DIGITAL ECONOMY COUNCIL
1530 - 1630
Wednesday 2nd February 2022 (virtual meeting)
Department for Digital, Culture, Media & Sport

<u>Attendees:</u>

Ministers

The RT Hon Nadine Dorries (Chair)	Secretary of State, DCMS
Chris Philp MP (Co-Chair)	Minister for Technology and the Digital Economy, DCMS

Members

Bill Kelleher	IBM
Daniel Korski CBE	PUBLIC
David Dunn	Sunderland Software City
Debbie Forster MBE	Tech Talent Charter
Dom Hallas	Coadec
Gerard Grech	Tech Nation
Helen Margetts OBE	Oxford Internet Institute
Jeremy Silver	Digital Catapult
Juergen Maier	Made Smarter, Industrial Strategy Council
Julian David	TechUK
Olly Benzecry CBE	Movement to Work
Phil Smith CBE	Digital Skills Partnership
Priya Lakhani OBE	CENTURY Tech
Ron Kalifa OBE	Network International
Ronan Harris	Google
Sabby Gill	Thomas International
Saul Klein OBE	Local Globe
Tabitha Goldstaub MBE	CogX and AI Council Chair
Tera Allas CBE	McKinsey & Company

Apologies

Cindy Rose OBE	Microsoft
John Boumphrey	Amazon
Eileen Burbidge MBE	Passion Capital
Poppy Gustafsson OBE	Darktrace
Deborah Okenla	Your Startup, Your Story
Reshma Sohoni MBE	Seedcamp
Wendy Tan-White	X, Alphabet's Moonshot Company

Senior Officials

Susannah Storey	DCMS
Blake Bower	DCMS
Sarah Connolly	DCMS
Rebecca Stephens	DCMS

Item 1: DCMS Ministerial Introduction
- The Secretary of State welcomed members, and congratulated Tabitha Goldstaub on receiving an MBE in the New Years Honours List.
- The Secretary of State detailed her top priorities for the tech sector in 2022:
    - To make the UK the safest place in the world to go online.
    - To improve access to tech for people from disadvantaged backgrounds.
    - To cement the UK's international leadership, particularly with regards to regulating and developing tech.
- The Secretary of State noted that 2022 would be a busy year for technology. DCMS has an extensive policy agenda with a considerable amount of work already underway in the areas of:
    - Online Safety Bill
    - Digital Competition
    - Data reform
    - Cyber security
- The Minister for Technology and the Digital Economy reflected on some of 2021 highlights, including:
    - The creation of 29 new unicorns: noting that this is more than France, Germany and Israel combined.
    - A record year for investment, with £29.4 billion raised in capital by UK start ups and scaleups: by far the highest figure of any European country.
    - 37 tech and consumer internet companies listing on the London Stock Exchange.
- The Minister emphasised his priority to ensure that the UK remains the best place in the world to start and scale a tech business.

Item 2: Digital Regulation in 2022
- The Secretary of State opened the discussion by setting out the opportunity for the UK to pursue a regulatory approach on technology that could be world leading. She noted that the Online Safety Bill would be the first of its kind and that we had already proposed a different approach to digital competition from that of the EU.
- The Secretary of State set out that she was keen to hear views from DEC members as to how we could encourage innovation in safety technology through the Online Safety reforms. She also sought views on the approach that other countries had adopted in respect to the regulation of technology. Expressing the importance of a sustainable, free press she also asked for views specifically on the Australian Mandatory News Bargaining Code.
- DCMS officials reminded members that DCMS had consulted on the proposals at the end of the previous year and that the Secretary of State had asked for advice from the Competition and Markets Authority, and Ofcom specifically related to how the regime would address the imbalance in the relationship between publishers and platforms. Officials reiterated that no decisions have been made on this aspect of the regime and that the Department would respond to the consultation in due course.
- In discussion, members made the following points:
    - The spirit of the regulatory plans was welcome; it was agreed that the UK has an opportunity to become a world leader in regulation that is determinedly pro-innovation.

- - In considering the issue of platforms and publishers it would be important to distinguish between large and small publishers. Local publishers were likely to find it harder to make a profit in the digital space.
    - Clarity of objectives would be paramount when considering regulatory proposals. It was noted that Australia had yet to designate any companies under their Code.
    - There was a need to open a conversation about how to define journalism in a digital age. We should think carefully before regulating in favour of old business models, and consider how the media might take advantage of digitalisation.
    - Members also raised the importance of safety tech in this space, and the world leading DCMS funded Safety Tech Challenge Fund.
  - The Secretary of State thanked members for their contributions, stating that she aims to find a path that is fair and reasonable, that both protects freedom of speech and does not penalise tech. The Secretary of State welcomed continued dialogue on this matter.

Item 3: Digital Strategy
- The Minister for Technology and the Digital Economy opened the discussion by explaining how the digital strategy is designed to make the UK the best place for facilitating and encouraging technology in three main categories:
  - Ideas
  - People
  - Industry
- Members welcomed the Digital Strategy, and in particular the strong engagement with the sector throughout its development.
- Members suggested that the following points be considered and included within the contents of the strategy:
  - Scaleup funding in the UK and the potential to better utilise pension funds to invest in technology. The Secretary of State agreed and noted that work is underway with HM Treasury. The Minister for Technology and Digital Economy remarked that more UK based scale-up Series C+ capital could encourage UK IPOs.
  - Improving research in the UK to support investors.
  - Attracting and maintaining talent in the UK, for example through the restructuring of tax incentives and conditions.
  - An international dimension, which the Minister for Technology and Digital Economy noted and referenced the success of the DCMS-led Future Tech Forum.
  - Preserving a Digital Union of England, Scotland, Northern Ireland and Wales to prevent a fragmentation in markets.
  - Improving access in disadvantaged areas, including enabling people to set up tech businesses outside the 'Golden Triangle' of London, Oxford, Cambridge.
- The Minister for Technology and the Digital Economy thanked members for their contributions, and welcomed continued dialogue as officials continue to finalise the strategy.

Item 4: Diversity in the Tech Sector
- Debbie Forster (Tech Talent Charter) introduced the item, referencing findings from the upcoming Tech Talent Charter report, and the number of companies that had recognised the need to address these challenges.
- Debbie Forster highlighted the following key points:
  - Gender remains one of the sector's biggest challenges and concerns, and social mobility is a growing focus area to address the socio economic gap.
  - Diversity in senior positions remains a key area of concern for both gender and ethnicity.
  - The virtual tech workplace is growing. While 40% of tech workforce are in London, site agnostic or virtual working is now joint equal with workers in the Southeast (both at 10%), which could provide opportunities for levelling up.
  - There is a growing emphasis on the consideration of alternative routes into tech, including looking at training, degree conversions and getting back to work programs. Tech skills bootcamps were reported as well known amongst tech workers with hiring responsibilities, with 89% aware of them.
- Members in discussion noted that skills programs often focus on entry level roles. SMEs often needed individuals who were better equipped with the skills necessary for digitisation.

Item 5: DEC Strategic Comms
- Saul Klein (Local Globe) introduced the item, and provided an overview of the Digital Economy Council Strategic Communications plan for 2022.
- Members were encouraged to maintain close collaboration and ensure a unified approach to comms recognising and championing the UK's advantages and positioning as a global leader in tech.

The date of the next meeting will be announced in due course.