

Speech: The Seven Pillars of the Digital Strategy

Thank you for the invitation to join you here today.

I always feel at home when I'm at the IoD. I feel at home, because when I am at home, I'm surrounded by entrepreneurs.

My first job was solving the Y2K bug in cobalt in my family tech company. Both my parents started businesses. All my siblings have started their own businesses. I'm the one who took the low risk career – although given the last couple of years it doesn't always feel like that.

With that background, it would have been easy for me to go into business too. I love it, find it interesting, and I profoundly believe that business, done right, is a force for good in the world.

But I didn't, and there's a reason. When I was growing up, the business that my parents ran – my stepfather wrote the code, my mum was in charge – the business was all around me and the main subject at the dinner table.

In the early 1990s, I was a teenager. When recession hit, one of our big customers was struggling, and couldn't pay their bills. We got to a point when if a cheque didn't arrive by the end of the week, the business would collapse. We would lose everything as a family, and both my mum and stepdad would have been unemployed, and the twenty or so people who worked in the business, who we felt very strongly for, would have lost their jobs too. All through no fault of our own.

Thankfully, late in the week the cheque did come. I remember the moment to this day. The business was saved, and the software became a big hit. So now, every time you type your postcode into the internet and it brings up your address, you can thank my stepdad Bob. I hope we've helped you with your christmas shopping over the years.

This searing experience, as a teenager, made me start to ask the bigger questions: how can a perfectly decent business nearly go bust, because the economy had gone wrong? What can be done to stop that happening again.

And while I did go on to work for the business, I then went to the Bank of England as an economist, and there I discovered that all the big decisions are made in Westminster. So here I am.

And it is an honour and a privilege to be the UK's first ever Minister for Digital, working to give others the opportunities I had, and to stop others suffering the fate we escaped so narrowly.

So what does this mean, in this time of digital revolution?

It means harnessing this amazing new technology, so that it works for the

benefit of everyone. It means mitigating the risks, and ensuring the benefits can be accessed by all. It means supporting a thriving digital sector, a digital infrastructure that is not only fit for the present but the future, and easy and ubiquitous access for everyone in this country to the building opportunities digital technology offers.

We've even changed the name of the department to include Digital. And as a Department we are expanding, bringing some of the finest minds from within Whitehall and from outside to work on getting this right.

Our Digital Strategy, published in March of this year, set out how we intend to make the UK the best place to establish and grow a digital business and the safest place for citizens to be online.

It set out seven pillars that underpin the changes we need to see and I would like to update you now on how we have already delivered on those, and how we are set to deliver further in the very near future.

The Digital Strategy is complemented by the Digital Charter, as set out in the Manifesto, that sets out our approach to making the UK both the best possible place for digital businesses and the safest place for people to be online. On the former, it's about pursuing a plan that reinforces the work we started with the Strategy, and on the latter, we need to approach the internet from a set of liberal values that allow us to seize the opportunities that unprecedented connectivity provides while also mitigating some of the harms it creates.

Strategies and promises mean nothing if you don't push them through. I'm pleased to tell you that, only six months since the launch, we are making great progress.

The first pillar, and central to everything is infrastructure. In the Digital Strategy we committed to building a world-class digital infrastructure for the UK. That means ubiquitous coverage, so no one is left out, and with sufficient capacity not only for today's needs but in readiness for tomorrow.

We are making good progress in delivering today's technology to all.

We are on track to meet the target, set out in the Strategy, of superfast broadband coverage at 95% by the end of 2017. Then to reach the final 5%, in the Digital Economy Act, which received Royal Assent in April this year, we legislated for a Universal Service Obligation to deliver decent broadband to all. We recognise that broadband is now essentially a utility, not a nice to have. And I'm delighted that this is increasingly delivered by a competitive market of providers.

For mobile reception, each MNO is obliged to provide voice coverage to 90% of the UK by the end of this year, and the speed of rollout has been impressive – 4G premises coverage rose from 29% in 2015 to 72% last year. In our Manifesto we set out that the next step is 95% coverage of the UK landmass, so people are connected where they live, work, and travel.

We're tackling, with the Advertising Standards Authority, the misleading use

of so-called “up to” speeds, and the misdescription of technologies like “fibre” broadband, when it’s actually copper-to-the-premise. And we’re supporting community broadband providers to get to some of the hardest to reach parts of the country with the help of local residents.

At the same time as fixing the current technology, we must focus on the next generation: 5G and full fibre.

Our 5G strategy, released at Spring Budget 2017, outlined the steps we will take. As part of a £1.1 billion investment in digital infrastructure, we are funding a coordinated programme of integrated fibre and 5G trials to ensure the UK leads the world in 5G connectivity.

To meet this ambition, Government, industry and academia must all work together. Just yesterday we launched the first competition for 5G Testbeds & Trials funding in 2018-19. We’re inviting bids for the innovative use of 5G, so we learn very early what we need to do to support its roll out in the real world.

So supporting infrastructure – both the current and future technologies – is the first pillar of the digital strategy.

The next pillar is skills.

Britain needs stronger digital skills at every level, from getting people online for the first time, to attracting and training the very top coding talent in the world.

It’s something we in Government can’t do on our own. So when we launched the Digital Strategy in March, we committed to establish a new Digital Skills Partnership, to both bring greater coherence to provision of digital skills training at a national level, and to increase the digital capability needed to build thriving local economies throughout the country.

When we launched the Strategy, with industrial partners we promised to create more than four million digital training places. Just six months in, we and our partners have already over-delivered on this promise. Since that date, much progress has been made, including through companies like Barclays, Lloyds, Google, and many others.

This comes on top of putting coding in the curriculum from age 8, and last week the announcement that one of the first of our new T-level technical qualifications will be in Digital.

We want all these opportunities to be open to as wide a range of people as possible. We firmly believe that digital skills are essential, for everyone, to thrive in this digital age and that training in such skills should be an entitlement for all our citizens. So we legislated for Digital Skills Entitlement in the Digital Economy Act and are now developing the detail of the policy with the Department of Education. My friend and colleague Karen Bradley – Secretary of State for DCMS and I are working to deliver this entitlement, so that everyone can get the basic skills they need.

Of course the greatest demand for skills is the tech industry itself.

Over the past year we have seen investments in UK tech, including from Microsoft, Amazon, Apple, IBM, Google, and into British stars like Zopa, Monzo, and ARM.

We've significantly expanded the British Business Bank's capacity in scale up capital, and support the opening of incubators across the country. Pushing for a good deal for the tech industry is a core part of our Brexit negotiations, including the free flow of data and seeking to settle the issue of EU nationals at the earliest opportunity – a goal currently being frustrated by the European side.

Ultimately, the goal of this third pillar of the Digital Strategy is to make Britain the best place in the world to start and grow a digital business, so that everyone who has an idea and the will to make it happen.

When it comes broadening opportunity, we are committed to helping every British business become a digital business.

That's the fourth pillar of the Digital Strategy.

In July we launched the Productivity Council, which, developed through discussions with UK business leaders, the Confederation of British Industry and the Institute of Directors, has been designed to encourage and support UK businesses to go digital. Analysis suggests that only a modest improvement across a broad base of firms could unlock billions of Gross Value Added every year.

As an example of how we continue to encourage and support innovation, last month we together with TCUK launched our FinTech For All competition, targeted at fintech startups who show they can make a real difference to people in danger of being left behind by conventional financial services. We want to help startups who show they can help people struggling to manage their money, and make financial services available to all.

The next, fifth, pillar is to make the UK the safest place in the world to live and work online, as set out in detail in our Digital Charter.

As part of the Digital Strategy, our Digital Charter sets out how we need to balance the freedom of the internet with the need to mitigate its harms.

Our Internet Safety Strategy, published last week, sets out our plan for making the UK the safest place in the world to be online.

The Strategy sets out how we all must play our role in tackling issues of online harms. We want to bring together groups from across our whole society and hear from people of all backgrounds – including technology firms, schools, the voluntary sector, and citizens young and old as we turn that ambition into reality.

We will bring in a statutory code of practice for social media companies, we are consulting on an industry levy to support educational programmes and

technical solutions, and we want to see more transparency to help inform future policy.

Throughout we will be guided by three core principles. The first is that what is considered unacceptable offline should not be accepted online. Secondly, all users should be empowered to manage online risks and stay safe. Lastly, technology companies have a responsibility to their users to develop safe online communities.

To protect the amazing openness and freedom of the Internet that are its greatest strengths, we must balance an individual's freedom with respect for the freedom of others online, just as we do offline.

Ensuring the internet is safe means cyber security too, and our National Cyber Security Strategy, funded to the tune of £1.9bn, sets out what we are doing to help improve Britain's cyber security.

Now of course the security of any data is firmly the responsibility of the owner of that data – a principle that will be reinforced with the new Data Protection Bill – but Government has a role, to protect the nation, set standards so technology is secure by design, to educate, and for incident response.

The sixth pillar of the digital strategy is to digitise Government.

Since the creation of GDS in 2011, Britain has been a world leader in digitising Government.

Dozens of Government services have been digitised, from applying for a passport, to applying for lasting power of attorney. The massive project to make tax digital is proceeding carefully, and the feedback from those who use the new digitised service is excellent. Our G-cloud procurement system is being copied around the world, as it allows and encourages contracts to go to small innovative companies, not the traditional main players. In February this year, we had 3,947 suppliers on the Digital Marketplace, of which 93% were SMEs. And as a result our GovTech market is booming.

Just a fortnight ago, the Lord Chancellor tested the new small courts service digital solution, which seeks to open up access to justice.

And our manifesto set out exciting next steps, including opening up geospatial data, and assuring peoples' digital identity.

This brings me to the final pillar: data.

The Digital Strategy committed to unlocking the power of data in the UK economy and improving public confidence in its use. Data underpins any digital economy, and the effective use of data is built on trust. Research shows that, currently, more than 80 per cent of people feel that they do not have complete control over their data online, and that is too high.

So we are strengthening our data protection laws through the new Data Protection Bill, making UK law consistent with the EU's GDPR. Under its

proposals individuals will have more control over their data, through the right to be forgotten and to ask for their personal data to be erased. They will also be able to ask social media channels to delete information they posted in their childhood – news that mightn't yet be as welcome to the teen users of Twitter and Instagram as it will be when they look back on their posts some years from now.

We also want to end the existing reliance on default opt-out or pre-selected 'tick boxes', to give consent for organisations to collect personal data, which we all know are largely ignored. The Data Protection Bill will make it simpler to withdraw consent for the use of personal data and require explicit consent to be necessary for processing sensitive personal data. It also expands the definition of 'personal data' to include IP addresses, internet cookies and DNA.

On top of all that, new criminal offences will be created to deter organisations from creating situations – either intentionally or through pure recklessness – where someone could be identified from anonymised data. The data protection regulator, the Information Commissioner's Office, will be given more power to defend consumer interests and issue higher fines for the most serious data breaches.

And getting the governance around data right is about more than just the legislation.

Good use of data means understanding and living with the ethical dilemmas and boundaries that artificial intelligence brings. When machines are making choices that until now have been made by humans, it's important they stay inside the rules, but vital too that the ethics of the consequences of those decisions are considered.

Data underpins the insurance industry. But what characteristics is it right for an algorithm to take account of when deciding the level of the premium?

How do we deal with discrimination that can be thrown up by the application of AI to real world examples?

I believe that getting the full governance of data right: the rules, the enforcement, and the ethical norms of behaviour, will set Britain fair to lead in the new world of big data, machine learning, and AI.

Earlier this week we published a stunning report by Dame Wendy Hall and Jerome Pesenti into what we must do to be a world leader. I look forward very much to working with them and others to deliver on their proposals, and make the UK a world leader in this amazing new technology.

So there we have it. Just over six months on from our Digital Strategy and we have been building all seven pillars of our digital strategy.

And I want to end with this message. We can only deliver the UK's digital strategy in partnership, between Government, yes, providing leadership, a legislative framework, and occasionally taxpayers' cash.

But Government in partnership with academia, civil society, and businesses large and small.

And coming from small business myself, I know there are more good ideas out there than in here. So I want to hear from you, I want to know what we're getting right, what we're getting wrong, what amazing innovations you're developing, and how we can make it easier for you to grow your businesses here in the UK.

We have a big agenda and much to do, and I look forward to working with you to deliver it.