



## DEBATE PACK

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# The Future of the UK digital and tech industries

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## Summary

This Debate Pack has been produced ahead of the Westminster Hall debate on 'The Future of the UK digital and tech industries', to be held in Westminster Hall on Wednesday 18 April 2018 at 2:30pm. This will be led by Anne Main MP.

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

# 1. The economic impact of digital industries

The digital industry in the UK accounts for around 4% of employment and 7% of economic output.<sup>1</sup>

The following table shows employment and economic output for each of the sub-sectors of the digital industry in the UK in 2015.<sup>2</sup>

Digital industries in the UK, sub-sectors in 2015				
	Employment		Economic output	
	1000s	% of digital industries	£ billions	% of digital industries
Computer programming, consultancy and related activities	665	47%	42.9	36%
Film, TV, video, radio and music	184	13%	17.6	15%
Telecommunications	174	12%	30.2	26%
Publishing	173	12%	10.0	8%
Manufacturing of electronics and computers	108	8%	3.6	3%
Repair of computers and communication equipment	41	3%	2.3	2%
Wholesale of computers and electronics	32	2%	4.3	4%
Information service activities	26	2%	6.1	5%
Software publishing	18	1%	1.3	1%
<i>Digital Sector</i>	<i>1,421</i>		<i>118.4</i>	

Source: DCMS, DCMS economic estimates 2015, published 2016

Employment: Digital industries employment sub-sectors table

Output in terms of Gross Value Added (GVA): GVA sub-sectors table

The whole of the digital sector employed 1.4 million people in 2015, 4.4% of all employment. The largest sub-sector in the digital industries was the computer programming and related activities sector, which employed 665,000 people, 47% of all digital sector employees.

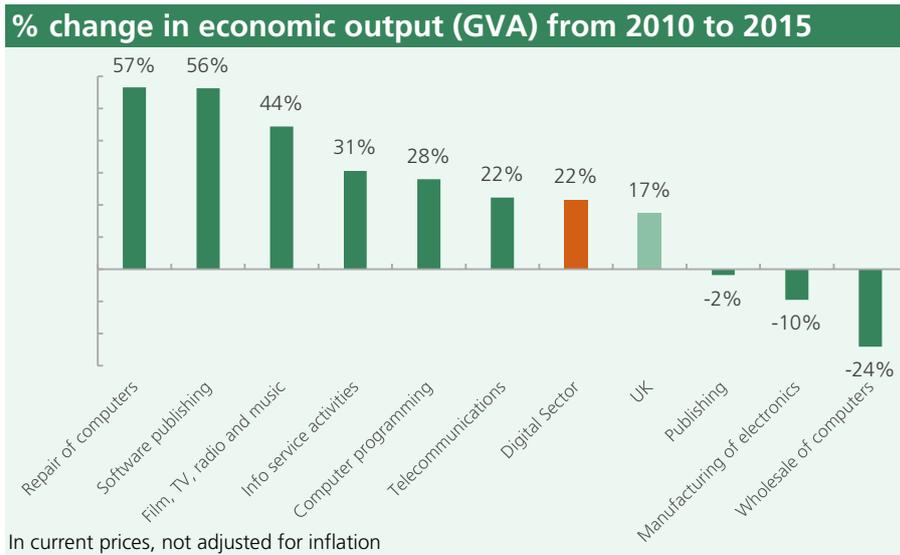
The economic output of the digital sector totalled £118.4 billion in 2015, 4.4% of total UK economic output. The largest sub-sector in terms of economic output was also the computer programming and related activities sector which accounted for 36% of all digital sector output. The telecommunications industry accounts for 26% of digital sector economic output, but only 12% of employment.

Economic output from the digital sector has grown considerably in recent years. The following chart shows that between 2010 and 2015, the digital sector grew by 22%, whilst the whole UK economy grew by 17%.<sup>3</sup>

<sup>1</sup> The definition of the digital sector used here is from the DCMS, DCMS, [DCMS Economic Estimates: methodology](#), 2016, p14,15

<sup>2</sup> The official source for estimates of the creative industries is DCMS, [DCMS sector economic estimates](#), published in 2016. For employment figures see the [Digital industries sub-sector employment tables](#). For economic output (GVA, Gross Value Added, which is similar to GDP) figures see [DCMS GVA sub-sectors tables](#).

<sup>3</sup> DCMS, [DCMS GVA sub-sectors tables, 2016](#)



The digital sectors with the largest percentage growth over this period are small industries (the computer repair industry is only 2% of the digital sector's output, and the software publishing industry is only 1% of total).

However, larger digital sectors also recorded growth above the UK average, such as the film, TV, radio and music industry (which grew by 44% between 2010 and 2015), and the computer programming sector which grew by 28% over this period.

## 1.1 Regional employment

The following table shows that employment in the digital industries is not evenly distributed.

Employment in digital industries, 2015		
	1000s	% of total
London	369	8%
South East	270	6%
South West	123	5%
North West	121	4%
East of England	117	4%
West Midlands	87	3%
Scotland	87	3%
Yorks and Humber	78	3%
East Midlands	72	3%
North East	37	3%
Wales	34	2%
Northern Ireland	19	2%

Source: DCMS economic estimates, 2016, Digital industries employment sub-sectors table

ONS, Annual population survey, results for Q4 2015

In London, there are 370,000 people employed in digital sectors, 8% of all employment. This is compared to Wales and Northern Ireland, where only 2% of employment is in digital industries.<sup>4</sup>

<sup>4</sup> DCMS, [Digital industries sub-sector employment tables](#), 2016

## 2. Support for the digital and tech sectors

### 2.1 Digital Strategy

The Government's ambition to "*to create a world-leading digital economy that works for everyone*" is set out in the [Digital Strategy](#) (1 March 2017). The Digital Strategy is composed of seven strands:

- Building world-class digital infrastructure for the UK
- Giving everyone access to the digital skills they need
- Making the UK the best place to start and grow a digital business
- Helping every British business become a digital business
- Making the UK the safest place to live and work online
- Maintaining the UK government as a world leader in serving its citizens online
- Unlocking the power of data in the UK economy and improving public confidence in its use.

Regarding "building the tech and digital sectors", the Strategy states in Section 3:

Our ambition is for the sector to continue growing so that by 2025 its contribution to the economy rises to £200 billion. To achieve this, we must create the right conditions for the digital sectors to continue to thrive and to ensure the benefits are spread throughout the UK. Although this will be led by the private sector, government has a key role to play in supporting innovation and the commercialisation of ideas, and helping all digital businesses take advantage of opportunities for growth.

Section 3 goes on to outline several work areas to develop a competitive tech sector and foster growth, including tax relief for investors in small companies and using Government procurement to drive innovation.

### 2.2 Tech Nation

The Digital Strategy also outlined the Government's intention to work with tech clusters in the UK, such as Tech City UK and Tech North, to support the tech sector across the UK. In the [Autumn Budget 2017](#) the Government committed £21 million over the next 4 years to expand Tech City UK's reach, to become Tech Nation and "*and support regional tech companies and start-ups to fulfil their potential*".<sup>5</sup>

[Tech City UK](#) was launched in London in 2010 but since expanded to promote technological growth in cities across the UK, as well as in London.<sup>6 7</sup> Tech City UK, on its website, [explains](#) its purpose as follows:

Our mission is to help digital tech companies grow through a series of [programmes](#), [research](#) and [events](#) aimed at building a pipeline of high-

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<sup>5</sup> HM Treasury, [Autumn Budget 2017](#), HC587, 22 November 2017, page 45.

<sup>6</sup> Prime Minister's Office, [PM announces East London 'tech city'](#), 4 November 2010.

<sup>7</sup> Tech City UK, [About Us](#), [accessed 4 December 2017].

growth businesses, raising the profile of the sector, and providing a feedback loop from business to government to help shape policy. We also work to eliminate the issues that hold back startups such as skills and access to finance.<sup>8</sup>

Tech City UK is public and privately funded. Public funding is received from the Department of Digital Culture Media and Sport, and in 2016-2017 was £2.1million (approximately 80% of its funding).<sup>9</sup> Additional funding is derived from sponsorship and paid-for educational programmes, such as [Tech Immersion](#).<sup>10</sup>

The launch of Tech Nation follows the expansion of tech hubs beyond London, to form a nationwide network of connected regional tech hubs.<sup>11</sup> The [Tech Nation 2017 report](#) stated that in 2016, regional clusters (outside London) attracted more than £4.5 billion in digital tech investment, which accounted for 68% of total UK tech investment.<sup>12</sup>

Tech City UK is planning to rebrand as Tech Nation in the financial year starting April 2018.<sup>13</sup>

The Tech City UK blog post announcing the [launch of Tech Nation](#) outlines the work of the Tech Nation programme, focusing on the following areas:

- **Network of regional hubs:** the funding allows regional tech hubs to be created in addition to the hubs already existing in London and the north of England. Regional hubs will be created in Cambridge, Bristol and Bath, Manchester, Newcastle, Leeds and Sheffield, Reading, Birmingham, Edinburgh and Glasgow, Belfast, and Cardiff.<sup>14</sup>
- **Visas:** a key part of Tech Nation's work is the [Tech Nation Visa Scheme](#), which supports entry for individuals to work in the UK tech sector. Tech City UK is the designated competent body for digital technology and has the ability to endorse applications for the Tier 1 Exceptional Talent Visa.<sup>15</sup> The Home Office has doubled the number of visas available from 1,000 to 2,000.
- **Entrepreneurial skills:** Tech Nation will expand the content and reach of the Digital Business Academy, which supports people to learn skills to start, join or grow a digital business.<sup>16</sup>
- **Sector focus:** Sector specific programmes targeted at developing the Fintech and the Artificial Intelligence (AI) sectors.<sup>17</sup>

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<sup>8</sup> Tech City UK, [About Us](#), [accessed 4 December 2017].

<sup>9</sup> Tech City UK, [About Us](#), [accessed 4 December 2017].

<sup>10</sup> Tech City UK, [About Us](#), [accessed 4 December 2017].

<sup>11</sup> Tech City UK blog, [10 questions everyone's asking about Tech Nation](#), 17 November 2017, [accessed 4 December 2017]

<sup>12</sup> [Tech Nation 2017 Report](#). [[download the report](#)].

<sup>13</sup> Tech City UK blog, [10 questions everyone's asking about Tech Nation](#), 17 November 2017, [accessed 4 December 2017]

<sup>14</sup> Tech City UK blog, [Hello Tech Nation](#), 14 November 2017 [accessed 4 December 2017].

<sup>15</sup> Tech City UK, [Tech Nation Visa Scheme](#), [accessed 4 December 2017].

<sup>16</sup> Tech City UK blog, [Hello Tech Nation](#), 14 November 2017 [accessed 4 December 2017].

<sup>17</sup> Tech City UK blog, [Hello Tech Nation](#), 14 November 2017 [accessed 4 December 2017].

In addition to the above initiatives, Tech City UK runs various [programmes](#) and courses to support digital businesses at various stages of growth. For more information, see the [Tech City UK](#) and [Tech North](#) websites.

### 3. Parliamentary material

[Department for Digital, Culture, Media and Sport: Business: ICT: Written question - 125606](#)

**Asked by Mike Amesbury**

**Asked on 30 January 2018**

To ask the Secretary of State for Digital, Culture, Media and Sport, what steps her Department is taking to support (a) tech start-up businesses and (b) the tech sector.

**Answered by Margot James**

**Answered on 02 February 2018**

We are committed to supporting the booming UK tech sector. The UK is already a world-leading digital economy with the sector contributing over £116Bn per year in gross value added and is growing twice as fast as the wider economy. Our ground-breaking digital strategy, published in March, set out how we intend to make the UK the best place to start and grow a digital business, and we are already delivering on those aims.

In November, our industrial strategy included commitments to boost spending on the infrastructure of the future, spreading 5G digital connectivity right across the country, raising investment in research and development, and improving skills by investing in maths, digital and technical education - all of which will support the continued success of the tech sector.

In the Autumn Budget, we also announced a further investment of £21 million to expand Tech City UK into a nationwide network – Tech Nation – aimed at accelerating the growth of the digital tech sector across the country. Tech Nation will support 40,000 entrepreneurs and up to 4,000 start-ups as they scale their businesses. Tech Nation will build on the success of its London and Northern clusters, delivering support for digital tech businesses in 11 cities across the UK. This will develop new regional clusters to boost burgeoning tech firms in cities such as Belfast, Cardiff and Newcastle.

The Budget also announced a doubling of the Enterprise Investment Scheme for knowledge intensive companies - including in the tech sector - and announced a 10-year action plan to unlock over £20 billion to finance growth in innovative firms.

**Department for Business, Energy and Industrial Strategy:  
Business: Digital Technology: Written question - 124545**

**Asked by Stephen Kerr**

**Asked on 23 January 2018**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what steps the Government is taking to improve the rate of adoption of digital technology in everyday business practice; and if he will make a statement.

**Answered by Andrew Griffiths**

**Answered on 31 January 2018**

We want the UK to be the best place to start and grow a digital business. As announced in the government's Industrial Strategy, the new Business Basics Programme will trial innovative approaches to drive up the adoption of tried and tested technologies and business practices that can improve businesses' productivity. The programme will test and encourage SMEs to adopt technologies and practices such as new accountancy software or performance management systems.

In addition, more than four million free digital skills training opportunities will be created as part of a Digital Strategy to make Britain the best place in the world to start and grow a digital business and ensure our digital economy works for everyone.

In addition, the Digital Skills Partnership (DSP) will see Government, business, charities and voluntary organisations coming together to make sure people have the right skills for the jobs in their area and are aware of all the digital training opportunities on offer.

The DSP will also build upon the 4 million pledges of free digital skills training opportunities that our corporate partners pledged as part of the Digital Strategy, published in March 2017. More than 2 million of these pledges have already been delivered; DCMS will continue to work with DSP members to develop new opportunities, direct training to areas where need has been identified, and to encourage the sharing and scaling up of best practice in digital skills provision.

The strategy includes new commitments, including a plan by Lloyds Banking Group to give face-to-face digital skills training to 2.5 million individuals, charities and small and medium businesses by 2020.

**Department for Business, Energy and Industrial Strategy:**  
**Business: ICT: Written question - 111926**

**Asked by Stephen Timms**

**Asked on 07 November 2017**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assessment he has made of the readiness of UK businesses to adopt fourth industrial revolution technologies, in particular (a) machine learning and (b) the Internet of Things.

**Answered by Claire Perry**

**Answered on 13 November 2017**

The UK economy has key strengths that will enable businesses to adopt industrial digitalisation technologies, such as a world-leading research and innovation system, pioneering firms in manufacturing servitisation, and the strongest artificial intelligence and machine learning market in Europe. Through a modern industrial strategy the Government is seeking to build upon these strengths. For example, the Digital Strategy outlines ways to make Britain the best place to start and grow a digital business, trial new technology, or undertake advanced research. We are also taking action to improve digital capability skills.

However, we also recognise the challenges businesses face. BEIS is currently considering the independent government commissioned review led by Professor Dame Wendy Hall, and Jerome Pesenti "Growing the Artificial Intelligence Industry in the UK" and has announced £68 million for ground breaking research and development in robotics and artificial intelligence. We are also in the early stages of reviewing the recently published, industry-led 'Made Smarter' report, which considers barriers to adoption of digital technologies including machine learning and Internet of Things. We will continue to work with business to overcome barriers and realise the opportunities of the fourth Industrial Revolution.

## 4. Press releases

[Government commits to signing Tech Talent Charter to boost gender diversity in tech roles: Minister for Digital and the Creative Industries, Margot James, will also write to major tech firms asking them to sign up to the charter](#)

**Published 31 January 2018**

**Department for Digital, Culture, Media & Sport, The Rt Hon Matt Hancock MP and Margot James MP**

Digital and Culture Secretary Matt Hancock has announced the whole of Government will sign up to the Tech Talent Charter.

The charter is an essential and timely initiative which puts the UK at the forefront of tackling the gender imbalance in the tech workforce.

It covers all organisations employing people in technology roles and commits signatories to include women on interview shortlists wherever possible and collect and submit anonymised data for an annual diversity report.

Mr Hancock said the Minister for Digital and the Creative Industries, Margot James, will write to major tech firms asking them to sign up to the charter to help support gender diversity across the industry.

This will help boost support for a scheme which already has more than 125 signatories including Dell, Sage and Cisco.

Speaking yesterday at a creative industries and 4th industrial revolution APPG reception, Mr Hancock said:

“We recently launched the Tech Talent Charter and more than 125 companies have signed a pledge to take concrete measures to improve the gender diversity of their tech workforce.

“It is essential the public sector leads the way in driving this change and I can announce every Government department will be signing the charter.

“Cracking the challenge is in part about changing the education system but it’s also about changing the culture and opening up.

“So the Minister for Digital will also be writing to major tech firms asking them to sign up. This will help galvanise support for the charter so everyone has the opportunity to fill the fantastic jobs available.”

Mr Hancock, as Minister for Digital, announced the initial project last year when he said “you can’t catch all the fish if you only fish in half the pool, and if we want Britain’s tech industry to prosper we should be using the talents of the whole nation”.

The Department for Digital, Culture, Media and Sport was the first Government Department to sign the charter. Other Government departments will now follow suit.

The charter brings the public, private and charitable sectors together to share ideas and experience. It also gives organisations clear actions and principles to adopt to become more gender-diverse.

**[£21m to boost UK's world-class tech sector and spread the benefits across the country: The UK's world-leading tech sector will go from strength-to-strength after plans unveiled today set out a £21m investment to create a new national network of regional tech hubs in areas across the country, including Belfast, Cardiff, Edinburgh and Birmingham.](#)**

**Published 14 November 2017**

**Department for Digital, Culture, Media & Sport and The Rt Hon Matt Hancock MP**

Today the Government announced that Tech City UK and Tech North are to become a national organisation, Tech Nation, to speed up the growth of the UK's pioneering and innovative digital companies and clusters, helping spread the benefits even further.

Successful companies which have benefitted from Tech City UK's work include Just Eat, Zoopla and Funding Circle.

Building on the organisation's work helping to turn London's Silicon Roundabout into a globally recognised tech hub, the funding will see the new Tech Nation work alongside existing tech partners and business organisations to accelerate the expansion already underway by rolling out its tech-hub model.

As part of the plans, Tech City UK will give more than 40,000 people the opportunity to develop the skills needed to start or grow a digital business and will offer support for up to 4,000 UK tech businesses through targeted growth programmes.

Minister for Digital, Matt Hancock, said:

This new funding is an important part of our plans to make the UK the best place in the world to start and grow a digital business, with the benefits spread right across the country.

This regional network will accelerate the growth of the digital tech sector, cement the pipeline of talent and spark the next generation of innovative firms to seize the future opportunities of digitisation - bringing jobs, skills and higher productivity to our regions.

Eleven regional hubs will form the backbone of a national network of digital excellence to reflect the country's standing as a global powerhouse for tech industries and help the Government achieve aims outlined in the Industrial and Digital Strategies.

The funding will also help entrepreneurs in emerging tech sectors, such as Artificial Intelligence (AI) and Fintech, by connecting them to peers and potential investors in other hubs across the country and by offering tailored development programmes.

Gerard Grech, CEO of Tech City UK (soon to be Tech Nation), said:

We are thrilled the Government is backing our model which has played an important role in helping the country's tech firms accelerate their growth.

Tech Nation will help transform the UK from a series of standalone tech clusters into a powerful national network that will reinforce the UK's position at the top of global tech rankings.

This will ensure we continue to be at the forefront of digital innovation, developing tech talent and attracting international investment.

Eileen Burbidge, Chair of Tech City UK (soon to be Tech Nation), said:

We are delighted to hear that the Government wants to increase Tech City UK's funding for the next four years.

Under the Tech Nation banner, this country that has brought so much innovation to the world and leads in sub-sectors such as fintech, cybersecurity, artificial intelligence, robotics and life sciences will build a national network of digital excellence so that the UK will continue to be recognised as one of the best places in the world to start or grow a digital tech business.

Britain is already a global tech powerhouse and the Government is determined to see that continue. More than 1.4 million people work in the UK's digital tech sector and jobs are being created at twice the rate of other sectors in the economy. Average advertised salaries are £50,000, 30 per cent higher than the national average.

The sector has a turnover of more than £118 billion and figures on foreign investment published in July found in the first half of 2017 there was a record £5.6 billion investment in tech in the UK.

In the face of international competition for this high-value employment industry, Tech Nation will help the UK accelerate the growth of the tech sector.

Successful Tech North programmes such as Founders Network and Northern Stars will be extended nationally, and existing national programmes such as Future Fifty and Upscale will be strengthened.

David Buttress, Partner at 83North and former CEO and co-founder of Just Eat, a Future Fifty alumni company, said:

Tech City UK and the Future Fifty programme have given fast-growing companies like ours a great opportunity to learn from our peers and exchange ideas. They have also enabled us to get our voice heard in government, so that we can give our point of view on the way our working world is changing. That will continue to be extremely important for all emerging tech sectors.

Samir Desai, Funding Circle, a Future Fifty alumni company, said:

Tech City UK has been an excellent advocate for the tech sector, understanding the needs of startups and scaling businesses and representing this coherently to Government. The programme they deliver is comprehensive and has supported us across a range of issues and business priorities.

Cherry Freeman, co-founder LoveCrafts, a Future Fifty company, said:

Being involved in Tech City UK's Future Fifty has been fundamental in helping us to drive LoveCrafts' growth on an international scale. They have been a great supporter and resource to us and it's great news that they are going to expand their role over the next four years. I know that they will make a great success of working with entrepreneurs and founders in tech clusters across the country.

Virraj Jatania, founder of Pockit, an Upscale company, said:

Exchanging ideas with people who are going through similar things as yourself, as we do on Tech City UK's Upscale programme, has been a great way for me to improve my personal performance and make sure that I am sufficiently ambitious for my company. They understand the challenges facing the sector and makes sure that people are speaking out for people like us, so that we can get on with building our businesses.

The first set of clusters to form Tech Nation will be located in:

- Midlands - Birmingham
- Scotland - Edinburgh and Glasgow
- Northern Ireland - Belfast
- Wales - Cardiff
- Greater London – London

**[PM reaffirms commitment to UK's world-class tech sector: Prime Minister Theresa May and Chancellor Philip Hammond will host a Downing Street reception for the tech sector, reaffirming government commitment to innovation.](#)**

**Published 14 November 2017**

**From: Prime Minister's Office, 10 Downing Street, Department for Digital, Culture, Media & Sport, HM Treasury, Home Office, The Rt Hon Theresa May MP, and The Rt Hon Philip Hammond MP**

The Prime Minister will meet leading digital entrepreneurs and innovators from across the country on Wednesday 15 November, as she announces a series of measures to support the continued growth and success of the UK's world-class tech sector.

In the run up to the Budget, the Prime Minister and Chancellor will co-host a tech roundtable and reception at Downing Street, and reaffirm the Government's enduring commitment to this vital industry.

The PM and Chancellor will announce a new package of support to ensure Britain remains at the forefront of global innovation, which includes:

- Doubling to 2,000 the number of visas available to the brightest and best talent from around the world, including in digital technology
- An investment of £21 million to expand Tech City UK into a nationwide network – Tech Nation – to accelerate the growth of the digital tech sector across the country

- A new £20 million fund to help public services take advantage of UK expertise in innovative technologies like Artificial Intelligence
- The launch of a £20 million training programme which will challenge thousands of young people aged between 14 and 18 to test their skills against simulated online cyber threats

Prime Minister Theresa May said:

Our digital tech sector is one of the UK's fastest-growing industries, and is supporting talent, boosting productivity, and creating hundreds of thousands of good, high-skilled jobs up and down the country.

It is absolutely right that this dynamic sector, which makes such an immense contribution to our economic life and to our society, has the full backing of Government.

Helping our world-class entrepreneurs and innovators to succeed is how we lay the foundations for our prosperity and build an economy fit for the future.

Technology is at the heart of our modern Industrial Strategy, and we will continue to invest in the best new innovations and ideas, in the brightest and best talent, and in revolutionary digital infrastructure.

And as we prepare to leave the European Union, I am clear that Britain will remain open for business. That means Government doing all it can to secure a strong future for our thriving tech sector and ensure people in all corners of our nation share in the benefits of its success.

The Home Office will look at how it can work with organisations across the UK to ensure wider take up of the additional visas outside London. Alongside this, the Home Secretary will meet with technology experts to seek their input on making sure our visa processes are as efficient as possible.

The new funding for Tech Nation will see the organisation expand its successful hub model to more cities around the country, including Belfast, Cardiff, Edinburgh and Birmingham. Building on the work of existing regional clusters, Tech Nation will support 40,000 entrepreneurs and up to 4,000 start-ups as they scale their businesses.

The new 'GovTech' challenge fund will encourage UK firms to use technology to solve challenges facing the public sector, while a dedicated new team will act as a front door into Whitehall to connect tech companies to the right parts of Government.

A new £2 million pilot voucher scheme is also being launched today by the Department for Digital, Culture, Media and Sport (DCMS), in Aberdeenshire, Bristol/Bath and North East Somerset, Coventry and Warwickshire, and West Yorkshire. This is part of Government's pledge to help bring the UK's fastest and most reliable broadband to homes and businesses across the country. Local companies will be among those offered vouchers by broadband suppliers to pay for gold-standard full-fibre gigabit connections, to help revolutionise our digital infrastructure and make it fit for the future.

The PM and Chancellor will also confirm that over two million people have now received free digital skills training from businesses such as Barclays, Cisco, Google and Lloyds Banking Group, under the Digital Skills Partnership launched by DCMS earlier this year.

And there are just days left for students to apply for a new apprenticeship and university bursary worth £4,000 a year, being offered by the National Cyber Security Centre as part of Government's investment in the next generation of cyber security specialists, digital entrepreneurs and tech innovators.

Chancellor Philip Hammond said:

Britain is a world leader in digital innovation with some of the brightest and best tech firms operating in this country. Working with us, they can provide technological fixes to public sector problems, boost productivity, and get the nation working smarter as we create an economy fit for the future.

Brent Hoberman, Co-Founder and Chairman of Founders Forum, said:

I welcome the UK Government's recognition of the importance and positive impact of the tech sector. These measures announced today will help reinforce the UK's European leadership in technology and entrepreneurship.

Sherry Coutu CBE, Chair of Founders4Schools and the Scaleup Institute said:

The digital tech sector is a key component of the UK's competitive advantage and these new measures are welcome news for innovative small and medium-sized businesses and third sector organisations by helping to create the conditions in which they can scale up.

Eileen Burbidge, Chair of Tech City UK, said:

We are delighted to hear that the Government wants to increase Tech City UK's funding for the next four years. Under the Tech Nation banner, this country that has brought so much innovation to the world and leads in sub-sectors such as fintech, cybersecurity, artificial intelligence, robotics and life sciences, will build a national network of digital excellence so that the UK will continue to be recognised as one of the best places in the world to start or grow a digital tech business.

**[New national innovation centre to put UK at forefront of big data: A new £30m National Innovation Centre for Data \(NICD\) aims to see the next Google or Facebook started in the UK and help the country capitalise on a potential £40bn a year boost to the economy.](#)**

**Published 14 September 2017**

**Department for Digital, Culture, Media & Sport and The Rt Hon Matt Hancock MP**

- £15m Government investment in centre will be matched by £15m from Newcastle University

- UK economy will benefit from big data with potential growth of up to £241 billion
- Key part of Government's aim to make Britain best place to start and grow a digital business

The National Centre, whose funding has today been confirmed by Minister for Digital Matt Hancock, aims to link up leading academic talent in universities with industry and the public sector to help them develop the skills they need to solve real world problems using advances in data science.

This forms part of the Government's Digital Strategy which set out plans to boost the nation's digital skills, infrastructure and innovation, including measures to support Britain's world-leading artificial intelligence (AI) sector with an industry-led review.

The NICD will create a pipeline of talent to power the ground-breaking businesses of tomorrow and is further progress in the Government's Industrial Strategy which aims to create an economy that helps Britain secure a future as a competitive, global nation. Based in Newcastle, the centre builds on the strengths of great institutions in the Northern Powerhouse and forms an integral part of the Government's approach.

Speaking at Nesta's Data Skills For The Future conference today, Minister for Digital Matt Hancock said:

We're determined to unlock the huge potential of big data which could add billions of pounds to our economy - from powering price comparison sites to improving the flow of transport around cities.

Our new National Innovation Centre for Data will help us achieve this aim by making sure the skills and talent in our universities is being transferred into industry and the public sector.

It will not only spark innovation among the next generation of tech experts but also help businesses across the whole country capitalise on the immense value of data.

Data science provides real benefits to everyday life. For example, it powers internet searches and apps, can predict and help treat health issues, and is behind new technology for maintaining cars and other machinery, allowing people to benefit from intelligent household appliances.

According to independent research, companies using data science are 10 per cent more productive on average than those that do not, and companies that exploit data can reduce costs, innovate and develop new goods and services faster than those that do not and make faster and better decisions.

Studies by Nesta, the innovation foundation, show UK firms who use data most effectively are 40 per cent more likely to launch new products and services ahead of their competitors.

The centre will have a programme of projects where academics and industry can share and develop their data skills to solve challenges - for example, industry wanting advice on how to develop the data analysis

skills to predict when a machine may stop working to prevent costly breakdowns.

The £15m funding from Government, which is managed through the Engineering and Physical Sciences Research Council (EPSRC), will be matched by £15m from Newcastle University and will also help supply the next generation of skilled and educated researchers.

Newcastle has one of the largest and fastest growing digital clusters in the country with multi-national companies including Sage - the UK's largest software company - Hewlett Packard and Accenture, as well as significant public sector IT facilities, including the HMRC Digital Delivery Centre, and major commercial data centres.

Newcastle University has a core group of specialists who have expertise in working closely with a wide range of industrial organisations through its Cloud Innovation Centre, and it also hosts the EPSRC Centre for Doctoral Training in Cloud Computing for Big Data Analytics at Newcastle University.

Professor Nick Wright, PVC Innovation and Business, Newcastle University, said:

NICD will help to address the data skills gap by taking a practical hands-on approach. We will work with organisations on their domain related problems, transferring the skills into the organisation that will enable them to innovate through data.

**[Powerful new forum to boost jobs and growth in UK digital economy: The Secretary of State for Digital, Culture, Media and Sport will chair the first meeting of the Digital Economy Council \(DEC\) on Monday 3rd July](#)**

**1 July 2017**

**Department for Digital, Culture, Media & Sport and The Rt Hon Karen Bradley MP**

- First meeting of Digital Economy Council chaired by the Culture Secretary
- Council will see Government, academia and tech firms work together
- Aims to help increase value of sector already worth £118 billion a year

The Secretary of State for Digital, Culture, Media and Sport will chair the first meeting of the Digital Economy Council (DEC) on Monday 3rd July. It will bring together some of the most influential voices in the tech sector to stimulate new growth and deliver new jobs in the digital economy.

The Council has been set up to provide a forum for collaboration as Government works with leading industry figures on the implementation of the UK Digital Strategy and the development of a Digital Charter. Its

members include TechUK, Google, Facebook, Cisco, Dotforge, Coadec, TV Squared, BT and Apple.

The Digital Strategy includes plans to boost the nation's digital skills, infrastructure and innovation, and aims to make the UK the best place to invest in tech. It will help to deliver the Government's ambition to make the UK the best place to start and run a digital business – creating more of the high-skilled, high-paid jobs of the future with the benefits felt in all four corners of the United Kingdom.

The Council will help ensure our tech sector's enormous potential is fulfilled as we leave the European Union. The UK is already home to more than 200,000 digital businesses supporting more than 1.4 million jobs – with the fastest growing-digital hubs from 2010-14 in Southampton, West Cornwall and Dundee. It will also help break down barriers so every individual and every business can seize the opportunities of digital technology.

Secretary of State for Digital, Culture, Media and Sport Karen Bradley said:

I'm delighted to be bringing together this powerful group of tech experts, industry leaders and global > innovators to spearhead new growth in our thriving digital economy.

The Digital Economy Council will play a vital part in helping us achieve our aim of making the UK the best place in the world to start and grow a digital business with the benefits enjoyed throughout society and in every part of our country.

The Secretary of State will use the first meeting to ask the tech community how Government can better work with them to take advantage of the opportunities and overcome the challenges of digital technology, as well as set out the priorities for the council for year ahead.

This could include looking at new ways to improve small and medium businesses' digital transformation, how to boost the digital skills pipeline and assessing how the country can better commercialise its world-leading research.

She will also express her confidence in the UK's world-leading digital economy and commit to working with other Digital Economy Council members so technology delivers economic growth and prosperity across the whole of the UK, as we prepare to leave the European Union.

The Council, which will meet quarterly, includes leading UK digital businesses as well as global tech firms and representatives of the broader digital economy.

Jacqueline de Rojas, President of techUK, said:

Tech can be a powerful growth engine of the UK economy post-Brexit. For that to happen there is much that we need to get right. From the Digital Strategy to the proposed new Digital Charter, I'm happy Government is working with tech businesses to ensure that we unlock the next wave of digital growth.

As the President of techUK, I am delighted to serve on the Digital Economy Council to ensure a strong voice for the whole of the

tech industry, from the largest employers through to the innovative SMEs and start-ups.

Government will also shortly convene the Digital Economy Advisory Group, which represents a variety of UK tech businesses, to focus on the specific challenges and opportunities of starting and growing a tech business.

## 5. Further reading

[techUK Amongst Founding Signatories of New Tech Talent Charter](#)

techUK, 23 November 2017

[techUK Responds to 2017 Autumn Budget](#), 22 November 2017

techUK, 22 November 2017

[Tech Nation 2017: At the forefront of global digital innovation](#)

Tech City UK, April 2017

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