



HOUSE OF LORDS

Revised transcript of evidence taken before

The Select Committee on Digital Skills

Inquiry on

DIGITAL SKILLS

Evidence Session No. 9

Heard in Public

Questions 103 - 112

TUESDAY 2 SEPTEMBER 2014

10.45 am

Witnesses: James Thickett, Helen Milner, Professor Patrick Barwise and Phil Fearnley

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on
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Members present

Baroness Morgan of Huyton (Chairman)
 Lord Aberdare
 Earl of Courtown
 Baroness Garden of Frognal
 Lord Haskel
 Lord Holmes of Richmond
 Lord Janvrin
 Lord Kirkwood of Kirkhope
 Lord Lucas
 Lord Macdonald of Tradeston
 Baroness O’Cathain

Examination of Witnesses

James Thickett, Director of Nations and Market Development, Ofcom, **Helen Milner**, Chief Executive, Tinder Foundation, **Professor Patrick Barwise**, Chairman, *Which?*, and Emeritus Professor of Management and Marketing, London Business School (speaking as an independent academic), and **Phil Fearnley**, Director, BBC Homepage and myBBC, BBC

The Chairman: Good morning and thank you for joining us. You have a list of interests in front of you that have been declared by Committee members. These were also declared orally at the sessions on 8 and 22 July. This is a formal evidence-taking session of the Committee and a full note will be taken. It will be put on the public record in printed form and on the parliamentary website. You will be sent a copy of the transcript and if you want to make minor amendments to any errors, that is fine. This session is being webcast live and will subsequently be accessible on the parliamentary website. You are also welcome to submit supplementary evidence. Particularly where we have delved a bit but need some more information, we encourage you to do that. Finally, I suggest that you speak up reasonably clearly in here. It is not bad, but it always helps if people speak clearly. I will ask you to introduce yourselves and to make any opening remarks you wish to make. You do not need to, and we can go straight into the questions. It is entirely up to you.

James Thickett: Hello, My name is James Thickett. I am director of research and cover media literacy and digital literacy at Ofcom.

Helen Milner: I am Helen Milner. I am the chief executive of Tinder Foundation, which is a not-for-profit, staff-owned mutual dedicated to digital inclusion. I am also on the Speaker’s Commission on Digital Democracy. It might be interesting to think about how democracy and digital skills work together.

Professor Patrick Barwise: I am Patrick Barwise. I am emeritus professor of management and marketing at London Business School. I am also chairman of *Which?*, but I am not here to speak for *Which?*

The Chairman: We understand that.

Professor Patrick Barwise: My understanding is that you have seen the note I wrote two years ago about the investment case for digital inclusion. You may or may not have had time to read it. I will not test you.

The Chairman: We have. Thank you very much.

Phil Fearnley: Hi, I am Phil Fearnley. I am director of Homepage and myBBC, the future media department of the BBC. I run a number of the digital products within the BBC and also have oversight and responsibility for our digital media activity in the context of our plans for 2015 around digital creativity.

Q103 The Chairman: Let me kick off with a broad question. Can you describe for us what you see as an effective digital literacy strategy and how we measure success? That is pretty broad brush to start with.

James Thickett: As you know, Ofcom has a duty to promote media literacy, which it fulfils through carrying out research. It has been doing that since 2005. Ofcom has produced two fairly weighty reports every year, one on adults and one on children. Ofcom has done a lot of work on this area.

In answering this question, I shall focus on four elements around digital literacy and digital skills. The first is about getting people online in the first place. Over the past five years or so, we have seen an increase in the number of people who access the internet on a regular basis. It is now 83%. That has grown quite a lot over the past two or three years, largely down to the impact of tablet computers and smartphones. Only 42% of over-65s and only about one-third of the over-75s have access to the internet, so there is quite a substantial minority who are still not accessing it. About 70% of people on lower incomes are not accessing it either.

The Chairman: Seventy per cent?

James Thickett: Seventy per cent of people in the D and E income groups. That is the first of the four elements.

The second element is confidence. This is something that has been measured over time. Ofcom did work this summer on measuring confidence and aptitude. What was found was quite surprising in one sense, but probably not in another. People's peak of digital confidence, understanding and aptitude peaks at 15 and goes downhill after that. That is good news in one sense, but 6 year-olds have more confidence in online than 44 year-olds. There is clearly a job to be done here.

There is a correlation between confidence and the next thing I will highlight, which is technical skills or technical user skills. This was measured by showing people 34 separate activities that they might use online. They ranged from sending e-mails, going on social networking sites, blogging, hosting a website, internet shopping, engaging with government services, engaging with the local council to going on an e-petition. There was a raft of them.

We found that the average UK adult engages with nine out of these 34 activities on a quarterly basis, which is perhaps less than many of you might have thought. Among younger people—the under-24s—it is 14, which is higher than the average, but is still not hugely high, and among older people, particularly the over-65s, it is about two. We are finding that people who are relatively new to the internet, mainly the older age groups, are using the internet in a very narrow way so they are not getting the most out of it.

The Chairman: Is there a group that is absolutely at the top, or was it young people?

James Thickett: It is young people. It varies. Young people use the internet more for communicating with each other, whereas the middle-aged group is more likely to use it for government services or shopping.

Ofcom is particularly interested in the fourth area, which is what is called cognitive skills. It is basically being able to use your judgment when you are using the internet. This is often overlooked and under-researched, but Ofcom feels it is very important because it is an area where people tend to get into trouble. It is about understanding when a website is legitimate or whether listings on Google are objective or paid for, and it is about password protection and understanding when to give your personal details away. We measure a host of these. We find that there is a correlation with confidence. The more confident you are, the more likely it is that you are going to ignore a lot of this stuff. Younger people who are very confident tend to be more lackadaisical in the protocols they use when they are accessing the internet. They are likely to be less judgmental in the way they use it. Older people or newer people coming on to the internet tend to exercise more judgment as they have less confidence, so it hampers their ability to do more.

Those are the four areas. It is important that as the UK we look at each one of them and have strategies to address them. There is not a one-size-fits-all for digital skills. You need to look at where the problems are in those four areas and which are the groups that need help and address them that way.

Helen Milner: Building on what James has said, I would like to make sure that we understand that it is not just about older people. It is also about poverty. The two groups are older people and poor people. Of people who earn more than £40,000, 98% of them use the internet and 95% of people with a degree use the internet. Only 60% of people who have no qualifications use the internet.

The Chairman: Is that regardless of age?

Helen Milner: Yes. Five per cent of 15 to 24 year-olds do not have basic online skills. We have to be really clear. This goes back to the questions that Lord Kirkwood was asking. I hate to say it, but some people say to me, "Old people will die, and the problem will go away". You will also be looking at high-level digital skills. This is absolutely about making sure that as a country we are pushing the top-level skills and the bottom-level skills. It is nice to see that Andy is here because it is exactly what the Leitch review found in 2006: if we do not concentrate on the bottom as well as the top we will never be a truly competitive economy.

Focusing on the people on the bottom, you asked about a strategy. It has to be about local—David Hughes was saying this to you before—but it also has to be about digital. We work with 5,000 local organisations: public libraries, community organisations, such as mosques and churches, community groups, cafes, restaurants, private-sector factories, prisons et cetera. In the past four years we have helped 1.25 million people, so this is a scalable model. We scale that because we use digital technology to deliver the learning. At local level, the people who need the help are motivated to come along because they get the support that they need, but all the learning is delivered online, so you make it once and use it many times. Also, you can respond very quickly to changes in the curriculum. If more people walk in asking for Skype or for help with Universal Jobmatch, you can change the curriculum and those tens of thousands of local volunteers and staff helping people can use that curriculum.

We are not a membership organisation; we are much more like a club or a movement. It is about a shared vision. Those people are out there and want to help. Cuts in local authority funding have dramatically made a problem. If you cut hundreds of millions, billions, of pounds at local level those community organisations suffer first.

The Chairman: Where actually a bit of money releases a lot of volunteers.

Helen Milner: Absolutely. A lot of work that we have been doing over the last few years relies that infrastructure. The infrastructure is still there. We have 5,000 hyperlocal partners and about 50 new organisations joining us every month, but 50 are also leaving because their funding was cut. Their people have developed those relationships and local partnerships with organisations like Jobcentre Plus.

You asked about measures, so I will talk about those. It is important to set a baseline of what I like to think of as digital life skills; Go ON UK and others are working hard to do that. I agree with David Hughes that we should put basic digital skills alongside literacy and numeracy. The baseline that we are currently working with in the sector is a framework of communication, searching, transacting and staying safe. You will notice that I said “communicate” rather than “use e-mail”, because we want to make sure that this responds as society responds. Because we have a digital platform called Learn My Way, in which we take people who have never used the internet before and help them to learn about the internet through online learning, we can gather all that data about them and what they are doing. We also do surveys 364 days a year, both online and by telephone, and because we do that all the time we have made it cost not very much. We do deep-dive research because this cannot be just about mass, it must be targeted as well. We work with national organisations such as Age UK and Mind, but we also have specialist networks for people who are disabled, unemployed or who live in social housing, as well as older people. We also do some volumetrics and cost-benefit analysis. We make sure that we measure the impact of people for example “channel-shifting”: moving their contact with government from offline—face-to-face or telephone—to online. We have done the maths with the data and surveys and they are saving around £50 million a year by taking people who would not otherwise have made that shift from offline to online services.

We are a digital inclusion programme, not an unemployment or work programme. In the last four years, if you look at the number of people who have gone from being unemployed into jobs, we have helped more than 80,000 people get work; the Cabinet Office numbers for that represent more than £640 million in benefit. We currently receive around £3 million to £4 million from government and the rest of our funding comes from the private sector. We sell goods and we also get grants from trusts and foundations. A mixed model works and a mass model works, while focusing very much on the hyperlocal level, not just the local level.

This is not about local authorities and jobcentres; this is about mosques and public libraries. This is about where people are on the street. We know where people who are older and poorer live, and we can absolutely target investment.

Q104 The Chairman: I will pause you there. As we go through the rest of the questions, I want you to think about how you would summarise what would take you on to a big scale so that we can have clear recommendations from you at the end. That would be helpful.

Professor Patrick Barwise: There are two sides to your question. One is about strategy and one is about how we would measure success. On strategy I would not say anything very

different from what I wrote two years ago. We have now got about two-thirds of a strategy. The missing piece is that there is no marketing strategy, no umbrella brand, to put it all together. I do not think it would be that difficult to add that component and the sooner we do it, the better.

On how we measure success, we need measures at three levels. At the macro level, the best measure is the UK's international ranking by credible third parties such as BCG, Google and the World Wide Web Foundation against other countries. We are currently ranked very high on the use of the internet; the Nordics are a bit ahead, Holland is about the same and for the US it depends on which measure you are using. There is an independent macro-measure, and I would embed that into the strategy. The aim is similar to what we do in business schools. We care a lot about the FT rankings. We grumble about them, but I think that is a very good objective measure.

At a middle level, GDS, working with Go ON UK and its partners, has now developed a broad digital inclusion scale for individuals and an equivalent business digital index for organisations; both James and Helen have talked about some of the components of that. You are forcing a multidimensional thing into a single dimension, from least capable to most capable. We now have something that we can standardise on, and we should do so. We have a lot of very good research in the UK, including from the BBC and Ofcom but also from GDS, the LSE, the Oxford Internet Institute and so on. But having a single, agreed way of measuring individuals and organisations, and categorising them, is helpful. Having said that, we also need much more specific measures on things like coding skills in different groups and the extent to which specific government services are now being accessed online rather than using much more expensive channels. We need three levels, including very micro.

Phil Fearnley: Clearly, the BBC has a central role in educating and informing all audiences and, within that, in raising awareness, encouraging learning and inspiring the next generation. That is our mission here. We set out strategy out under three umbrellas: getting connected, getting smart and getting creative. In the former, we have already heard about the percentage of people who are connected and the disproportionate impact on the oldest and the poorest. Having said that, 80% of people who are not connected say that that is because they lack interest. The measure that we have used over the last few years, from Ipsos MORI, says that that number has not really changed, so we are still looking at how you move that on.

The other side of that is that, of those people who are connected, some of the basic skills such as accessing information, searching, filling out forms and so on, around 1.4 million additional people do not have the fundamentals even though they have access. In each of the three areas that I described earlier—getting connected, smart and creative—we have a range of programmes of activity that are both supportive online materials and outreach activities. For instance, we have BBC WebWise, which is targeted at adult learning. We have Bitesize for formal learning, which you may have seen we relaunched yesterday, including 40 new learning guides supporting key stage 1 of the new GCSE curriculum. I was looking at them this morning and they are absolutely terrific materials: a range of animations, graphics and video materials that both individuals and teachers can use. We are directly supporting that.

Alongside that, we do a range of activities that use the BBC brands, whether they are channel brands or programme brands, to access particular segments. As James described,

one of the issues is that there is probably no one stop shop where one size fits all. We therefore have certain difficulties with tapping into certain audiences. We have a fairly substantial programme which we are rolling out next year, which I cannot go into too much at the moment because we have not finalised all the partnership deals and content announcements and so on. As you might have seen, Tony Hall announced in October last year that there will every year be a themed series of activities around education. This year it was World War One, and next year it will be around coding and digital creativity. That stretches from support for the formal Bitesize learning to a much more extensive range of programming across the channels, with a celebration of Britain's digital heritage, raising overall awareness of digital and computing skills, whether that is Charles Babbage or Ada Lovelace and so on. Alongside yesterday's Bitesize announcement, we announced some of the related children's programming. There is a programme called "Technobabble", looking at current apps and games, with the same people who do "Newsround" doing that kind of youth-based "Here are things that are interesting" presentation.

We have also announced a programme called "Appsolute Genius", which is a Dick and Dom special. There is already a programme called "Absolute Genius", and now we have "Appsolute Genius" in which we will interview people who have made a whole range of things from Sonic the Hedgehog to Pacman. At the end we will set a challenge for pupils to submit ideas for a video game and then we will create one. At the end of the programme the game will be made freely available for mobile phones and on the web. There are a number of opportunities for us not only to use our mainstream brands but to create some specific programming. As I say, there will be more of those coming through in the future.

Q105 Lord Janvrin: I want to dig into why people get engaged in some of these programmes, particularly, as Helen was saying, at the street level. Ms Milner, you mentioned the problem of lack of interest. Why do people get engaged and how can one learn from that in order to address the lack of interest problem? This goes back to the basics of how these programmes are designed and how to do something about these issues.

Phil Fearnley: Perhaps I may give a couple of examples of things that have worked well in recent times. We used one of our brands, "Radio One Big Weekend", to run an academy during the last event in Glasgow where 35,000 people were able to engage with workshops and experience different types of things that they may not have encountered before. There were programming workshops and events around women in technology, for instance, which were quite a challenge. There were activities around making apps and a whole range of different things that sought to stimulate a degree of interest. We got a phenomenal response from those people. They had come for the music rather than the show, as it were, but actually they discovered something new. We have used the closeness of the brand to do that. We have also done something similar with "CBBC Live", which has been running for the past two years. Again, it is an introduction to the CBBC brands. The Dick and Dom characters were there for a weekend in Leeds. Again, we had a large number of people looking, in this case, at a prototype of a game that they could develop. The feedback was encouraging and showed that 15 is the best age for these activities. Parents and teachers said that they did not realise that all this could be done. We have found an environment where we can use different mechanisms to access those people who would not necessarily have expressed an interest. We have found routes that have resulted in 80% of people asking afterwards how they could get involved because they wanted to know more about coding and so on.

The other thing I would say is that the structure of our programming next year focuses very much on the creativity side of things. People want to do things for a reason, and those reasons change through their lives. As we have talked about, in the middle period it is all about accessing digital services or buying things online. For the younger groups it may be about creating your own music or art. You therefore have to structure these things to appeal to different interests. Those interests are both professional and about getting through life. They are also about accessing people's passions and interests. The notion is that of using technology and tools that allow people to tap into their creativity alongside some of the more basic things such as just being able to communicate. My mum uses an iPad and is able to Skype her grandchildren, and that has been a revelation to her. She now uses it for e-mails and does things that she would not have done before. You get into these technologies in myriad ways.

Helen Milner: We have around 150,000 people a year, a third of whom have no qualifications. So I think that what Phil is talking about is good, but actually there are those for whom society has delivered a lot of bad luck. They have low self-esteem and very low levels of confidence, and we really need to focus on them. About half of them are still self-presenting and saying, "I feel left out", "It's about time", "I have resisted this for too long". Jobs are a big motivator, and Jobcentre Plus is now forcing people to go online. They have to use Universal Jobmatch. That is mandated and you have to do whatever the DWP says. On the ground, people think that you have to use this online DWP system. Sometimes it works. People are mandated to come along and they look for work online. They then come back and learn other skills. Sometimes it backfires; they say, "I have been forced to do this. I don't like it and I am not going to come back. I am just going to get a job and I will then go away". There are still 625,000 parents who do not have basic digital skills. Some of them are saying, "Actually, to understand what my child is doing, I need to get online". It is about understanding those motivations. Obviously our model is to be there in the local community with a local brand, be it the Heeley Development Trust or Sheffield Libraries. But we also do what we call learning digital skills by stealth, which is similar to what Phil has been talking about. We ran a campaign called "Baking with Friends", which was about cooking. It was shortly after "The Great British Bake Off" to see if the echo effect worked. We combined digital skills with baking and with maths. People turned up and talked about baking. They looked at some recipes, decided what they wanted to bake, and then they went online and ordered the ingredients. Part of the grant that we gave out was in the form of vouchers for an online shopping site. People bought the ingredients and talked about what they were going to cook. They came along the next week and those ingredients had turned up. They did it in twos and threes so that not everyone had to touch the computer if they did not want to. They downloaded a recipe and looked at it on the computer, and then they went on to make it. In another programme people were doing whatever interested them at the local level, whether it was gardening or soup making. Again, iPads were being taken out into the local community. They did not talk about the technology; they talked about gardening, soup making or local history.

We also have a programme to help those with extremely low levels of English language. Again, that is done on an online platform that uses a strongly blended learning approach. People learn in groups with a tutor. They are learning English language in partnership with the BBC and the British Council, and it is funded by the Department for Communities and Local Government. We say that this is about developing very basic English language skills,

but because some of it is being done on a computer and people are watching videos they are being helped to feel more confident about taking the next step. It is all about “people like me” and it takes place in the local area. Every day we see people literally being dragged in by their friends, who say, “I couldn’t do it six months ago, but now I can”. Word of mouth is fantastically important.

Professor Patrick Barwise: To build on what Helen was saying, it should be clear that there is a very strong emotional dimension to this. You should not rely on the view of technologists and economists. There is a lot of fear, there is lack of confidence, there are people without self-worth and so on. Therefore the way we communicate has to allow for real people with all those issues, particularly now that we have got to around the 80% level. It needs more resources. It does not need massive resources, but at present there is a ludicrous imbalance between the supply side and the demand side. Central government giving the Tinder Foundation £3 million a year is ridiculous. It is far too little. This battle has to be fought mainly at the local, especially the hyperlocal, level.

However, there is a third component which is, in my view, still the missing piece. We have to recognise that this is also a marketing problem. It is a rather complex marketing problem, but this is what we do in marketing; we are used to dealing with people who are emotional as well as rational. This is what we do. As it happens, in the UK we are rather good at this. The largest marketing service business in the world is WPP, which is a British company.

If you ask what the practical implications of that are, one of them is that we need to involve more people with high-level marketing experience in this. A second is that we need to develop an overarching branding strategy so that people can see that all these initiatives, of which there is a huge number and which are confusing because there are so many, are part of an integrated programme.

The Chairman: We were having exactly that conversation with our previous witnesses.

Baroness O’Cathain: Before I go to my question, it suddenly struck me that you need to have carrots to give to people. The carrot that one energy supplier gives is about £100 off your energy bill if you do all of it online. I am one of those who sees the thing, writes a cheque and sends it off, but there are people who really do not have the ability to do that, and I do not think this is being marketed well enough. It is in the interests of the energy company to do just that, and it is in the interests of many suppliers on the retail side to give an incentive to get people asking the right questions and then to go online. You hear people on the train saying, “I only paid £9 for my return trip to Birmingham”, or wherever, “because I booked online”, and then you think, “But they don’t advertise it enough”.

Professor Patrick Barwise: I absolutely agree. Poorer people pay higher prices than everyone in this room.

Baroness O’Cathain: They do.

Professor Patrick Barwise: There is a massive social dimension to this.

Baroness O’Cathain: That is where you came in about poverty. It is not about skills; it is about poverty.

Professor Patrick Barwise: It is both.

Baroness O’Cathain: We are still in silo government. We need cross-silos; we need somebody, some great guru, to do that.

Professor Patrick Barwise: The strategy which GDS announced in April puts a lot of what I call supply-side pieces into place. It is doing an extremely good job with this extraordinarily difficult task of getting government departments to be more customer-focused. It is using agile development processes rather than enormous undeliverable projects with the big US companies and so on, so we are doing it on the supply side. On the demand side, we are doing a lot at the local level, but it is very fragmented and under-resourced. The missing piece is what I would call a marketing strategy to 2020.

Helen Milner: The lack of joining up is absolutely shocking. Think how much money the Government spend on the winter fuel allowance. There is a whole department somewhere looking at fuel poverty. Are any of them thinking about training those people to pay their utility bills online? Have any of them even said those words?

The Chairman: Or is there any suggestion that instead of the deal being that you get some insulation, the deal is that the energy companies need to put some money into training on digital, for example?

Q106 Baroness O’Cathain: This is very true because they save in manpower. Sorry about that, but it is important to mention that you need carrots. Not only can you see in the dark with them, but you need them. My question is: how has the demographic of people accessing digital literacy services changed over time, or has it not, and what does this tell us?

James Thickett: I think Helen or Phil might be able to give us more accurate figures about what they are seeing in their markets. The biggest trend that we have seen recently has been higher online access in older age groups. We are now seeing that 90% of under-55 year-olds and two-thirds of 55 to 64 year-olds now have access to the internet. We are seeing very low access to the internet among the over-75s at around 33%. As time goes on, it is going to get harder to convert these remaining cohorts, particularly older people who say they have no interest. I would treat that with caution because a lot of “I’m not interested” is about them not having the confidence, or they may have physical or mental impairments, or they just do not have the functional literacy skills to do it. One piece of good news—this has been a big jump in the past year—is that 27% of people who say that they do not have access to the internet are actually doing it by proxy. They are getting their friends or family to do those tasks for them. They have no interest in getting a computer or getting online, but they are asking for some of these tasks to be fulfilled by their family. That is a really interesting insight that can be taken onboard going forward.

The other cohort that we talked about is the lower-income cohort, which also has shockingly low levels of access. It is about 70% now. This is an area which Helen and Phil are probably better qualified to talk about.

Helen Milner: They are poorer. That is it, full stop. They have lower qualifications, lower levels of literacy and lower-skilled jobs, if they have a job. The basic point is that people who have slightly more motivation and slightly more reason to do it and have worked out that they can afford it are getting online through help from our organisation or others or by themselves.

One really interesting statistic is that even three or four years ago, the number of people who said that cost was a major reason for not going on the internet was quite small. It was less than 10%. Now it is more than 20%. That is a good illustration of financial poverty, of not being able to afford it. I have met people who have said that they are scared, particularly

people who have been sent by the jobcentre. They have said, “I don’t want to learn how to use the internet, because if I do I might like it, but I can’t afford it”. There is this real perception that it is something that they might like or find incredibly useful but they cannot afford it. I have no idea what government should do. I know it is a difficult area for government. It is the whole *Daily Mail* fear about giving poor people free computers that they will sell. All those headlines have been there before, have they not? It really is an issue, because all of us are on the internet all the time, we have multiple devices, but the people we are talking about who lack those very basic digital skills have no personal access while the internet is becoming more personal. They can go to a UK online centre or to a public library, but that is not the same as how we use the internet because we have it in our pocket as well as on our laptop and at home.

The Chairman: Anything to add? Please do will not repeat anything, so say only if there is anything different.

Phil Fearnley: It is broadly the same. It is mostly the oldest and the poorest. It is interesting that 27% of them are ABC1s.

Lord Lucas: What is the source of all these statistics? Where do we go to find the original lode that all these figures are coming from? They are not evident on Google.

James Thickett: You can find the whole archive of Ofcom’s media literacy research on our website going back to 2005. The latest adult survey—

Lord Lucas: Linked under what, because I did not find it?

The Chairman: We circulated it in the papers.

Baroness O’Cathain: It is Ofcom’s adult media research.

Lord Lucas: So it is. So those are the figures on which you all rely?

Professor Patrick Barwise: Behind your question, one thing you might want to look at, again as part of joining things up, is that there should be one place where you can look. The answer to your question is that we have Ofcom. The BBC has figures, GDS has figures, Go ON UK has figures, there are several different academic departments. Perhaps it would be a good idea to have a single place where you can look, so that it is all there in one place.

Q107 Lord Lucas: It would be useful for me to know where to go to get behind the figures that you are citing, because we need to understand exactly who we are trying to get at. It seems from some things that you are saying that the focus of dealing with the younger poor is within the scope of government expenditure. If you are dealing with only a few million people, you can do it for less than it would cost to provide free school meals for kids. It is the sort of thing that the Government could do at a whim, rather than something that requires a big policy decision.

To pick up on the other thing, it is very important that we get evidence of what little things work, too. Tinder’s evaluation—the one I have been looking at on its website—is pretty basic. Is somebody doing decent research into what actually works?

Professor Patrick Barwise: I would say, “Yes, up to a point, but it is very fragmented”. Sorry to keep harping on, but—

The Chairman: So it is the same story.

Professor Patrick Barwise: This is a marketing issue. In marketing, you research real consumers, not imaginary consumers, and you do diagnostic things about return on investment. There is not enough of that, and it is fragmented. We have quite a lot of good research in the UK, more than most countries; but there is not enough and it is fragmented.

Lord Lucas: Can you point us to it?

Professor Patrick Barwise: The Oxford Internet Institute is, in my view, doing some good stuff. Its survey is frankly rather basic. I would like to see the OII doing more diagnostic work. The LSE is doing very good work on this, but again I would like it to be more diagnostic, with more focus on return on investment

The Chairman: Right. Yes, that would be helpful.

Q108 Lord Macdonald of Tradeston: How might delivery be upscaled? That would have to be predicated on what Patrick Barwise and others have been talking about. You say that there are various sources, but they are also sources of confusion at present. Before we can reach our conclusions, we need a better mental map of the territory. Can you produce a simplified scoping of this for us? Helen talked about her 5,000 centres and 2.5 million people. From those metrics, can you give a start to give us a proper look at the market where supply and demand might have to be activated? We might then be able to put a cost on it, but we feel that we need that overarching picture that you talk about. Why does that not exist inside government? Is it sitting inside DCMS or the Cabinet Office?

Professor Patrick Barwise: In my view, it is not. GDS is the place from which this should be driven, in my view.

The Chairman: That is within government, is it not?

Professor Patrick Barwise: It is within government, but it is not in an individual department and the Cabinet Office is in a relatively powerful position. I think it is doing a very good job on the supply side. For instance, it has just announced a usability lab in its office, which is using technology to do something that does not come naturally to either technologists or civil servants. That is to be truly user-focused. There is only one way to have government online public services that are truly user-focused. Well, there are two. One is that you bring in people who do that sort of thing. The second is that you test it on real people and see what they find difficult and what they find encouraging, et cetera. GDS is doing that and has pulled quite a lot of data together. I would hold GDS's feet to the fire on this to say that we are delighted with what it is doing on the supply side; but on the demand side, within government it is the one place where data should be pulled together. I think it needs more marketing expertise: full-time, part-time or advisory.

The Chairman: But it is not given that responsibility at the moment in any way?

Professor Patrick Barwise: It is and it is not. Two years ago it was not. When I spoke to Mike Bracken two years ago, he said that he had such a big agenda—which was absolutely right—that the one piece it had on the demand side was assisted digital, which is of course crucial. I think it was late last year when it announced a work stream—I like to think, partly because of my lobbying—on digital inclusion, but it is not very well funded and is not very big. It needs more resource to pull it all together and have a proper strategy to 2020.

Pulling the data together in a successful way is something that GDS could drive, working with Go ON UK and its partners. In my view, given that Go ON UK has been reluctant to look at an

overarching brand other than Go ON, which is not really a brand because the public do not know about it, GDS is the place I would look to for that.

Baroness O’Cathain: I just ask about your programme, which I think is called Learn My Way.

Helen Milner: Learn My Way is the online program, yes.

Baroness O’Cathain: Have you done anything about grandparents and grandchildren?

Helen Milner: We have some financial literacy for older people but, to explain the program, there are 5,000 partners. We provide them with leadership, product, service and support and we give about 5% of them in grant money, but they all do different things. Some will be a school working with children in a local sheltered scheme. Some will be a fish and chip shop that is engaging its customers to teach them the basic online skills. There may be a mosque running a women-only group on a Friday afternoon. We provide them with the glue, the platform, the motivation, but at local level all those people design those programmes.

I do not actually think that the data are confusing. There is a handful of data sources. They all say basically the same thing. We all know that mass programmes work, mass marketing works. We put out what we do, we work with lots of people. We network that together and lots of people come through. We also need to target it. Half of all disabled people are not online. We need dedicated programmes targeting disabled people.

Please do not recommend a programme of research—

The Chairman: I think that you can be reassured that we will not do that.

Helen Milner: I just hate the idea that we will just wait when we know what works.

The Chairman: Absolutely. We are clear about that.

Q109 Lord Holmes of Richmond: Good morning. I turn to digital careers. It is pretty clear that large swathes of parents and hordes of school professionals do not have the knowledge of the digital skills market to advise or inspire children to go into that market. What should be done in that area? Is there a role for the BBC, Ofsted and other organisations to advise, encourage and enable parents and everyone involved in the school process to be able to inspire children into digital skills and careers in the digital market?

Phil Fearnley: Yes to both. We already are, and the plans for 2015 are about doing just that. The activity that we already have in place for children includes the Bitesize materials that I mentioned earlier, which are available to the classroom and teachers. The same material can be used as classroom aids or as workbook-style guides for children to use. Those things are already in place and are available to parents as well as children.

The plans for next year are as much about raising the awareness of careers and futures in the whole range of digital skills as they are about learning any one skill in and of itself. I think you will see there, as I think I mentioned earlier, a range of things from drama-based programming to some of our major programme brands, character lines and storylines within them being more reflective, if you like, of the challenge that is being discussed today.

There is a whole range of things. Obviously, I cannot pre-announce them, but those are the plans for next year. Alongside the programmatic and formal learning that we described, there are significant plans afoot at the moment to try to act as an amplifier and a brokerage point, if nothing else, to the myriad things that are already going out around the country locally. When we started working on this about a year and half ago, there was a focus on the

shortage in coding skills, to take one particular thing. When you go into the market you see myriad people, groups and functions. Helen has talked eloquently about what she is doing, but there is a whole range. There is no point in the BBC trying to do anything other than a point to people who are already doing great stuff.

I think that what you will see in our plans for next year is that, rather than trying to do what we did 30 years ago with BBC BASIC and the BBC Micro—we are no longer in the game of providing hardware or programming—there is much more about working with existing initiatives and partners who are already doing things in the local area and making them more visible through mass brand and programme activity on BBC1 and BBC2 but also on local radio and the news channels. There is an awful lot that we can do, that we are doing and that we have plans to do next year.

Q110 Baroness Garden of Frognal: You have talked about the different issues around getting people to have basic digital literacy, and given us some ideas about how you continue to progress in digital literacy. Do you have any further suggestions about how, once people have taken that first step, they can be encouraged and supported to continue in learning?

Professor Patrick Barwise: Quite a lot of what the BBC is doing is in that space for people who are already online and are upskilling. It is mostly aimed at young people.

Phil Fearnley: They are mostly aimed at young people. There is a range. There are things like My Web My Way, which is targeted particularly at people with disabilities. The WebWise materials are available for people who are just at that starting point. I am sorry; I have just lost the thread of the conversation.

Baroness Garden of Frognal: Once you have started with basic skills, it is about having a support system, encouragement or motivation to keep learning, particularly for people who are not naturally self-motivated.

Helen Milner: We obviously do things around financial literacy, and we now do English language and job seeking. It is about taking the basic skills and making them relevant to their lives. We also have quite a lot of people who go on to formal learning around other basic skills, particularly literacy and numeracy. There is an absolute paucity of the use of technology in formal adult learning. Again, this goes back to joining up. Within formal adult learning, £210 million a year is spent through the Skills Funding Agency. If there was a requirement that even 10% of that was delivered through online in a supported, blended way, then we would be making sure that people who progress to other learning do so using technology. It is very important. The other thing I would say from our experience and evidence is that people need access at home. Once they have the basics, understand why they do it and have the motivation, they practise it, use it, begin to be inquisitive and go and do something else. The people who do not have access at home, who cannot afford it, are a big problem for us—they include the 500,000 school-age children who do not have computers and the internet at home as well.

Professor Patrick Barwise: I agree. I think the access point is the most difficult one to crack, because that is about serious money. Quite a lot of what the market is doing is going to upskill people. If we genuinely have in two or three years' time online public services that are so good that the great majority of people prefer to use them, you will see a natural learning process for what I call the mass market. That will not teach people coding, so I think

you need some targeted activities; young people are absolutely crucial for that. In my view the biggest weakness at present is the very large number of people who have or could have access but who, for behavioural reasons, are not routinely online. That is a solvable problem, it just has not been taken seriously by government. The estimated savings from digital by default are £1.7 billion a year.

The Chairman: So if some of that was put into the bit of hand-holding that is needed to move people into that—

Professor Patrick Barwise: It is a tiny proportion of the total cost. For the marketing aspect we are talking maybe £50 million or £100 million a year. That is an order of magnitude less than we are putting into superfast broadband, never mind the big public services.

James Thickett: Can I just make the point that it is not just about developing technical skills either; it is about the wider cognitive skills, being able to make judgments and keep yourself safe while on the internet, particularly for children? This is very important and often gets left behind in the race to get everybody skilled up to be good citizens.

Q111 Lord Kirkwood of Kirkhope: We have dealt with a lot of this and we are very short of time. I am fantastically worried about inequality as a consequence of what we are doing. I am absolutely in favour of digital development and growth in skills, but I am frightened to death that we are going to end up with seriously increased levels of inequality.

I am interested in the point you just made about home provision. You say that it is a big ticket item financially, and so it might be, but the hardware is getting a lot cheaper. Mobile computing is a cost that I do not think you could expect low-income families to meet at the moment, but maybe there is something that we could do. I am determined to try to persuade my colleagues on the Committee that we need to say something significant about this. We cannot just say, "Let's get on with this, we are doing okay". We need to say something about exclusion. Having said that, it is very difficult to fix, but home access might be worth thinking about further.

Helen Milner: Yes, definitely. It is also something with which the private sector can help. There are movements in that direction, among the broadband providers in particular. It is always when it comes to the commercials that they start having troubles, where they need to credit-check people, for example, or you need a credit card even to sign up for a free program. It is almost about working together with the private sector on a programme for home access, under which people with credit cards who pass credit checks can still join a free private sector-funded scheme, but the Government could provide some help with the risk presented by those who do not tick those boxes.

Lord Kirkwood of Kirkhope: If you get any further thoughts about that, I know that would be really helpful.

Helen Milner: Going back to the joining-up point, inequality is not just a problem. If the people at the lowest point in our society can get digital skills, the whole of the internet is available to them. There is lots of free learning for all kinds of things. They can look at jobs or start up their own business. I heard you talk earlier about riots, but this is about people who really need an opportunity.

The Chairman: This is about economic growth.

Professor Patrick Barwise: Of course, that segment represents the heaviest users of public services. The big savings from online public services will come from this segment, so, duh, can we please join them up? I am really pleased that this inquiry is happening, because you can make a noise about this. It is such a no-brainer that we have not got it right.

On whether there are practical ways of cracking the access thing—maybe not completely cracking it—everything that I am describing, which is more on the marketing side, will reduce inequality but will not crack the access thing. You therefore need a work stream that looks at the economics and doing deals with the private sector. By the way, one of the long-term economic benefits from this, if we do it right, is that the UK can become a world leader in the development of services for poorer people in richer countries.

The Chairman: We are really tight on time, but if you have any international evidence of anybody who is doing this well, please send it to us. That would be incredibly useful. I suspect you do not, because nobody is.

Professor Patrick Barwise: Exactly.

Lord Lucas: What, in terms of capabilities, constitutes home access of the NHS-spectacles equivalent, the basic level that we should be giving people free?

Helen Milner: Right now you probably need some kind of keyboard, but the basic, basic thing would be a tablet computer and wi-fi internet. That could be mobile or fixed broadband.

Professor Patrick Barwise: It is a Chinese tablet and 2-4 Mbps.

The Chairman: That is really helpful.

Q112 Lord Aberdare: I want to cheat a bit with a preliminary. Mr Thickett raised cognitive skills. If we just focus on access and basic skills we will get into terrible trouble with cybercrime, children being exploited and so forth. If Ofcom has anything to indicate what sort of approach it is taking to that and what the sorts of issues are, that would be helpful.

This is the question that we have been asking all our witnesses, as you will have heard from the previous session, to help us do our work. Do you have one key suggestion for a change that this Committee could recommend to the Government, specifically with a focus on improving UK competitiveness in respect of digital skills and with an indication of how it might be made to happen and what the cost implications might be? You have given us lots of good suggestions already.

The Chairman: It is fine if you want to say, “Of what I have said, this is the big thing”.

Phil Fearnley: In answer to your preliminary question, on 11 February this year we supported Safer Internet Day. Some 15 million people heard the message around safe internet use. We did a whole range of things including strips on the BBC “One Show” and “Newsround”. We had an additional 1.5 million people see news articles about the issue, and we used local radio. The effect of all that was that 25% of children heard the message about safe internet use and what it means, and 48% of the 25% actually changed their behaviour as a result. These things can be incredibly effective when they are done well. I would come back directly to broadband take-up as an important issue, and doing things along the lines of what has been described.

Professor Patrick Barwise: Very briefly on your preliminary question, GDS has an identity assurance board and a relevant workstream. It is a topic that everyone thinks is enormously dull, but it is hugely important for the reasons you have described and that James has mentioned several times.

My main recommendation would be to ask GDS, in collaboration with Go ON UK and its partners, to add a five-year branding and marketing strategy to its current excellent supply-side strategy, the aim being that when BCG and Google do their world rankings in 2020, we will still be up there with the Nordics. That seems perfectly doable to me, and the sort of money I am talking about to make it happen, if it is properly executed, is between £50 million and £100 million a year; in other words, not an enormous amount of money relative to the other things we are talking about.

The Chairman: Can you send us a short note on precisely what the content of that would be? That would be really helpful.

Helen Milner: I think you should have a target for helping almost 100% of people to achieve basic online skills by 2020. We did the costings for that in our recent report by Catherine McDonald. It will cost around £850 million. We recommend that that is £50 million a year from the Government over the period of the next Government, and that is already being matched by the voluntary sector. It is already giving the Government around £50 million a year. The private sector should be asked to match the figure both in cash and in kind. If we do that we will be as good as the Nordics, and perhaps better, and we will definitely be the world leader in basic online skills. If we do not do it and continue at the present level of investment, we will leave 6.2 million people behind by 2020. That is what the trend analysis shows. I would say that it needs to be both mass and targeted. We could do fivefold what we do now, so obviously we would like some of that, but others on the list would be Unionlearn and employers with large low-skilled workforces, social housing providers whose tenants may have low skills, and disability charities that have a local presence and would like to do this. I would put that alongside joining up, so it is nice to think that the money may come from multiple departments. We already get some funding from NHS England, which recognises that health inequalities and digital inequalities go hand in hand. Perhaps we could persuade others to ensure that it works, such as through Work Programme 2. Let us make sure that we do not have a Work Programme that does not include basic digital skills as a fundamental element.

In the formal sector there is a paucity of online learning, which needs to be improved, and there is an over-reliance on qualifications. Many large employers train people only up to a level 2 qualification, which actually excludes basic online skills.

The Chairman: I think that that was four recommendations and that perhaps you cheated a little.

James Thickett: My view is that we need to look at cognitive skills as being as important as basic digital or technical skills. Whenever we think about developing a digital skills strategy, we should consider incorporating cognitive skills because not only do they prevent negative online experiences, they equip people with the skills to get more out of the internet. It is particularly important to mould children and young people because they are most at risk from not having these skills. As they get very advanced in coding and things, there is a risk that they become overconfident and subject themselves to risk.

The Chairman: Thank you very much indeed.