity of channels will allow high street visitors to browse product ranges, search restaurants or menus, and review upcoming events during moments of downtime. Brands, retailers and service providers will move from push advertising to peer-driven conversations and social relationships.
- **Relevant** – The totality of a community’s offer clarifies whether a particular high street is different, and why people would want to visit when they have many other options. It has been a long time since lack of transportation constrained citizens to a specific market town and its limited traders. Increasingly we are in an age in which one can get anything from anywhere, thus the high street offer must meet consumer needs in order to warrant a local visit. Proliferating digital options further raise the standard on relevance, and in fact with digitally-driven data analytics and emerging geo-location, consumers can expect that all information and content flowing to them is also real-time and useful.
- **Adaptive** – A high street is more successful today if, during prior turbulent decades, it has been resilient and adapted to changing circumstances, in particular to changing consumer preferences and dynamic competitive threats from alternatives outside the high street community. The need to adapt will persist, particularly in the face of the digital revolution. New uses continue to emerge for both commercial premises and public spaces. New occupiers such as online businesses seeking pop-up shops, new types of street markets and mobile trading, as well as shop spaces used for community activities, all continue to add to the adaptive process. People expect new mixes of functional and sociable experiences, and are increasingly reliant upon digital media channels to access them.

- **Authentic and diverse** – Consumers historically have preferred uniquely local features and experiences rather than those that are contrived or formula-driven, along with a strong diversity of offer. This remains true today. A community’s identity is defined by a broad range of historical, social and geographic factors, and each is distinct and special. Authenticity and a diversity of offer that reflects the uniqueness of the local community can transform a routine high street visit into a memorable experience. As digital services expand, communities have new channels and tools to convey their uniqueness and encourage citizens to experience it on their high streets.
- **Experiential** - The total customer journey and service experience draws people to the high street community - from finding information, transportation and parking, navigating the streets and shops, and the look, feel, excitement and personalized customer service of each. Sociable spaces enable sociable experiences, and this has been true of town centres for centuries. The new challenges are to think of customer journeys as an integrated series of physical and digital interactions, and to think of physical spaces in the context of their seamless interaction with digital and social media and how to make this memorable and distinctive.

For many high streets these seven factors harken back to earlier days gone by. For the Board they continue to collectively define the qualitative goal and aspiration we should have for our high street communities. The four principal recommendations of this Digital High Street 2020 Report, which are described in detail below, preserve this qualitative goal for our communities, but have been further designed to translate this goal into more specific, quantitative initiatives that the Board believes will restore the vibrancy in our high streets in the context of a digital future.



Sufficient Access Through Infrastructure

Since the publication of Britain's Superfast Broadband Future (December 2010)², the government has expressed an ambition to have the best superfast broadband network in Europe, and to use digital infrastructure as a source of economic growth. Its current aspirations for the UK naturally consider both fixed and mobile broadband infrastructure. With respect to fixed broadband, the current government has a Universal Service Commitment that aims for universal availability of fixed broadband speeds of 2 megabits per second (Mbps) by 2015, with at least 95% of premises having "superfast" speeds of 24-30 Mbps by 2017. With respect to mobile data, Ofcom has secured commitments from mobile network operators³, through spectrum license provisions and voluntary undertakings, that 4G will be available to 98% of the population (95% in devolved countries) by 2017. Although not a complete or explicitly stated standard, this suggests that 4G, which is expected to deliver mobile download speeds of 14-18 Mbps (versus 3G speeds of 5-6 Mbps), is a reasonable standard in the near-term.

The government initially allocated £530 million for the period 2010-15 to stimulate private sector deployment of broadband and to ensure that its benefits are available to all, and established Broadband Delivery UK⁴ (BDUK) to manage the programme's funding and delivery model. In deploying these funds, the government has further allocated funding for specific projects including a fund for rural broadband development, an innovation fund to test broadband models for remote communities, and an urban broadband fund to create "super-connected" cities across the UK in order to remain internationally competitive and attractive for investors, business and visitors. No central allocations have yet been made for 2015-17.

According to Ofcom in its recent report (December 2014), the UK is making reasonable progress towards its broadband goals. In August 2014, the Department of Culture, Media & Sport published figures showing that the programme had extended superfast fixed broadband (24-30 Mbps) to 75% of UK homes and businesses, and expected to hit its goal of 95% by 2017. There remain, however, several gaps in progress:

- It is very clear that 2 Mbps is insufficient for engaging with many basic online services offered today.⁵ Approximately 3% of UK residents, largely rural, still do not have even this minimum access of 2 Mbps, while 15% of UK households cannot currently receive 10 Mbps. 3G mobile data speeds of 5-6 Mbps are similarly insufficient for today's common usage.
- Small businesses trail residences in access to superfast broadband, with only 56% of SMEs currently having access compared to 75% for UK premises overall. According to the Federation of Small Businesses, only 15% of small firms are 'very satisfied' with their broadband provision, and 25% are 'fairly' or 'very dissatisfied'.⁶

² Britain's Superfast Broadband Future (December 2010) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78096/10-1320-britains-superfast-broadband-future.pdf

³ "O2's licence requires it to provide indoor 4G coverage to at least 98% of the population by the end of 2017, with at least 95% in Scotland, Wales and Northern Ireland. The other operators have indicated publicly that they will match these coverage levels." Ofcom Infrastructure Report December 2014

⁴ Broadband Delivery UK (BDUK), part of the Department for Culture, Media and Sport, is delivering superfast broadband and better mobile connectivity to the nation. <https://www.gov.uk/broadband-delivery-uk>

⁵ "There is evidence that broadband of at least 10Mbit/s is required to support typical consumers' use." Ofcom Infrastructure Report December 2014, p. 19.

⁶ Ofcom Infrastructure Report December 2014, p. 59.

- Regarding mobile data access, Ofcom obtained a commitment from Telefonica O2 via spectrum license to provide indoor 4G coverage to 98% of the UK population by end of 2017 (expected to be higher for outdoor coverage), and the other mobile network operators have indicated publicly that they will seek to match these coverage levels but without a specific commitment.⁷
- Although 4G mobile data coverage is progressing well and currently available to 72% of premises, only 35% are served by the top three operators (Vodafone, Telefonica O2 and EE).⁸ There is currently significant variation in the 4G coverage of various providers, and their coverage across indoor versus outdoor geographies.

WiFi is a growing but perhaps underused technology. Telefonica O2 demonstrated in a recent study, conducted for this Report, a positive relationship between cities and towns with multiple WiFi “hot-spots” and digitally engaged consumers on the high street. WiFi is a local area wireless technology that is increasingly used in-home to connect to a fixed broadband service. It can provide faster and more reliable in-building connections than 3G where cellular signals are weak, and is cheaper to use than most mobile data plans. It is also publicly available at WiFi “hot-spots” and is often provided free either by local authority or town centre partnership programmes or by local shops, cafes and hotels. WiFi relies on underlying fixed broadband, so where this infrastructure is in place, WiFi is a cost-effective option for filling in gaps in 3G or 4G coverage, and providing more economical high-speed access to both consumers and SMEs. The lack of customer experience standards permitting non-disruptive transfer between various WiFi networks is currently constraining wider adoption, and making consumer use difficult by requiring multiple logons as consumers move from one location to another.

Overall our progress on broadband access has been respectable, with a reasonable likelihood of reaching most current goals by 2017. However, the context for digital infrastructure is changing materially, particularly as we look to 2020 and our aspiration to revitalize our high streets.

- Projected levels of demand for digital services, particularly high bandwidth video, are growing significantly,
- Technological innovations by the private market in both fixed and mobile connectivity are making far greater bandwidth speeds achievable in the near-term,
- Increasing standards for connectivity speeds, well beyond our goals in the UK, are being discussed at European Union forums, and
- The UK has restated its strategy to improve its global competitiveness through digital leadership.

With this in mind, we must raise our aspirations for providing digital infrastructure over the next five years so that all of our high streets can fully participate in the digital economy.

⁷ Ibid, p.8
⁸ Ibid



Specifically, the Board recommends the following:

- a) **Raise infrastructure and connectivity standards for 2020, including i) universal fixed connectivity of not less than 24 Mbps, with 75% of the UK's residences and businesses having access to fixed broadband speeds of 100 Mbps, ii) high speed mobile data coverage with 4G available, from multiple operators, to 98% of the population across both indoor and outdoor geographies, and iii) clear public access WiFi standards for consumer experiences, to ensure non-disruptive handoffs as consumers move among venues and providers and to encourage broader deployment.**
- b) **The UK government and private sector, as set out in Ofcom's December 2014 Infrastructure Report, should actively engage in the more forward-looking debate that aims to develop a roadmap to "ultrafast" fixed broadband speeds of 1 Gigabit per second, mobile data speeds exceeding 150 Mbps⁹, and the broader plan to achieve global economic advantage for the UK through digital connectivity.¹⁰**

⁹ Ibid, p. 97. At least two MNOs are beginning to deploy "LTE Advanced" 4G technology which can improve peak download speeds to 150 Mbps and beyond.
¹⁰ This Report appreciates that the Department for Culture Media & Sport has acknowledged the need for a longer-term digital communications strategy, and anticipates the publication in 2015 of a new forward-looking strategy.

Basic Digital Skills

As developments in information and communications technology transform our society, the importance of basic digital skills for individuals and organisations is increasing dramatically. Indeed without such skills, it is no longer possible to fully participate in the modern world. As a result, digital exclusion is now a significant issue, holding back individuals and organisations from achieving their potential and competing in a technologically driven market. In fact, many of our citizens are being left behind – approximately 20% of our adult residents, or 10.5m people, do not have basic digital skills.¹¹ Even more surprising, few of our small and medium-sized enterprises (SMEs) and voluntary, community and social enterprises (VCSEs) use the Internet at all. Fully 31% of the UK’s SMEs and charities lack even basic digital skills, with 50% having no website or online presence.¹²

In January 2015, Go ON UK published an updated definition of basic digital skills. This definition covers those skills required by individuals and organisations, as well as information on staying safe online.¹³ It provides a common standard for benchmarking and measuring levels of digital skills and was developed in consultation with a wide range of stakeholders, including academics at the London School of Economics and the London Business School, Go ON UK Board partners, and key stakeholders such as Tinder Foundation and Citizens Online.

Go ON UK – Basic Digital Skills definition					
	Managing information	Communicating	Transacting	Problem-solving	Creating
Description	Find, manage and store digital information and content	Communicate, interact, collaborate, share and connect with others	Purchase and sell goods and services, organise your finances and use digital government services	Increase independence and confidence by solving problems and finding solutions using digital tools	Create basic digital content in order to engage with digital communities and organisations
 Safety	Assess the accuracy of sources of information; use security tools when browsing; regularly update and run virus-checking software; manage parental controls	Understand how to manage your identities; protect yourself from scams; use the right security settings (including parental controls); protect your customer data	Use secure websites for financial transactions; protect your personal data; respect the privacy of others	Use accurate sources of support; avoid malicious websites, scams and pop-up windows	Be aware of copyright law; protect your personal data; respect the privacy of others
 Actions for individuals	<ul style="list-style-type: none"> Use a search engine to find the information you need Search for deals on comparison websites Bookmark useful websites and services Store data on a device or in the cloud 	<ul style="list-style-type: none"> Keep in touch using email, instant messaging, video calls and social media Post on forums to connect with communities Communicate with organisations about their products and services 	<ul style="list-style-type: none"> Understand and use marketplaces to buy and sell Order your shopping Book your travel Manage your bank account Set up and manage a Universal Credit account 	<ul style="list-style-type: none"> Teach yourself simple tasks using tutorials Use feedback from other internet users to solve common problems Access support services 	<ul style="list-style-type: none"> Create a social media post Create a text document such as a CV Create and share a photo album Create and share feedback about products and services
 Actions for organisations	<ul style="list-style-type: none"> Store digital information on suppliers and customers Search for new suppliers to find the best deals Understand who uses your website Discover potential growth opportunities for your business 	<ul style="list-style-type: none"> Maintain customer and client relationships Use social media to promote your business and connect with new customers Improve your customer service by providing accessible product information and answers to frequently asked questions 	<ul style="list-style-type: none"> Maximise your selling potential through a website Save time by applying for government business permits and licences Manage invoices and accounts Receive payments or donations Protect yourself from fraud or scams 	<ul style="list-style-type: none"> Save on business travel and be more efficient by using video conferencing Quickly understand which products and services work based on online feedback Interpret simple analytics to improve website performance Get solutions to problems from safe, accurate sources 	<ul style="list-style-type: none"> Create an informational or e-commerce website Create content (pictures, logos, text) to promote your organisation and reach customers Use social media and create communities to engage with customers Create resources to improve employee skill levels

¹¹ BBC Learning research published in November 2014 showed no significant change in basic skills levels across the regions from Sept 2013 to March 2014 <http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/whatwedo/learning/audienceresearch/basic-online-skills-nov-2014.pdf>

¹² From the Lloyds Banking Group Business Digital Index 2014, produced in association with Accenture and Go ON UK http://businesshelp.lloydsbankbusiness.com/downloads/LB_UK_Business_Digital_Index_31_03_14.pdf

¹³ Basic Digital Skills Definition: Go ON UK January 2015 <http://www.go-on.co.uk/basic-digital-skills/>

It has been estimated that the annual social value for an individual of getting online for the first time is £1,064, rising to £3,568 for a more advanced or business user.¹⁴ The UK's ability to achieve strong and sustainable economic growth is dependent on a digitally skilled workforce, confident in using new technologies to reach new customers, increase competitiveness and innovate. And this is particularly critical to the high street communities, where independent shopkeepers, proprietors and local town centre partnerships are susceptible to falling further behind the digital divide with major corporations. To achieve our goals for Digital High Street 2020, the digital skills gap must be closed.

The government's 2013 Information Economy Strategy¹⁵ and 2014 Digital Inclusion Strategy¹⁶ also make a persuasive case for SMEs and VCSEs to build their digital skills. The importance of the digital economy is clear. Internet retail volumes grew by more than 6 times between 2003 and 2012, from £4.8 billion to £31.1bn, and the information economy sector contributed around £58bn to Gross Value Added in 2011 (at current prices).¹⁷ Ofcom's 2014 Communications Market report states that the average UK consumer spends £1,083 per head online per annum,¹⁸ and the government's own figures estimate that people in the UK will buy £221bn of goods and services a year online by 2016.¹⁹ And yet, according to the 2014 Lloyds Bank UK Business Digital Index, produced in association with Accenture and Go ON UK, as many as 1.7 million high street SMEs and VCSEs lack the digital understanding and capability to take advantage of this growth.²⁰

The key barriers to digital inclusion are well understood.²¹ They are:

- **Skills** – ability, levels of competence and confidence in using devices
- **Access** – infrastructure, speed and availability of local internet access
- **Cost** – device cost, broadband subscriptions or monthly fees for mobile data

Underlying the barriers is also the issue of simple motivation, or a lack of the emotional drive that causes people to choose to go online. With individuals, this manifests itself in their inability to see compelling benefits of being online that outweigh the discomfort or insecurity of learning something new. For SMEs and VCSEs, a principal motivational barrier is also time. Instead of seeing the initial time required to set up an online presence and gain basic digital skills as a positive investment that would lead to greater time-savings in the future, organisations see this as an extra commitment that they simply can not manage.²²

To achieve our goals for the Digital High Street 2020 and take advantage of the opportunities that digital presents, we must first close the basic digital skills gap. Several components of government, the private sector and voluntary sector share concern for this gap, and have introduced initiatives to address it. The Board believes that these initiatives, while well-intended, have been splintered across various goals, implementation methods, and funding models, with impact on basic digital skills that may be unclear. These initiatives could make greater impact under a more collective approach.

¹⁴ "Valuing Digital Inclusion - Calculating the social value to individuals of going online" Written by Eilís Lawlor for the BT Get IT Together Project <http://www.btplc.com/Betterfuture/ConnectedSociety/Creatingpossibilities/Valueofdigitalinclusion/Valuing-Digital-Inclusion.pdf>

¹⁵ Department for Business Innovation & Skills – Information Economy Strategy – June 2013 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206944/13-901-information-economy-strategy.pdf

¹⁶ Government Digital Inclusion Strategy – April 2014 <https://www.gov.uk/government/publications/government-digital-inclusion-strategy>

¹⁷ Information Economy infographic https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225322/information-economy.pdf

¹⁸ The Communications Market 2014 (August)- Ofcom's eleventh annual Communications Market report. <http://stakeholders.ofcom.org.uk/market-data-research/market-data/communications-market-reports/cmr14/>

¹⁹ Investing in Britain's Future (June 2013), HM Treasury, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209279/PU1524_UK_new_template.pdf

²⁰ From the Lloyds Banking Group Business Digital Index 2014, produced in association with Accenture and Go ON UK http://businesshelp.lloydsbankbusiness.com/downloads/LB_UK_Business_Digital_Index_31_03_14.pdf

²¹ Go ON UK - Common causes of digital exclusion <http://www.go-on.co.uk/common-themes/>

²² Ibid, p14

There have been models of success. For example, the government's Local Enterprise Partnerships (LEPs), Go ON UK, the digital skills charity, and People 1st/ATCM through their recent Digital High Street Skills programme, have demonstrated success in digital skills development by building partnerships with local governments, community organisations and media, and generating momentum through focused regional campaigns.

In November 2014, the government's Department for Business, Innovation and Skills (BIS) announced up to £2m of funding for Local Enterprise Partnerships (LEPs) to help small businesses improve their digital skills and increase their digital presence.²³ Projects include advice to businesses, supported by events, workshops and networking sessions. This support, alongside significant input from a number of corporate partners, has helped LEPs to further their reach, up-skilling even more businesses through their already established regional and local programmes. BIS also launched a new campaign to help micro businesses and sole traders increase their online presence – “Do More Online”.

Go ON UK is a not-for-profit charity that aims to empower every individual and organisation in the UK to reach their digital potential. Go ON UK has begun to successfully implement a regional model of teaching basic digital skills to individuals, SMEs and VCSEs through local partnerships. Go ON is also working in partnership with BIS to deliver a more coherent digital capability programme for SMEs. It is doing this through its partnerships with the corporate sector and by bringing digital capability support into one place, www.digitalskills.com/business. The purpose of this work is to ensure collaboration between LEPs, SMEs and corporates, drawing on the unique strengths and networks of each organisation to ensure a genuine digital skills alliance. Go ON UK has further demonstrated a successful, cross-sector model for funding and governance through its independent board of corporate, public and non-profit leaders.

People 1st / National Skills Academy for Retail and the Association of Town and City Management (ATCM) through their recent Digital High Street Skills programme,²⁴ have also demonstrated success in digital skills development by building partnerships with LEPs, BIDs, town and city centre partnerships and local authorities, and generating momentum through focused regional campaigns.

On the basis of these successes, and the benefits of a more collective approach, the Board believes the government should focus its various digital skills initiatives to support a single cross-industry effort led across businesses, charities, government, and trade associations.

²³ Department for Business, Innovation & Skills - Government launches support to help small businesses Do More Online 27 November 2014 <https://www.gov.uk/government/news/government-launches-support-to-help-small-businesses-do-more-online>

²⁴ Association of Town and City Management, in partnership with People 1st/ National Skills Academy for Retail, have developed and are delivering a modular digital skills programme for SMEs and other high street stakeholders <http://www.digitalthighstreetskills.co.uk/programmes/digital-high-street-skills>

In particular, the Digital High Street Advisory Board recommends the following:

- a) **Eliminate the current gap in digital skills in our communities by 2020 to ensure that all digitally capable²⁵ residents of our communities – individuals, SMEs and VCSEs – have basic digital skills.**
- b) **Designate Go ON UK to coordinate the management, funding and implementation of digital skills priorities as a holistic programme, with a range of public and private delivery partners, governed as an independent charitable organization by its cross-sector board of directors.**
- c) **Fund the digital skills programmes principally through Go ON UK or as components of its centrally coordinated strategies, with sources including cash sponsorships from private corporations and non-profit organisations, in-kind contributions, fee-based services to SMEs and VCSEs, and increased direct appropriation and funding from various government offices with interests in digital skills including the Department for Business, Innovation & Skills, Department for Communities and Local Government, and the Government Digital Service.**

²⁵ Our goal is that all residents who can acquire basic digital skills do so - to the full extent of their potential, without exclusion and regardless of current skill level.

Keeping Pace with Consumers and Technology

The digital revolution has significantly impacted high streets by offering local consumers compelling alternatives to simply transacting with local businesses in a physical fashion. Retail sales have shifted from local retailers to national and international online retailers; instead of visiting the local theatre consumers can digitally stream to their televisions a vast library of filmed entertainment on demand; and social media, Skype, email and instant messaging are displacing face-to-face interactions. The innovation and development of these alternative digital customer experiences is accelerating, and in the process exacerbating a “digital divide” - between those well-resourced companies investing and competing in the digital arena on one end, and on the other end the small independent merchants that comprise most of today’s High street communities. Yet the success of firms at both ends of the “divide” is mutually dependent, and is essential to a successful high street community.

The pace of digital innovation in consumer services and experiences has been staggering, and several trends have taken shape.

- **Omni-channel retailing.** Through technology, retailers are providing consumers with choices of when to shop, where to shop, and how to shop. Consumers can engage with a retailer on its traditional and mobile websites, tablet apps and smartphone apps, hop among a retailer’s channels while retaining a seamless experience, and move to a competitor in a single click. Products can be ordered for home delivery on the same day or at a named day and time, and collected instantly from the local store or from an expanded network of national collection points.
- **Big Data and Personalisation.** Digital interactions are trackable, and giving rise to large volumes of data about people, their preferences and behaviours which can be used to better meet customers’ needs. In a sense, the modern digital merchant is using technology to re-create the classic one-to-one customer relationship that is the hallmark of the local shop.
- **In-store experiences.** Because consumers have compelling digital options, physical stores are making their locations interactive and engaging in order to attract footfall and justify the costs of store operations. Many are using tablets and smartphones for taking payments, demonstrating products, offering information, and encouraging social sharing. Through BLE beacons that communicate with smartphones, retailers can send personalised notifications to each shopper’s mobile, depending on where they are in the store.
- **Pop-up and street-trading.** Thanks to mobile POS systems and other cloud applications, a business can open easily and inexpensively to compete on the High street. This has paved the way for more temporary, on-the-go stores such as street food carts, pop-up stores for fashion apparel and seasonal goods, and a myriad of products from online retailers seeking a cheap High street presence.

- **Marketing technologies.** Prior to a visit to the town centre, consumers often experience digital marketing as they search for information, check social media or plan their travel. Through emerging contactless technologies such as QR codes, NFC tags and BLE beacons, a person visiting their town centre will generate data about their preferences and trigger targeted marketing from local merchants. Geo-location of mobile devices also enables location-based mobile marketing through services such as Google Maps, Foursquare, Yelp and Facebook Places.
- **Mobile wallets.** Mobile wallets, contained in a smartphone, can allow consumers to manage their finances and process transactions with a simple swipe. They can further be set up with personal data such as purchase history, loyalty points and vouchers to encourage personalised offers.
- **Beyond Retail.** Restaurants, cafes, pubs, cinemas and other important non-retail members of our High street communities are also affected by the pace of digital innovation. Modern restaurants, cafes and pubs promote themselves with digital marketing and offer online reservations. Local theatres are under threat as more than 15% of UK households subscribe to Netflix' or Amazon's film and television streaming services.²⁶ Theatres increasingly rely on digital channels to process payments and reserve seats.
- **Social Media.** Even the social value of our High street communities, once thought the exclusive dominion of physical locations, is being altered by digital alternatives. Two-thirds of the UK's online adults have a current social networking site profile. Nearly all are on Facebook, 20-30% are also on Twitter, YouTube or WhatsApp, and most visit social sites more than once a day.²⁷ A substantial portion of adults, particularly young adults, seek information and recommendations from YouTube, user reviews and closed Facebook groups.²⁸ Digitally savvy businesses are increasingly providing offers and services to customers via social media.

Given the rapid development of digital services, and their widespread availability throughout the whole of the UK to anyone with a digital connection, it is no surprise that business traditionally done on our high streets with independent shops has eroded. The cost of competing digitally is substantial, and requires ongoing investment in order to keep up with innovations and emerging standards of customer service. Companies with technological resources and scale – global technology businesses, and national and international chains – continue to invest. Meanwhile, local shops, charities, community groups and social enterprises without such resources are falling further behind.

A number of local authorities, town centre partnerships and private technology companies have experimented with pilot projects, technologies and programmes in an effort to help our high streets compete and close the digital divide. Frankly, however, without intervention most individual SMEs and VCSEs will be shut out from competing by the cost, complexity or intimidation of digital services, thereby exacerbating the digital divide and threatening the viability of independent shops and the high street itself.

Working together, the members of a local high street community, and communities across the UK, can create the necessary economies of scale to build and share leading digital capabilities. The Digital High Street Advisory Board believes that a national, central High Street Digital Lab (Digital Lab or Lab), serving local government authorities, town centre partnerships and high street participants, offers

²⁶ Netflix signs up more than one in 10 British households <http://www.telegraph.co.uk/finance/newsbysector/mediatechnologyandtelecoms/media/11021782/Netflix-signs-up-more-than-one-in-10-British-households.html>

²⁷ Ofcom Adults' Media Use and Attitudes Report 2014 <http://stakeholders.ofcom.org.uk/market-data-research/other/research-publications/adults/adults-media-lit-14/>

²⁸ Ibid.

a realistic option to close the digital divide and allow the entirety of the high street community to compete effectively.

A High Street Digital Lab would, simply, invest centrally to curate a set of technical services and tools from the many great options in the commercial market, and then provide the technical services and training to get our local high street communities online, expand the impact of those already online, and facilitate their ongoing learning and innovation. The Digital Lab would work specifically with town centre management and a small team of local digital apprentices, who in turn would work with local merchants and other constituents to introduce a digital community marketplace that markets the high street. Among multiple vendors and an array of initiatives vying for time and money, the Digital Lab would serve as an independent, trusted brand working to improve the community and each of its members.

In a recent report commissioned by the British Retail Consortium, experts advocated for collective marketing and community platforms.²⁹ The report noted, “Although many individual retailers and services successfully operate Omni-channel businesses, the role of digital technology in enhancing the town centre customer experience is underdeveloped. Town centres need to become virtual marketplaces so that customers have the latest details regarding the availability of stores, products, brands, services and events. A central, one-stop information point – backed by free, widely accessible Wi-Fi and dedicated store-finder and brand-finder apps – would ensure that the internet supports rather than supplants the town centre experience.”³⁰

There are several essential components of the Digital Lab concept.

- **Technologies.** For our high street stakeholders that are not yet online, this is the most expensive and confusing consideration and their biggest barrier to competing with digital services. The technologies and applications required to support a digital marketplace offer for the high street are not overly complex and are generally available today in the commercial marketplace and from third party services. The task of a Digital Lab would be less about engaging in extensive custom engineering, developing software or building infrastructure (which can be expensive and complex) and more about pulling together the pieces of a full offer and packaging them for the high streets. For example, for digital beginners, a Lab would take a more packaged approach - make choices of preferred products and establish standards, negotiate access and licenses on favourable terms, and potentially integrate certain independent software and hardware components to simplify the offer. For high street members already online, the Lab would provide inspiration and ideas of apps and services to help their organisations.
- **Tools and Training.** Launching a specific high street community marketplace could begin with a local government programme to inspire the community members to participate, and a roadshow from the Lab to demonstrate the possibilities. The launch process itself, including the community marketplace and digital services for high street members, would be simple and fast. For communities and merchants new to digital, they could rely on templates, standardized applications, and data control; a sort of “Digital Marketplace in a Box”. The “Box” would differ for various merchants – such as retailers, restaurants, professional services, libraries, charities, and theatres –

²⁹ “The Customer Experience of Town Centres” - Economic & Social Research Council / British Retail Consortium/ Loughborough University 2014, Hart et al.
³⁰ Ibid.

offering choices of apps that work for their organisations. Importantly, face-to-face engagement between local teams and high street stakeholders will also be key to helping them learn and overcome a lack of time, understanding and motivation.

- **Team.** A Digital Lab could be a centre of digital expertise and innovation, and elevate the level of digital capability in communities throughout UK. The Lab could work with each participating local authority and town centre team to hire a small, local team of digital apprentices. Under the tutelage of the Lab, apprentices could develop expertise in training and supporting their high street merchants or charities, launching and operating the marketplace, digitally marketing the high street to consumers throughout the local trade area and promoting the full variety of the town centre offer, and generally helping to enhance the vitality of the high street. Capable apprentices in each community, as the primary interface with community merchants, are critical to the ability of the Lab to scale its programme across the UK. The central Digital Lab could further facilitate a national network of digital apprentices and marketplace participants to Identify and share best practice, and encourage innovation.
- **Governance and Funding.** The ambition and complexity of a High Street Digital Lab would require a strong partnership between government and private industry - for expertise, technology, human resources and financial resources. There are successful recent examples of such cooperation, which suggest establishing the Digital Lab as a not-for-profit business organization to encourage professional management and funding through government allocation as well as private sponsorship, staff secondment and other in-kind contributions.

The Digital High Street Board believes that a Digital Lab is a compelling solution to providing high street communities with the means to offer and compete with digital services, develop digital expertise, and have a chance at revitalizing their high street communities in the face of a rapidly emerging digital world.

The Board recommends the implementation of a High Street Digital Lab specifically as follows:

- a) Centralise the aggregation of generally available technologies, digital applications, tools, methods and training programmes, in order to provide a platform for digital consumer services for each community across the UK on behalf of its local government, high street businesses and charities. Services will be in the form of a separate marketplace, or portal, for each community, launched and operated by the Lab through a local team of digital apprentices, leveraging TheGreatBritishHighStreet.com as an external consumer brand.**
- b) Organise the High Street Digital Lab as an independent, not-for-profit business organization, with a cross-industry board of business, government and trade leaders, an independent management team and staff, and under the responsibility of an appropriate government minister.**
- c) Fund the Lab primarily through government appropriation, combined with private corporate sponsorship in the form of in-kind or discounted contributions of technology, and sharing of digital and technology expertise.**

Hypothetical Case Study – the Digitisation of Centreborough

The town centre manager of Centreborough has noticed a campaign by 'The Great British High Street' aimed at attracting sign-ups for an in-person 'Future High Street' workshop to be facilitated by the High Street Digital Lab. The workshops are free to local governments but require sufficient participation from their local shops, public services and town centre management. Before long, the Centreborough town manager has a list of 12 people from Centreborough who would be interested to attend such a workshop. She applies online on TheGreatBritishHighStreet.co.uk, and specifies the attendees' preferred workshop location as the national Digital High Street Hub in London rather than the live webinar option. Centreborough is awarded one of the available courses, and a date is set for the workshop.

During the workshop, the Centreborough attendees look at best practices from high streets and communities around the world. The Digital Lab provides an overview of common third party technologies and apps that might move their organisations forward, and allows participants to interact with them. They then spend time ideating as a group about the benefits and approach to digitising the Centreborough high street. The Digital Lab describes its approach to helping high street communities around the UK and what that could mean for Centreborough. At the end, each individual leaves with a list of those services that might be relevant for their organization, and buzzing with energy to help Centreborough and their own organisations improve their presence online.

Two weeks later the Centreborough town centre manager contacts the Digital Lab to express her interest, on behalf of Centreborough, in moving ahead in offering a marketplace for the Centreborough high street and community. As they discussed during the workshop, the first step would be for Centreborough to assign or hire two digital apprentices to serve as the principal contacts for the project. The Lab helps to select the apprentices from among internal and external candidates, and trains and supports them throughout the assignment.

The digital apprentices receive training through workshops in the Lab's London centre and online tutorials, which equips them to launch and manage the marketplace. Fortunately the Lab has curated the technologies and applications, and created training tools and frameworks, that simplify the process. The Centreborough community site will be hosted at [TheGreatBritishHighStreet.co.uk\Centreborough](http://TheGreatBritishHighStreet.co.uk/Centreborough), and will also be developed in a mobile version so it is easily accessible to smartphone and tablet users. The town team and digital apprentices have decided to start with some basic apps for Centreborough like Twitter and Facebook accounts and live feeds, a newsletter app that helps them announce community events and activities, a parking locator app, a route planner, and an index of the high street including names and locations of its merchants.

The community site will also link to the individual sites of its high street merchants. The apprentices realize that the members of the Centreborough high street community are in varied places in their digital journeys. About half already have websites, so the apprentices try to inspire them with ideas for apps and digital services that may help their organisations progress. For the other half, the starting point is more basic and requires training in a turnkey solution appropriate for each business. For example, retailers may adopt a basic information page and product listings, and eventually could move up to ecommerce and click & collect. Restaurants may simply show menus and link to the OpenTable online reservation service. The effort to inspire the non-digital merchants to get online is time-consuming for the apprentices, with many workshops and face-to-face meetings, but it is tremendously rewarding.

Over time the apprentices operate and maintain the community marketplace, market Centreborough and its high street to customers throughout the trade area, and provide ongoing resources to high street merchants to help them enhance their digital presence with additional apps. The apprentices also work with the Digital Lab and the national network of digital apprentices to share and learn best practices. The models of local success in Centreborough have inspired skeptical merchants to give digital a try, and more enthusiastic merchants to innovate and push the use of digital technology beyond the marketplace offer in order to serve their customers more effectively.



Measuring the Digital Health of our High Streets

The goal of the Digital High Street 2020 is simply to restore the vibrancy and sense of community that has characterised the UK's great high streets of the past, but in the context of rapid change caused by the digital revolution. This goal, as described above, is to have high streets that are Economically Strong, Convenient, Engaging, Relevant, Adaptive, Authentic and Diverse, and Experiential (see Defining a Goal for our High Streets). To make progress, this goal must be translated from qualitative aspirations into measurable indications of fitness.

It is important to distinguish these measurements of high street digital fitness from sound bites regarding digital progress in the UK generally. Many of us are quick to congratulate the UK for being a leader among European countries or even the world in selective per capita measurements such as ecommerce spending or broadband network coverage. Although these may rightfully be sources of pride, as national measures they are naturally skewed by the unique strength of those on the beneficiary side of the “digital divide.” Thus they belie the underlying truth that the digital health and competitiveness of many of our high streets are eroding. It is against this goal of restoring high street health in the context of a digital future that we must measure our success.

Across business and government there are numerous measurements already in existence that indicate the extent to which a particular local community is competing effectively. The Board believes that a number of these existing measurements could be aggregated and developed into a High Street Digital Health Index. Such an Index would be organized into four sections that reflect the critical areas of digital health, with each incorporating specific key measurements:

- **Access and Infrastructure** – Fixed Broadband Coverage, Mobile Data Coverage, and Public Access WiFi hotspots
- **Basic Digital Skills** – Percentage of consumers and SMEs/Charities that have basic digital skills
- **High Street Attraction** - Retail attraction, footfall, sales by high street merchants, socioeconomic profile
- **Digital Engagement** – Digitally-engaged consumer behaviours, broadband penetration and usage, smartphone penetration and usage, ecommerce transactions

This data would be aggregated from across the UK, and organized into geographic areas that reflect the boundaries of local governments and their associated high street communities. In addition, these communities would be further classified into one of four types so the High Street Digital Health Index could compare each of our high street communities against one another, as well as against comparably sized communities. Ideally, it could also serve as a modelling and planning tool for local town and city governments to better understand opportunities to improve the digital health of their government, citizens, SMEs and charities, and show their progress over time.

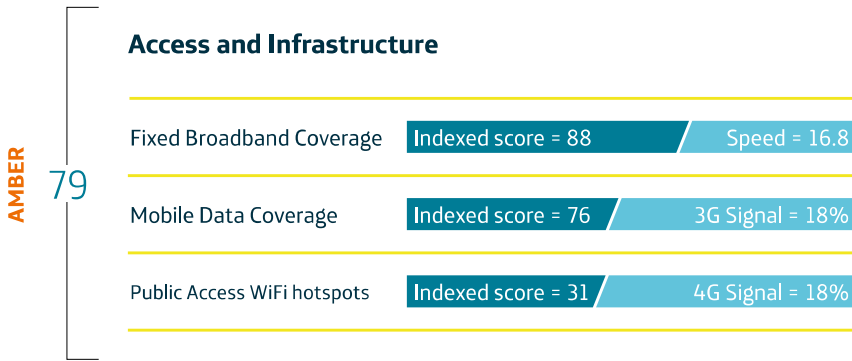
In order to validate the potential of the High Street Digital Health Index, the Board examined 100 sample communities across the UK. Not surprisingly, this examination revealed that our high street

communities overall are ill-prepared to compete in a digital world as envisioned in 2020. For example, although most towns and cities appear on track to meet the government's fixed and mobile broadband goals for 2017, none are yet sufficient for either the 2017 goals or certainly the Board's recommended standard for 2020. Even in our best regions basic digital skills are still lacking in roughly 20% of individuals and 30% of SMEs and charities. Only around a quarter of the high streets in major cities and large towns are deemed 'attractive' based on a composite of factors that includes digital connectivity. And outside of these larger conurbations, levels of digital engagement are significantly lower across the rest of the sample locations.

To illustrate the Index in more detail, the Board developed a version for a single community – Windsor, Berkshire. The results are set forth below. Index scores are against 100, where 100 is an overall industry or sample average. The Board would envision eventually indexing against a goal for 2020 so that the shortfall and the aspiration are clear.

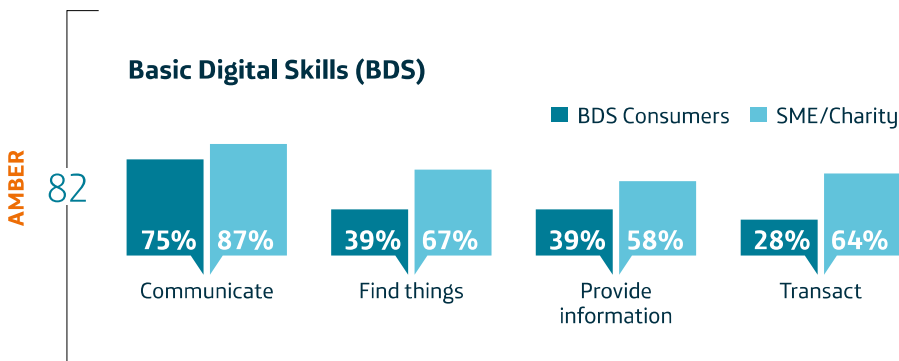


Overall Index Score



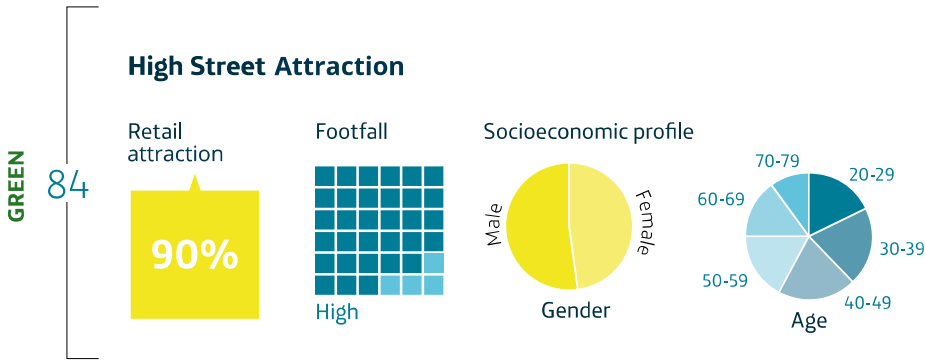
Industry Average

Indexed score = 92	Speed = 17.2
Indexed score = 85	3G Signal = 20%
Indexed score = 27	4G Signal = 15%



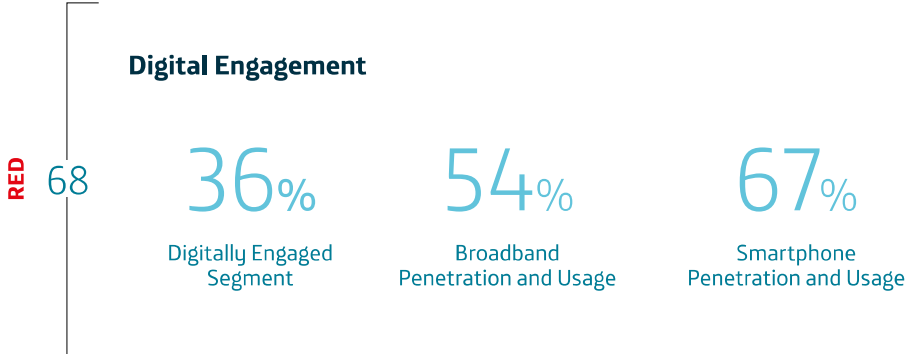
Industry Average

Communicate	75%	87%
Find things	39%	67%
Provide information	39%	58%
Transact	28%	64%



Industry Average

Retail attraction	90%
Footfall	Average
Gender	Male 48% Female 52%
Age	30-39



Industry Average

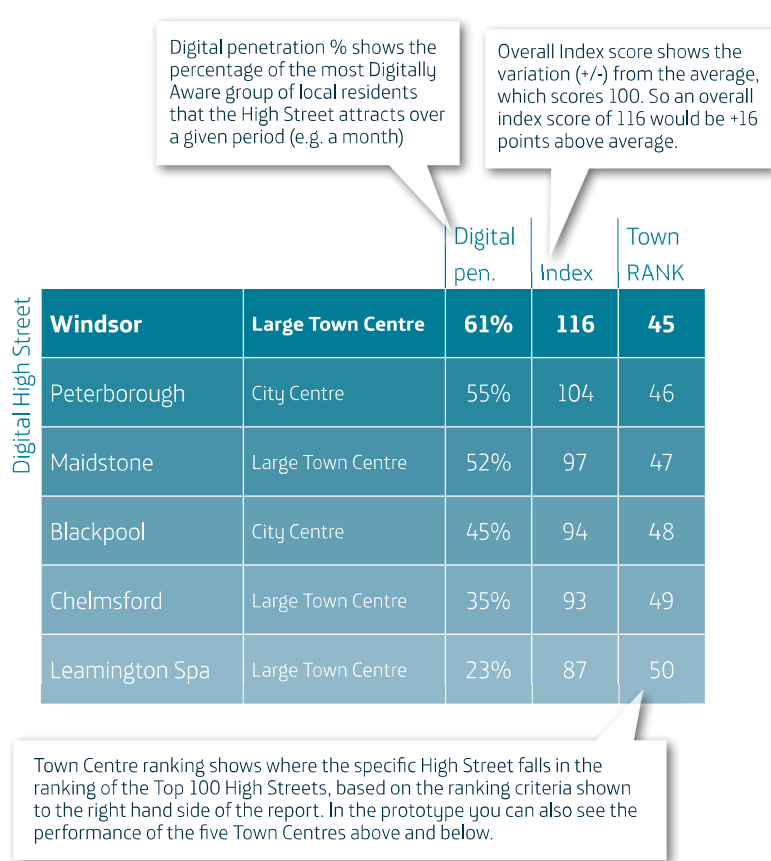
Digitally Engaged	36%
Broadband Penetration and Usage	54%
Smartphone Penetration and Usage	67%



Looking at Windsor in isolation, one could draw several conclusions on Windsor’s digital health:

- **Access and Infrastructure** – Its fixed broadband speed at 16.8 Mbps is reasonable (indexed at 88) but below average, well below the 2017 goal of 24 Mbps, and far from the 2020 goal of 100 Mbps. Likely there is a connection between this and a low presence of public access WiFi hotspots (index 31). Mobile data also has a distance to travel, with only 15% of the population receiving 4G (index 27); far from the 4G goal of 98% coverage for 2017. The overall index of 79 suggests that Windsor's infrastructure is not yet sufficient and is below average.
- **Basic Digital Skills** – Across the four measures of basic digital skills, Windsor indexes well at 82. Consumers seem content with communicating digitally but are not as comfortable finding things, providing information or transacting, perhaps a reflection of age or a lack of digital confidence. SMEs and charities index higher and seem more balanced across skills.
- **High Street Attraction** – Windsor is an attractive high street, with a 90% retail attractiveness rating, average footfall, and good socioeconomic and demographic balance. Overall an 84 index for attractiveness.
- **Digital Engagement** – A low percentage of Windsor, 36%, is in the ‘digitally engaged’ segment, even though a respectable 56% are using broadband services and 67% are using smartphones. Windsor indexed at 68 for digital engagement, significantly below average across the population.

The following chart illustrates how the Index can potentially be sorted to provide national and local governments with insight into relative high street health, and instigate benchmarking and cooperation among governments to understand potential routes to success. The chart compares Windsor to five other similar towns on the metric of digital penetration. The data is illustrative only.



This Index can certainly be further improved over time, and offer deeper analytical insight to national and local government organisations regarding the sources of success across our communities. Once introduced, the Index will inevitably be subject to rapid iteration as governments, communities and commercial interests begin to engage with it.

At present, the Digital High Street Advisory Board specifically recommends the following:

- a) Adopt the Digital High Street Health Index concept as a resource for both national and local governments to i) assess the competitiveness of a particular local high street community or high streets generally, ii) understand the key measures of economic value creation from digital developments, and iii) inspire local governments and private enterprises to make positive change.**
- b) Assign appropriate governance to further develop the Index as a robust, semi-annual electronic publication, leveraging [TheGreatBritishHighStreet.com](https://www.thegreatbritishhighstreet.com) and a private intranet accessible therefrom as a host for access, and**
- c) Fund the Index through private corporate sponsorship, negotiated data access from source organisations and potential fee-generating data analytics.**



Conclusion and Next Steps

As described above, this Digital High Street 2020 Report makes four principal recommendations:

- 1) Sufficient Access Through Infrastructure - Raise infrastructure and connectivity standards for 2020, including i) universal fixed connectivity of not less than 24 Mbps, with 75% of the UK's residences and businesses having access to fixed broadband speeds of 100 Mbps, ii) high speed mobile data coverage with 4G available, from multiple operators, to 98% of the population across both indoor and outdoor geographies, and iii) clear public access WiFi standards for consumer experiences, to ensure non-disruptive handoffs as consumers move among venues and providers and to encourage broader deployment.**
- 2) Basic Digital Skills - Eliminate the current gap in digital skills in our communities by 2020 to ensure that all digitally capable residents of our communities – individuals, SMEs and VCSEs – have basic digital skills.**
- 3) High Street Digital Lab - Centralise the aggregation of generally available technologies, digital applications, tools, methods and training programmes, in order to provide a platform for digital consumer services for each community across the UK on behalf of its local government, high street businesses and charities.**
- 4) High Street Digital Health Index - Adopt the High Street Digital Health Index concept as a resource for both national and local governments to i) assess the competitiveness of a particular local high street community or high streets generally, ii) understand the key measures of economic value creation from digital developments, and iii) inspire local governments and private enterprises to make positive change.**

The most meaningful next step towards the recommendations would be, quite simply, to find or affirm sponsorship – that is, the people in the government, private industry, trade and charitable sectors who are both responsible for impacting the digital health of our high streets, and who are passionate about developing a solution. This would naturally start with a government minister, but notably the systemic nature of the recommendations require sponsorship from several departments including the Department for Communities and Local Government (as it relates to local businesses and high streets), the Department for Business, Innovation & Skills (as it relates to business growth and the digital economy), and the Department for Culture Media & Sport (as it relates to digital infrastructure). This cross-department dependency suggests that strong leadership would be important in designing and enforcing mechanisms that encourage cooperation towards a shared goal.

In addition to government sponsorship, a cross-sector advisory board, again with sufficient influence and commitment, could be helpful in working in the short-term to detail implementation plans for the respective recommendations. Although the appropriate next steps vary among the

recommendations, they may include developing further designs, feasibility assessments and trials, establishing governance bodies and charters, estimating funding requirements and evaluating private funding plans. For example, an advisory board could establish a cross-sector working group for the High Street Digital Lab, and begin developing a proposal for a trial in a single community that will force the curation of appropriate technologies and further an understanding of the Lab's role with respect to town centre management, and both digitally experienced and inexperienced stakeholders. A similar working group could be established for the High Street Digital Health Index, to further identify appropriate data sources and begin designing a funding model to support the assembly and publication of an inaugural national, benchmark Index. The timing of the election will make it unlikely that government will undertake significant new work on the recommendations in the near-term, but the Board hopes the recommendations will nevertheless elicit broad support, and be in position for quick progress by whichever government is seated in May.

The recommendations in Digital High Street 2020 are ambitious, but appropriate in light of the challenges facing our high streets. Taken together, however, they can accomplish an even bigger mission to position the UK as perhaps the most digital country in the world – with a widely accessible “ultrafast” broadband fixed and mobile infrastructure; nearly universal digital skills and Internet usage among our citizens, public services, businesses and charities; a widespread network of innovators in the use of digital technologies and services; and a high level of digital health shared across the UK. The value should be not just bragging rights, but real competitive and economic advantage.

