

18th February 2019

Dear John

We met recently, along with James Marshall and Giles Wilkes, to discuss CPF's Paper 4/2018: The Digital Age.

As always, it was a good discussion, which raised a number of helpful points, so thank you to you and the broader CPF network for sharing their perspectives. As you know, the Government is making a number of investments in Digital through the Industrial Strategy as well as actions across many other departments. We are also looking at the risk of harm from the Internet, and the potential actions to prevent or mitigate these.

We discussed holding a roundtable here, similar to that we held on Social Care, this time focused on the training aspects raised in the paper and we will follow up separately on potential dates.

On behalf of Gavin Barwell as Chief of Staff, and James Marshall, Director of the Prime Minister's Policy Unit, I am very pleased to enclose formal feedback to a number of issues raised in the key paper.

Paper 4/2018 – The Digital Age

1. **Section 1:** this is a timely contribution and the CPF responses capture the breadth and variety of opinions in this area. Clearly, the technological revolution affects the economy and society in so many ways that it would be too simplistic to assign a straightforward "good" or "bad" to it. **We agree that our approach should be optimistic at its core**, but active in identifying and mitigating the risks.
2. **Section 2:** We agree protecting critical national infrastructure is a priority. The Prime Minister in her first months in No10 instigated significant work in this area, stemming initially from questions around our nuclear industry but extending much more broadly. As well as a white paper on National Security and Investment, we are working towards **broadening the criteria under the Enterprise Act 2002** by which we can control investments in cutting-edge technologies such as cryptography.
3. The paper raises the potential of an internet sales tax. **The Chancellor announced a deferred digital sales tax** of 2% if other countries don't agree to joint action. The suggestion of a 'Ministry for the Digital World' is good - **DCMS has responsibility in this area and has recently increased staff** to meet the challenges of leading policy in this growing sector and has committed to long term strategies to deliver key elements of our digital economy. The paper also comments on the need for more digital investment in the NHS and the **Long Term Plan strongly supports this direction**.
4. **Section 3:** The responses from the CPF raise some areas of harm that we need to take seriously (such as cyberbullying, misinformation and suicide advocacy) and we will ensure that Lucy Noakes, Special Adviser for SoS DCMS is aware of these and they are **fed into the team that is working on the Online Harms White Paper** that will be published shortly.
5. The proposal to ban gambling commercials and advertising is one we have been exploring and some news channels have reported that the **industry is poised to agree a voluntary ban**.
6. **Section 4:** we recognise that broadband is infrastructure as vital as roads, railways and water – this is why it is included as part of the National Productivity Investment Fund. We proposed fibre is mandatory in new homes and that rural areas will be prioritised as part of the Future Telecoms Investment Review.

<https://www.gov.uk/government/news/forging-a-full-fibre-broadband-and-5g-future-for-all>. Last

May the **Chancellor redoubled our ambition here**, which he reiterated at Budget.
<https://www.gov.uk/government/news/200-million-to-kickstart-full-fibre-broadband-across-uk>

7. **Section 5:** The suggestion to create a fund that borrows some of the principles behind the US DARPA programme to nurture and support leading edge technology (not defence focused) is good and in a sense, there is an element of this behind the **Industrial Strategy Challenge Fund Wave**, focussed on different ideas, from the Faraday Battery Challenge to funds aimed at transforming Construction and Food Production.
8. **Section 6:** We are working closely with tech companies to keep people safe online and further proposals will form part of the Online Harms White Paper. Ministers have been clear that the White Paper will set **clear responsibilities for social media companies**, how these responsibilities should be met and the consequences if they are not.
9. **Section 7:** We would be keen to further explore all of the various retraining and lifelong learning proposals in the paper and suggest we do so in a roundtable. The National Retraining Scheme is a term for what we are trying to do but the CPF input would be very helpful as we work up proposals for this.
10. **Section 8:** This section raised a number of policy areas. There is considerable interest in crypto currencies across Government and we are looking to maintain a balance between maintaining protections and the supporting the UK's leading position as a welcoming place for innovation. The NHS is looking at tech and green transport with specific commitments described in the Long Term Plan launched on 7th January 2019.
11. There are a number of activities already underway to encourage more female participation on STEM subjects including the Gender Balance in Computing Pilot and the Stimulating Physics Network and we are continuing to look at the cultural influences that determine STEM A Level choices. The picture here is improving – with 26% more girls taking STEM A levels between 2010 and 2018 and a similar rise in women accepted onto full time undergraduate STEM courses. NCSC also recently launched the 2019 CyberFirst Girls Competition to challenge girls to take on problem solving and code cracking.

Thank you again for harnessing the collective power of the Conservative Policy Forum into this helpful paper. These provide a vital link for our members to be able to feed ideas into Government and make their voices to be heard. Where CPF members have deep expertise in the specific topics raised it would be good to hear from them directly. We look forward to the roundtable and continuing the discussion.

Best wishes,

Dr James Kent

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Special Adviser on Health and Social Care

CC:

- George Freeman MP, CPF Chairman
- Rt Hon Gavin Barwell MP, Chief of Staff, No10
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