

Digital Strategy Briefing



Introduction

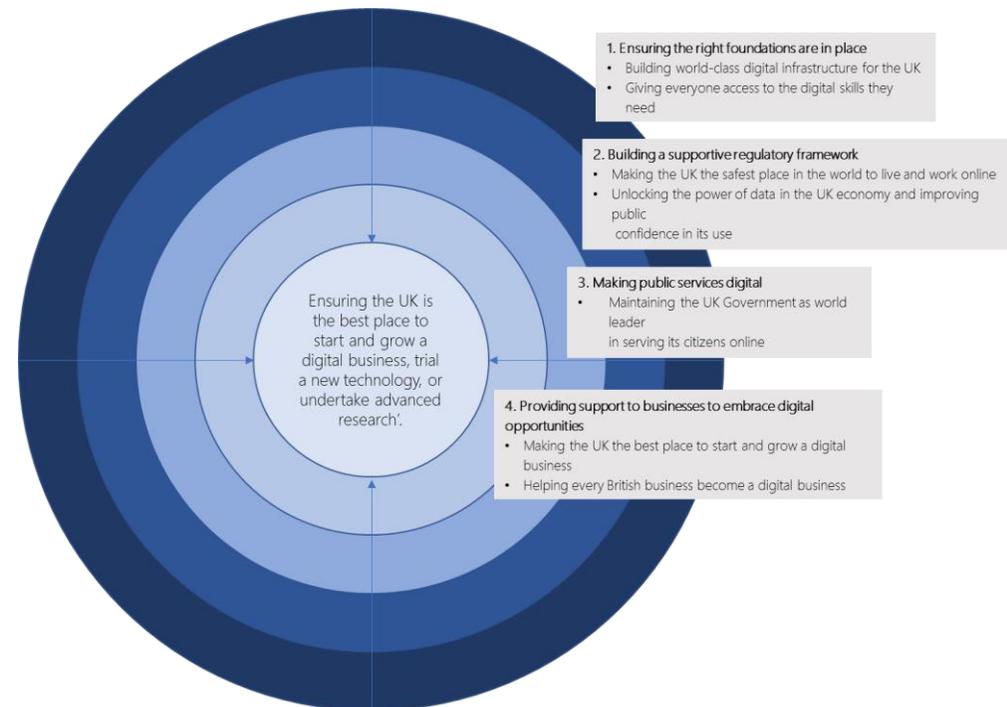
The Government has today published a new Digital Strategy which it hopes will provide a framework for 'ensuring the UK is the best place to start and grow a digital business, trial a new technology, or undertake advanced research'.

The Government hopes to achieve this by putting in place the right foundations (connectivity & digital skills), building a supportive regulatory framework (data protection, safety and security) and providing support to businesses to embrace digital opportunities.

What becomes clear rather quickly when reading the document, is that the Digital Strategy is largely a collection of previously announced policy measures and ideas. With this in mind we looked at:

1. Has there been a change to the Government's overall approach to digital?
2. What policy measures, announcements and, crucially, spending commitments are actually new?
3. What is merely a reannouncement or continuation of existing policy?

On the following pages we provide you with our assessment of the Digital Strategy as well as a summary of the seven strands of the strategy which we have grouped together into four themes:





Our take on the Digital Strategy

The Digital Strategy should be viewed as an extension of the Government's Industrial Strategy and key themes such as building on strengths while addressing weaknesses, regional growth, skills, productivity and collaboration heavily feature.

The Digital Strategy is putting a stronger emphasis on spreading digital growth across the country and complementing the Industrial Strategy's 'open door challenge to industry' with the formation of a new 'forum for government and the tech community to work together to support the growth of the UK digital economy.' However, it remains to be seen how this forum will interlink with and complement the work of the various trade bodies and associations in the sector. The Strategy extends a clear invitation to the industry to propose sector deals.

Reflecting the Prime Minister's commitment to build a country that works for everyone and her interest in reforming corporate governance and encourage a responsible approach to business, the Digital Strategy emphasises that both 'innovation-friendly regulation' and 'democratic legitimacy' are needed to create a positive context for the adoption of new technology – an indication that disruption is welcome but not at any costs.

The Digital Strategy also gives an indication of where the Government believes growth will come from and what sectors might receive particular support from Government. AI and autonomous vehicles are mentioned frequently while drones are not.

Overall, the Digital Strategy does not constitute a significant change in policy but it is a clear invitation to industry to provide leadership and demonstrate where Government support would be most needed.



Theme 1: Ensuring the right foundations are in place

Building world-class digital infrastructure for the UK

The Digital Strategy reiterates Government's commitment to improving digital connectivity across the UK with a focus on fibre and 5g networks. The new announcements are:

- Government will establish a new Business Connectivity Forum, chaired by the Department for Culture, Media and Sport, that will bring together business organisations, local authorities and communications providers to develop specific solutions to the issues faced by businesses in accessing fast, affordable, reliable broadband.
- Government will work with regulators and industry to ensure that advertising for broadband more accurately reflects the actual speeds consumers can expect to receive, rather than a headline 'up to' speed available only to a few, and accurately describes the technology used, using terms like 'fibre' only when full fibre solutions are used.

The strategy also repeats previous commitments such as investment in fibre and 5G, freeing up spectrum bands and the Universal Service Obligation.

Giving everyone access to the digital skills they need

The Government has adopted a three-tier approach to digital skills: (1) tackling digital exclusion and ensuring everybody has the necessary digital skills to participate fully in society; (2) developing the full range of skills needed to ensure a thriving digital economy; and (3) collaboration between the public, private and third sector to tackle the digital skills gap in a co-ordinated manner. New announcements include:

- A feasibility study to be undertaken this year on the viability of using outcome commissioning frameworks to tackle digital exclusion;
- A National Citizen Service (NCS)-Raspberry Pi Foundation pilot to test new ways to include digital skills and careers in NCS programmes;
- Taking forward the Shadbolt Review of Computer Science Degree Accreditation and Graduate Employability;
- Developing a common digital skills language to assist industry in articulating the skills they are seeking and to provide digital careers information in a way school children and graduates can understand;
- Working with the Data Skills Taskforce to implement elements of the Analytic Britain report on data analysis skills
- Establishing a Digital Skills Partnership to work with partners passionate about closing the skills gap. The Partnership will explore how to identify digital vacancies area-by-area and, where possible, make this data available to local and regional entities.

The Strategy refers to a number of previous announcements and ongoing areas of activity including: funding for the Computing at School (CAS) network and scholarships for computing graduates to become teachers, the provision of free basic digital skills training to adults lacking core digital skills, the reform of the technical education system and the accompanying creation of a specialist digital route, the Government's support for cyber security skills through the development of a Cyber Security Skills Strategy.



Theme 2: Building a supportive regulatory framework

Making the UK the safest place in the world to live and work online

Reflecting a period of busy announcements on both cyber security and online safety, the Digital Strategy reemphasises a number of existing commitments in this space. With regard to cyber security, the Government have favoured a collaborative approach, particularly via the new National Cyber Security Centre, and the strategy touches on measures such as 'Active Cyber Defence', 'secure by default' and support for businesses in this area. With regard to online safety, the Strategy underlines the Government's more intrusive approach with measures such as age verification for adult sites and the rollout of family-friendly filters. The only actual new announcement is that Government will start work on a new Internet Safety Strategy which will be lead on by DCMS.

Unlocking the power of data in the UK economy and improving public confidence in its use

The Digital Strategy stresses the importance of data to the UK economy, highlighting Government's commitment to staying at the leading edge of developments by supporting the data economy, creating a data infrastructure, improving data skills, building public trust and providing access to government data. The strategy reaffirms Government's commitment to implementing GDPR and maintaining post-Brexit data flows. The new announcements are:

- Government will work with organisations such as the Open Data Institute to create an environment to open up customers' data across more sectors through the use of APIs (Application Programming Interfaces)
- Government will work with the industry-led Data Skills Taskforce to help implement key elements of the Analytic Britain report produced by Nesta and Universities UK, which provides a number of proposals to raise levels of data analysis education and skills provision in the UK.
- Government will review the data protection offences, and introduce stronger sanctions for deliberate and negligent re-identification of anonymised data.

The strategy also highlights Government's commitment to data sharing across Government laid out in the Digital Economy Bill, the Ethical Framework for Data Science, the work of the ICO, and the Government intention to implement GDPR.



Theme 3: Providing support to businesses to embrace digital opportunities

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

The Government's desire is to see the digital sector (including emerging fields like FinTech, HealthTech and EdTech) grow so that by 2025 its contribution to the economy reaches £200 billion. The Government want to create the right conditions for this objective to be achieved – particularly through support of innovation and commercialisation of ideas and helping businesses seize opportunities for growth. New announcements include:

- The awarding of £17.3 million in grants to support the development of new Robotics and Artificial Intelligence (AI) technologies in UK universities;
- A review on how industry and government can create the conditions for the AI industry to thrive and grow in the UK;
- Government consideration for further support to the virtual and augmented reality sectors in the UK;
- The establishment of UK Tech Hubs in five developing countries to work alongside the key existing hub in Israel;
- The launch of a competition, run by Tech City UK, to encourage the development of digital approaches to support financial inclusion

Much of the policies outlined here pertain to those already outlined in the Industrial Strategy Green Paper, for example, ensuring a dynamic and flexible intellectual property regime, the Challenger Business Programme which will undertake more “deep dives” into emerging sectors, support for early stage digital companies and innovators in universities, and increasing the level of investment in UK tech businesses.

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

Ensuring that all sectors benefit from digitisation and using new technologies to address challenges facing the UK economy, particularly the productivity gap, have been longstanding themes of the Government's work and the strategy primarily sign-posts existing business support measures.

- Further details on the review of industrial digitisation (announced in the Industrial Strategy Green Paper and to be led by Jurgen Maier, CEO of Siemens UK) which will look at how UK manufacturing can become more productive and competitive and at identifying policy mechanisms to support industry investment in technology and innovation.

The Strategy also touches on the ongoing Modern Employment Review and measures to support exporters.



Theme 4: Making public services digital

Maintaining the UK government as a world leader in serving its citizens online

Ensuring that the development and operation of digital public services continues is a key current priority for Government. This chapter of the Digital Strategy reiterates the announcements of the Government Transformation Strategy which was published in early February, including measures to create a digital civil service culture and the launch of digital products such as gov.uk verify. The only major new announcement is:

- Establishment of a new Digital Government Partnership in summer 2017. This will be a collaboration between Government, business and academia with the aim of generating analysis and ideas to inform current policy as well as

Conclusion

Similar to the wider Industrial Strategy, the Digital Strategy's key relevance is that it provides a framework for interaction with Government. It indicates policy priorities such as AI and autonomous vehicles, and outlines some of the key levers at the Government's disposal, such as a proactive skills policy and a supportive data protection framework. The Digital Strategy is a clear invitation for industry to provide leadership and demonstrate where Government support is most needed. Please get in touch if you would like to discuss how you can best position yourself use the strategy to further your business aims:

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