

# Speech: Karen Bradley's UK Digital Strategy Speech

CHECK AGAINST DELIVERY

Thank you, Alice [Bentinck, CEO of Entrepreneur First].

I am delighted to be here today to launch the Government's [Digital Strategy](#). We have taken our time getting it absolutely right, but it has been time well spent!

Digital technology is revolutionising all aspects of our lives, whether healthcare, transport, manufacturing, entertainment, or our connections with family and friends.

It is going to lead to the creation of industries that do not currently exist – and of which few of us can conceive. But all industries, all businesses, all consumers will benefit from the use of digital technology.

The UK is in a position of real strength.

We have fantastic innovators.

Our universities and research centres are helping to lead the way.

The vibrancy of the digital economy across all the regions of the UK is laid out in Tech City UK's excellent annual Tech Nation report. I look forward to reading the 2017 report later this month.

In this job, I have been lucky enough to see cutting-edge digital work being done throughout the United Kingdom – in cloud computing, virtual reality, Artificial Intelligence, cyber security, and FinTech.

The digital sector is worth 7 per cent of our economy. And grew nearly three times faster than the rest of it in 2015.

But that does not mean that we can stand still.

And just keeping up should not be the limit of our ambitions.

The UK must lead the world. Meanwhile, none of our citizens should be left behind.

This strategy will ensure that the benefits of digital are spread throughout the country; that we have the necessary infrastructure; that regulations are agile and benign; and that everyone has the skills they need to be citizens in the digital age and workers in the digital economy.

The Government's new Industrial Strategy will create an economy that works for everyone. It backs business, builds on strengths, and tackles weaknesses.

The Digital Strategy is based on the same principles. But, vitally, not only is digital a key sector in its own right, it is central to the success of all other sectors – and central to all our personal lives.

Because it reaches across so much of society, this Digital Strategy is part of implementing our Plan for Britain – a plan to build a stronger, fairer country that works for everyone, not just the privileged few, where wealth and opportunity are spread throughout the country. Make no mistake – digital technology will be a major factor in accomplishing this.

The Digital Strategy will help to create a world-leading digital economy that works for everyone.

It will require a big effort. And just as the prize for success is enormous, so too would be the price of failure.

Simply put, our economy, public services, and country will not be fit for purpose unless we have fully embraced digital technology.

So let me take you through our vision, and how – working together with the sector – we will achieve it

The Digital Strategy has seven strands:

Connectivity;

Digital skills and inclusion;

Making the UK the best place to start and grow a digital business;

Making all British businesses digital;

A safe and secure cyberspace;

Transforming government to make it more digital; and

Making the most out of data.

## **1. Digital connectivity**

First and foremost, being a digital leader depends on being connected.

Digital connectivity was once a nice-to-have. It is now essential. This means that government has a responsibility to create the framework and conditions for investment in the right infrastructure throughout the UK.

We have already made great progress.

Nine out of 10 premises now have access to superfast broadband, and the Government's rollout programme has been connecting 3,000 homes a day.

99 per cent of UK premises now have indoor mobile voice coverage – and as a result of our licence agreements with phone companies, 4G geographic coverage

has increased substantially over the past year, from 48 per cent to 72 per cent.

That is no reason to become complacent or to stand still.

So while we will continue our work to complete the roll-out of 4G and superfast broadband, we are also introducing a Universal Service Obligation – giving every business, public premises, and individual in the country the right to request an affordable high speed broadband connection.

Moreover, we will seize the opportunities promised by the broadband and mobile networks of the future. We will invest £1 billion in a programme to explore and encourage next generation digital infrastructure, including full fibre and 5G.

And because consumers must be able to find the best deal and know what they're getting, we will make sure that broadband adverts accurately reflect reality.

But I also recognise that connectivity isn't just about statistics. It needs to reflect how people now live their lives. That is why, for example, we will roll out free wifi on trains and in more public places, and improve mobile coverage on our road network.

## **2. Digital skills**

But connectivity is of no use if people do not have the skills to benefit from it.

That is why we have committed to help every adult in the UK who lacks core digital skills to access free training. Digital skills now merit being placed on the same footing as literacy and numeracy.

We are committed to closing the digital skills gap, giving everyone the knowledge and confidence to prosper in the modern economy.

And we want to work with others who feel the same way. So we will establish a new Digital Skills Partnership, bringing together technology companies, local businesses, local government, and voluntary organisations – to make sure that people have the right skills for the jobs in their area.

I am delighted to announce that as part of this, we already have a commitment that more than four million free digital skills training opportunities will be created.

I am very grateful to all the companies that have already stepped forward.

Lloyds Banking Group will give face-to-face digital skills training to 2.5 million individuals, charities, and small and medium-sized businesses by 2020; Barclays plan to teach basic coding to 45,000 more children and assist up to one million people with general digital skills and cyber awareness; Google, as part of their commitment to five hours of free digital skills for

everyone, has pledged to help boost digital skills in seaside towns.

The Digital Skills Partnership will help people find the training they need and identify digital job vacancies for them.

This local expertise is crucial, because local needs will differ. One area may have a lot of expertise in data analytics but need different digital skills, for example.

We will also equip the next generation.

Coding is being put in the National Curriculum – and we are taking forward the recommendations of the Shadbolt Review into computer science degrees – so that younger and future generations will have the specialist skills they need to take full advantage of digital.

As part of the effort to encourage young people from a wider range of backgrounds to consider a tech career, we will support the National Citizen Service in piloting new ways to include digital skills and careers in NCS programmes.

We will also run a national after-school programme for the most talented students, cyber apprenticeships, and adult retraining – so that the UK has the pipeline of cyber security skills that it needs.

And I can assure you that the Government is well aware of the importance that industry places on an immigration policy which enables you to hire the best talent – both now and after Brexit.

Last month's immigration statistics show that more than 30,000 Tier 2 workers were sponsored in the Information and Communication sector.

Take-up of the Tech Nation Visa Scheme continues to rise. Government has agreed a temporary increase to meet demand for this year, demonstrating our commitment to attracting the brightest and best to come and work in the UK.

We also recognise that digital businesses are concerned about the future status of their current staff who are EU nationals. Securing the status of, and providing certainty to, EU nationals already in the UK and to UK nationals in the EU is one of this Government's early priorities for the forthcoming negotiations.

### **3. Making the UK the best place in the world to start and grow a digital business**

Connectivity and skills are vital to our ambition of making the UK the best place in the world to start and grow a digital business.

The UK has always been a highly innovative country. It has a long record in building and using cutting-edge technology. Our start-ups are among the best in the world, and we have some of the strongest technology clusters. Our fusion of digital and creative expertise gives us a unique edge.

This is a perfect example of why the Industrial Strategy is absolutely right to identify what the UK is strong at and the Government is right to be determined that this success should be spread throughout the country.

Let's be clear: the digital economy is not confined to London.

Tech City UK's Tech North programme is spurring the development of the tech ecosystem around Hull, Leeds, Liverpool, Manchester, Newcastle, Sheffield, and Sunderland.

We have a thriving FinTech sector in Edinburgh, leading video games developers in Dundee, tech clusters in Cardiff and Swansea, and cyber security expertise in Belfast.

A variety of Government programmes are already lending support – and we will build on this to back talent and innovation wherever we find it.

To create the right conditions for growth, we will work with independent regulators so we have the right rules in place to build a world-leading framework for digital.

Being the best country in the world to start and grow a digital business also relies on extensive research and development.

In last year's Autumn Statement, the Government announced that we would invest an additional £4.7 billion – so that British business will remain at the cutting edge of scientific and technological discovery. This was the biggest increase in public R&D investment of any parliament since 1979.

The Government has announced a number of steps to help businesses to secure the finance they need to grow throughout their life.

We also want to support emerging technologies, capitalising on strengths such as robotics, clean energy, biotechnology, and FinTech.

The UK is the global capital for financial technology, which generated £6.6 billion in revenue in 2015. So I can announce that we will launch a new competition to harness the power of FinTech for people who struggle to manage their money.

The UK is also at the forefront of the Artificial Intelligence revolution, so we are appointing leading academic Professor Wendy Hall from academia and Jerome Pesenti from Benevolent AI to undertake a review of how we can create the conditions for the AI industry to thrive and grow here. Jerome will be speaking later on, and will I'm sure have more to say on the subject!

And £17 million from the Engineering and Physical Sciences Research Council will boost the development of new Robotics and Artificial Intelligence technologies in UK universities.

This will support pioneering research, including a project by the University of Manchester to develop robots capable of operating autonomously and effectively within hazardous environments like nuclear facilities, while

researchers at Imperial College London will be able to make major advances in surgical micro-robotics.

We will also establish a network of UK Tech Hubs in developing countries. These hubs will work alongside the key existing hub in Israel, boosting our impact in emerging digital economies around the world, and providing jobs and trading opportunities for British firms.

## **4. Helping all British businesses to embrace digital**

With connectivity, skills and the right backing in place, we want to help all British businesses to embrace digital.

This is a huge prize – and I want all UK companies businesses to share in it.

There are four core digital activities that most businesses need to be competitive: a web presence; an e-commerce capability; working in a cloud-based computing environment; and digitising back-office functions such as payroll.

Small and medium-sized enterprises with a strong web presence grow on average more than twice as quickly as those with minimal or no presence, export twice as much, and create twice as many jobs. Businesses that use data to help automate functions and inform decisions are around 10 per cent more productive.

Although overall UK companies have similar levels of Internet access and web presence as those in other European countries, they are less likely to digitise their back-office functions. Changing this and embracing other digital ways of working could play a crucial role in closing the UK's productivity gap with other G7 countries.

To help this, we are investing £13 million in seed funding for the creation of a private sector-led Productivity Council.

We will also encourage the use of digital technology to help 100,000 more UK businesses export by 2020. We want the UK to be the place to be for digital and to export our expertise and products.

As we encourage businesses to embrace digital, we also want to see a more diverse workforce. Just 17 per cent of people who work in the tech sector and only 9.5 per cent of students taking computer science A-level courses are women. We cannot expect to lead the world if we largely ignore half the working population.

We have wonderful role models like Alice, and there are a number of programmes doing valuable work. They include the CyberFirst Girls competition, run by GCHQ to encourage young girls to consider a career in cyber security; the TechFuture Girls programme, an after-school club designed to encourage girls to stay engaged in IT; and the SheMeansBusiness Partnership, run by Facebook and Enterprise Nation to deliver training to

more than 10,000 women across the UK.

The Government will play its part, including by supporting further development of the Tech Talent Charter, which outlines key measures that encourage organisations to think differently in support of a workforce drawn from all sections of society.

## **5. Making the UK the safest place in the world to be online**

These ingredients for a world-leading digital economy that works for everyone must be underpinned by a safe and secure cyberspace.

As our reliance on technology grows, so do the opportunities for those who want to compromise our systems and data.

A quarter of all businesses experienced a cyber attack or breach in the past year – and two-thirds of large businesses were victims.

That is why we have an ambitious, new five-year strategy, backed by £1.9 billion of investment.

The National Cyber Security Centre will manage national incidents, provide an authoritative voice and centre of expertise, and deliver support and advice to government departments, devolved administrations, regulators, and businesses.

And we will step up Active Cyber Defence, employing the skills, knowledge, and technical expertise of GCHQ working with Internet service providers to tackle a significant proportion of the cyber attacks that hit the UK, and so provide a new level of protection for British cyberspace.

We are also committed to making sure that people of all ages – and especially children – can enjoy the Internet safely.

The Government has begun work on a new Internet Safety Strategy, which I will be leading. It is clear that government, industry, regulators, families, and individuals all have a role to play.

In order to tackle children's exposure to harmful sexualised content online, we will continue to support companies in rolling out family-friendly filters to all broadband customers and introduce age verification controls.

## **6. Maintaining the UK Government as the world's leader in serving its citizens online**

Just as citizens want to be safe, they want their public services to be improved by the use of digital technology, which can radically advance the efficiency of our public services – raising standards and lowering costs for taxpayers.

The UK is already a world leader in digital government – topping last year’s UN survey of e-government – but we want to go further and faster. Citizens and businesses deserve an even better, more coherent experience when using government services online – one that matches the expectations set by the best apps and websites they use every day

## **7. Unlocking the power of data and improve public confidence in its use**

Finally, I want to make clear that the Government understands that the public also want to be confident in the use of data – and that data is essential for world-class public services and business alike.

To maintain our position at the forefront of the data revolution, we will implement the EU General Data Protection Regulation in time for the May 2018 deadline.

So in conclusion, this is a Digital Strategy that is rooted in the Government’s plan for a country that works for everyone. We want the UK to lead on the global stage and ensure that no-one at home is left behind.

It contains ambitious plans for infrastructure, connectivity, skills, business, safety and security, online government services, and data – guided by experts, underpinned by investment, and led by a Government that will work with industry to address challenges and build on existing strengths.

This will be a joint effort, and this strategy is just the start. I am looking forward to chairing a new Digital Economy Council, working side by side with all of you in the tech community to make our digital economy both stronger and fairer.

Together, we really will lead the charge and change the world.

Thank you. ENDS