



HOUSE OF LORDS

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Inquiry on

DIGITAL SKILLS

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Witnesses: Lucy Hastings, Clare Sutcliffe, Iain Wood and Mary Payne

USE OF THE TRANSCRIPT

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Members present

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

Examination of Witnesses

Lucy Hastings, Programme Director for Strategy, Age UK, **Clare Sutcliffe**, Co-founder and CEO, Code Club, **Iain Wood**, Public Affairs Manager, TalkTalk, and **Mary Payne**, Chief Executive Officer, UCanDoIT

The Chairman: Good morning. Thank you very much for joining us for our second session this morning. I will go through a few of the housekeeping things first. You have a list of interests that have been declared by Committee Members. They were declared orally by Members at the previous sessions in July and they can be found in the transcripts. This is a formal evidence-taking session of the Committee and a full shorthand note will be taken. That will be put on the public record in printed form and on the parliamentary website. You will be sent a copy of that transcript and you will be able to revise any minor errors. This session is on the record. It is being webcast live and will be subsequently accessible via the parliamentary website. You are very welcome also to submit any supplementary evidence after the session that you would like to, and we may ask you to do so if there are particular issues we want to pick up.

Perhaps I may remind you to speak up in here so that everybody can hear you properly. I know, Ms Payne, that we need to make sure that we are addressing you very clearly, and we will be very careful to do that.

I am going to ask you, first of all, to introduce yourselves and say where you come from and what your interest is in the Committee, but also to make any opening remarks that you may wish to make. You do not have to. We can go straight to the questions if you so wish, so people may vary on that. I will start with Ms Payne.

Mary Payne: My name is Mary Payne. I am the Chief Executive of UCanDoIT. We take the internet into the homes of people with sensory, physical and complex needs. We deliver this training on a one-to-one basis. I started with UCanDoIT as a learner and progressed to being a tutor and I am now the chief executive.

Iain Wood: Iain Wood from TalkTalk. We are the UK's leading value provider of broadband but also TV and mobile as well. We have been a strong and passionate advocate of digital skills. We are delighted that this Committee has been formed and are very grateful for the opportunity to give evidence.

Clare Sutcliffe: I am Clare Sutcliffe. I am the co-founder and CEO of Code Club. We run over 2,000 after-school coding clubs for children aged nine to 11 across the UK. When the computing curriculum came into effect in September we began to train teachers using our volunteers as well.

The Chairman: We have heard a lot about Code Club, so one of the things we will be very interested in is how we scale you.

Lucy Hastings: My name is Lucy Hastings, Programme Director for Strategy at Age UK. Age UK is the leading organisation supporting older people over 50. I represent the national organisation and also the 170 local independent Age UKs that cover the country.

Q129 The Chairman: Thank you very much indeed. Perhaps I can start with a general question for all of you. We have heard that increased digital skills will be necessary across all sections of society and for all jobs going forward. What do you think we should be doing to prepare the future workforce through the education system, making sure that we reach everybody rather than just concentrating on particular high-level skills? How do we make sure that we engage people across the whole of the education system going forward?

Mary Payne: I think that where school and education is concerned, it is embracing innovation and the new technology that is coming out. My charity is all for accessibility. It is looking at the young learner and whether they need specialist software.

The Chairman: To what extent are they getting that at the moment? You have obviously been formed to fill a gap, or you have come together to do that. Describe for us briefly, if you would, what that gap is and what you are doing where the system is not quite delivering itself at the moment.

Mary Payne: The gap that we feel is with people who were in education pre-1980. That is where we find a lot of our gap is concerned. With education today it is not actually learning about specialist software because you need it; it is being aware that you are going to go into the workplace and other people you are going to be working with, colleagues, will be using it or you might have to use screen readers or specialist software. So, even if you do not have to use it for your own abilities, it is to be aware of it, that it is out there and what it is used for.

Iain Wood: I would agree with a lot of that. As a business, we are supportive of the changes to the computing curriculum, and there were concerns about the ability of teachers to deliver that. I think we have all seen the polling evidence that the majority of teachers do not necessarily feel confident, so I am delighted that Code Club is doing fantastic work in supporting that.

We also have to get away from the idea of basic online skills being a one-off bundle of skills that can be delivered as a package and a tick in the box as "job done". What we saw this morning in the first session was true about continual professional development. In a way TalkTalk is a prime example of that. You would expect as a company that sells connectivity that we would be at the forefront of this. We have not found it easy either. Three or four years ago we delivered a lot of work as a business, be it marketing or telesales, in really

traditional ways. Our chief executive came in and said that if we as a business selling technology access cannot get this right, what hope does the rest of the economy have? And it has not been easy. There was some resistance from people who prefer to operate in old ways.

One of the ways we got round it—and I think it is perhaps a model for others—is we created a kind of online team as an incubator. It was about identifying ways of doing things better online: reducing costs, delivering better services. We are at the tipping point now where that has delivered great results, but it is now expanding out and we are getting to the point where every job within the business will be an online job. So what we have gone through over the last three or four years is a bit of a model for what a lot of companies in Britain are going through in the transition to everybody having to get basic online skills. The work that the UK Digital Taskforce did in saying, “Everybody will need basic digital skills, 50% will need a little bit extra and then there will be 10% at the top that need to go a lot further” is a great model for the sort of skills that businesses and the economy will need.

Clare Sutcliffe: I always think it is quite interesting when people say “digital skills”. It does cover so many things. I try to categorise them for simplicity into the use of digital technology and the creation of it. We can talk about both of those but it is always useful to make the distinction. Code Club focuses on the creation of software rather than the use of it necessarily, but I do think that we need to be talking about both. In terms of how can we do that through the education system, we have to just train our teachers. But not just train them: they have to be inspired, because one of the best things that a child can have is an inspiring, excited role model who helps them through their education, not just somebody who regurgitates facts to them and tests them over and over again. I think that is important.

Q130 The Chairman: Pushing you a bit further on that, we have heard from other people about the work that Code Club is doing. You are clearly a drop in the ocean in terms of the size of the problem. To what extent do you think that your model could be expanded or are there other people like you? What would make it work? What would make it grow quickly?

Clare Sutcliffe: We have a plan to be in 50% of the country’s schools by the end of 2018, but we can only fit on average 15 children in each club, which is a drop in the ocean of each school. So no matter how much we try to do it, we are never going to reach 100% of the country’s children. That makes me sad, but I think that the only way to do it is through teachers. We are kind of a sticking plaster on the problem, which is a lack of teacher skills and confidence.

The Chairman: That is very helpful because we have a future session on teachers, so we will be following up on some of your points.

Lucy Hastings: Digital skills are life skills and the workforce is ageing and we want to celebrate that. More and more people are choosing to stay at work or have to stay at work for financial reasons. However, we do know that the employment rate among the over-50s is significantly higher and more and more people are ageing. So we want to make sure that people are not discriminated against because they have out-of-date qualifications and because people are stereotyping old people to assume that they cannot learn new skills. Our agenda is all about developing those life skills, encouraging employers to ensure that employees of all ages are skilled to do the jobs that they do but also to prepare people to retire with the life skills to cope and lead a later life.

Q131 Baroness O’Cathain: What does a good digital skills delivery model look like? How can we make sure we are equipping people to be users of digital technologies and others to be producers of digital technologies, and also, I would like to say, those who are selling digital technologies to ordinary consumers?

The Chairman: We will start with you, Mr Wood.

Baroness O’Cathain: I had my eye on Mr Wood.

The Chairman: Yes, I thought you would like Mr Wood.

Iain Wood: We have recently launched a broadband manifesto and to inform that we did a lot of focus groups and we did a lot of polling. We specifically targeted middle to low-income women because, typically, they are the hardest to reach in a lot of this. Some really interesting findings came out of that.

First, they did not feel that the structured digital skills programmes that are available at the moment were relevant to them. They were not typically people who had had enjoyable school experiences and, therefore, were not in a hurry to put themselves back into a formal learning environment. So we have to think very carefully, and we heard this morning about shorter courses that teach specific skills rather than a three or four-year degree-type course that these people are never going to sign up for. I think you were right this morning to highlight that as one of the ways to do that.

The market also has to adapt. What we are starting to see now—and I think it is really healthy—is the market changing to start to deliver viable product solutions to people who might not otherwise take them. For instance, one of the things that we are doing is launching a specific pilot targeting elderly people. As part of that we recognise that there are certain barriers. Partly it is the upfront cost—people worry about that—but partly it is skills. What this package does is speaks to both of those. So they get some support. They get a very cheap tablet—it is £50—which they can give back to us after the first month if they do not want it and it is not for them, and we will give them their money back. They also get some training and support in learning how to use it, in taking away some of the fear that is a prohibitive factor. Then they also get a discount. They get free broadband for the first month and are discounted for several months after that. It is only after about nine months, once they are confident and say, “You know what, this is for me”, that the price then moves up to the market rate. We have seen Argos do very similar things in terms of training, and we have partnered with Argos to give away free broadband to elderly people who take its tablets.

So the market is changing to deliver more innovative solutions that speak to the concerns of the demographics that have been hardest to reach, but I think there is a lot more we can do as part of that.

The Chairman: That is very helpful. Thank you.

Baroness O’Cathain: Perhaps I can ask something particularly on that. There is a block of flats not too far from here that has had Hyperoptic installed. I happen to be a resident. I have not been there for nearly three months and I came back on Sunday night and there were at least 20 sales bits from people like you and others about getting fast broadband and all they should do. It was unintelligible. I know something about broadband—I have it at home in my real home—but this was unintelligible because it was saying, “You can do better than BT by doing this” and then in small print, “but the line rental is not included”. It was disgraceful. I just threw it all in the bin and I am so cross that I did. I should have brought it

here and given it to you. Perhaps it would have been a revelation to you. You are trying to get to women who are part of your middle-aged or older women, part of your target. You are not; you are shooting way off it.

Iain Wood: I completely and utterly agree with you that the market has a long way to go in providing transparent data. It was one of the key things that came out of the focus groups. People said to us they did not necessarily know where to go to get the right information. When they found the information they did not necessarily know how to compare it. They did not know how to compare packages, and certainly as a business what we have tried to do is simplify the number of packages we have. We have tried to strip out a lot of the jargon, and particularly when we are talking about what we are delivering in these bespoke packages to hard to reach people we try as far as possible to strip out the jargon, but I accept there is a long way to go.

We have invested in York. It is a landmark investment in the UK in terms of delivering city-wide one gigabit services. It is the first time anyone has done it and we have done it in a joint venture with Sky and CityFibre. But one of the challenges around that is explaining to people and creating the demand—why they would want those extra services. Doing that in a way that people understand is a challenge and I think it is something that we as an industry have to get better at.

Lucy Hastings: 5 million people over 65 have never ever gone online.

The Chairman: Five million?

Lucy Hastings: Yes, 5 million over-65s and 66% of over-75s have never gone online, never experienced the benefits. I have heard lots about courses and what I want is the technology to be really intuitive. You all have iPads here today; could we just switch them on? They are much more intuitive than they were a few years ago, and by engaging with this enormous group of people that have never been online and working with the private sector to design things that work for everybody, not to discriminate against older people and younger people, would be brilliant. We have worked with TalkTalk and others to do that, but it is about the motivation. How do you motivate someone to switch on an iPad and do something? It is not about necessarily going on a short course because, as Iain said, they went into the classroom 50 years ago. It is about tuition, motivation and savings, and identifying how people can save money online. We all know about fuel poverty but if you want to buy a train ticket or pay a bill online, it is all discounted online. There is a massive discrimination issue out there.

Baroness O’Cathain: But nobody knows that.

Lucy Hastings: We try to tell people. Older people are telling us all the time that they want to learn but they want to learn in an environment that is trusted, where intermediaries are helping them and where it is integrated into their daily lives. So, if it is wanting to go shopping, they can do that online. Everything we do today we can do online. People do not want to or they are not interested or they are not motivated, and it is all about finding the hooks to motivate people.

Baroness O’Cathain: They are scared. That is one of the issues we have.

The Chairman: I think they are also scared. Particularly if they are handing money over, they are scared.

Lucy Hastings: It is addressing why they are scared and giving them support in a safe environment.

Q132 Lord Giddens: I am going to ask you to elaborate on this. We have heard an awful lot of evidence on younger people, and not very much on older people, and there are two aspects of it to me. One is how to get older people back in to work at a time when the economy absolutely needs them and where we cannot afford to pay people, frankly, to retire on pensions at the age they used to. That is a crucial thing. Is there any good practice in other countries to look to for that? What kind of policies would you anyway advocate for that? The second one is getting people back into society. I should declare an interest; I am a patron of KIT that brings IT to people with dementia in care homes, where it has proved, to some degree, transformative. So perhaps you would comment on both those things and how they could link. Then I think there is a gender issue probably with older men and older women. I do not know if there are major gender differences in these issues, but one suspects that there might be.

Lucy Hastings: I do have not the full stats on gender but you are right, there is a gender issue. More older people over 75 are women and they live alone and they are poorer, so inevitably they are the ones who are offline. There is a cohort of people that we absolutely need to address.

Interestingly, as society changes, the healthcare world will change, too, and we need to give people the confidence and the skills to adapt to technology to manage their healthcare. For example, if it means that you can manage your long-term condition by taking your own blood pressure, and monitoring all your own physical statistics and sending those through to your doctor—

Lord Giddens: It is going to be really transformative.

Lucy Hastings: It is transformative. You do not need to spend a day on public transport that comes once a day to take you to hospital, wait around and come back. It will fundamentally change the lives of people through managing their own healthcare, and we need to give people the confidence and the skills to embrace that so they can have a better quality of life later on.

Lord Giddens: Would you also recognise the point that was just made that you need to adapt the technology, you cannot just import it? That is what we have found in this organisation: technology itself needs changing and adapting to specific needs.

Lucy Hastings: I think consumer technology has changed hugely. The clunky healthcare technology of past years is different now. People can use their iPads and their iPhones and their watches to measure all sorts of things and keep track of their own health and make life choices around health prevention.

Q133 Lord Macdonald of Tradeston: Can I ask something on that? It is still, surely, for older people overly complicated, and also it is not resilient. It breaks down a lot, and we see in this Committee the number of times that we have to call in experts to tell us what to do next. A lot of the people over 60 we are talking about are fairly lonely. They do not have a son and a daughter-in-law who can pop in and sort them out. That is so fundamental to people. They give up when they realise that it is full of snags.

Lucy Hastings: I think that is right. It is not just technology; it is the support that goes with it. Age UK have developed a product called Breezie, which is a tablet that has telephone support, Monday to Friday, where you can pick up the phone and say, “How do I do this?” It is replacing the daughter-in-law or the brother-in-law who asks those particular gadget questions, or the grandchildren who give you a tablet at Christmas and then walk away and do not come back for six months. We do find lots of other people are coming to Age UK services with their tablet saying, “How do I do this? I got it for Christmas” It is about having the right support around.

Iain Wood: I was going to mention the Breezie product. It is part of our offer that I talked about earlier, the one we designed specifically for elderly customers. It is absolutely fantastic, not just in terms of the software that it simplifies but even little things that you would not think about. The angle on the tablet, for instance, is slightly different, because elderly people have longer fingernails that typically bounce off a tablet. The thought that has gone into it in terms of designing it and making it accessible is fantastic. I think the gender point is really significant. I go to a lot of technology policy events, and I have to say it is brilliant I am on an otherwise all-female panel today because often there are more iPads in the room than there are women. It is shameful.

One of the things I think we have to do is respond to the specific concerns that we heard particularly in those focus groups, and that is a lot around online safety. A lot of people told us they did not know how to keep their family safe and they were worried about the risks, so that is about industry coming forward with filtering products like TalkTalk—and, to be fair, other providers—have done. We must speak specifically to those concerns and not presume that there is a one size fits all solution and that what motivated the early adopters to get online will be the same thing that motivates the harder to reach people to get online.

The Chairman: Just to warn you, we will come back to all of you at the end to say what would be your one thing that we ought to be telling the Government in this report. We are particularly concerned about joining the dots and scaling up. You are all talking about exciting things but they are all quite little at the moment. One of the things that we are concerned about, as a Committee, is that there is lots of great little stuff happening all over but how the heck does it all come together? So I will just warn you that we will come to that at the end.

Mary Payne: We talk a lot about confidence, and at UCanDoIT we target the people with disabilities furthest away from the labour market. They are in total isolation. Since 1998 we have been going into their homes on a one-to-one basis and training them in how to use the internet. What safer place can you learn how to use the internet than in your own home? We do not go in there and think, “How we are going to train you is going to last you a lifetime”. What we do is go in and give them the confidence to be able to start and then go to their community centres and libraries.

Lord Lucas: I do not mean to be beastly to you both just because you have had the grace and courage to come here, but TalkTalk first. You talk some nice things, but if you go on to “Shall I buy a TalkTalk package?” there is no link to it at all that I can see. It just assumes you know why you want broadband. There is nothing there to say, “This is what we can do for you. This is the way we can support you”. The first thing you see is, “Hang on, the pricing is getting confusing here”, and it is starting to feel like an alien world.

Age UK is not much better. You get chucked straight into some independent comparison site. You are not given support; you are not given help as to what is going on. If the object is to support these people, you have to support them at the point they hit your website—not, for the people who are not familiar with the web, at some point where you would get if you knew.

Iain Wood: Absolutely. I would be the first to admit there is more the industry can do to make that information transparent. I can assure you that buried further back in the website—perhaps we need to move it further forward—there is an awful lot of good consumer advice on safety, cybercrime and things like that that might concern people. If people have specific questions and are able to ring our helplines, we have trained agents who can talk through a lot more of the broader points that you talk about. But certainly, as I say, I think there is more the industry can do.

The Chairman: Ms Hastings, a challenge to you.

Lucy Hastings: That is fine. All of our local Age UKs, or most of them, provide all sorts of support in getting online. I accept that our national website does not necessarily give all that advice, but what people do is come into our services because they are not online. They are accessing lots of other services and they are introducing technology through those other services; people do not necessarily go on our national website to learn.

Lord Lucas: That may be, but when I am talking to my mother-in-law, I am showing her my iPad, and I am saying, “Look at Age UK. You have your Age UK button. Let us see what they offer. Oh, cannot see anything”. There is no link through to anything.

The Chairman: We are throwing the challenge back to you.

Lucy Hastings: Yes, I will take this back to them and say it has been raised here.

Q134 Earl of Courtown: We have heard much about the huge pace of change in technical and digital technologies, which is likened by some to another industrial revolution. How do delivery bodies keep up to date with latest technology changes, because these are happening all the time? I would be interested to hear what you have to say.

Mary Payne: From my small charity’s point of view, with a lack of funding, a lot of it falls back on the tutors themselves developing their own skills. We look out for training sessions and take them on training courses as the technology advances, but we have started from the top as well. Everything seemed to be going all right on the bottom and we have looked at the top. We have looked at our governance. Our new chairman, Dr Michael Taylor, is a professional digital engineer. We have recently recruited trustees who are involved in the digital industry so that they themselves can bring their experience and skills into the charity and let it cascade down, and look at the gap analysis of what is within our charity and within our workforce. That is how we have personally tackled it.

Iain Wood: There is a range of things. First, the pace of technology change should not necessarily be seen as a challenge because there are all sorts of opportunities there, particularly around tablets. We have all seen the stats. Tablet use among the elderly between I think it was 2012 to 2013 tripled. So the technology is changing, but in some senses that makes it easier.

I think also the pace of technology change decreases the cost of technology, and we know that cost is a barrier for a lot of people. So when we at TalkTalk are talking about giving deals

that involve £50 tablets, that pace of technology change is making it easier. It is also about a collaborative approach, which I know is often an opt-out, but in this case I do not think it is. There are some fantastic charities working together with the industry. We have worked with Code Club in the past and with fantastic charities through our Digital Heroes Awards as well. We can blend that expertise, so we are trying to get I think it is half of our employees in the north-west to be digital champions, working through the Tinder Foundation and its UK online centres to deliver training. There are all sorts of brilliantly collaborative ways that we can tackle this, but I do not think there is a one size fits all solution, and I do not think it rests either with the Government, with charities, or with industry. Everybody has to play their part.

The Chairman: How can that be joined up? That is one of the issues. Some of you were here for the previous session and we heard that very clearly.

Iain Wood: Absolutely. I think there are scale models available. The Tinder Foundation has reached over 1 million people over the last four years. I was looking at some Go ON stats and they have worked with over 700 organisations in their rollouts in the north-west, north-east and Northern Ireland, so there are scale models there. The Tinder Foundation, in particular, has managed to reach over 100 million people with £3 million to £4 million of government funding, so there are not huge, astronomical fees next to a lot of this.

If you think that we, as a country, are spending over £1 billion on digital infrastructure in terms of government subsidy for broadband, with £3 million to £4 million of support the Tinder Foundation has reached over 1 million people. If we are to take a much more holistic view of what the digital economy needs, absolutely the focus on infrastructure is welcome, but that is partly why I welcome this Committee so much. I think digital skills has been a neglected part of that, and the funding allocations in Government reflect that.

Q135 The Chairman: Ms Sutcliffe, tell us about to what extent Code Club is working with industry or what support you get from industry.

Clare Sutcliffe: A huge proportion, and I massively agree with you. I think that it is a combination of efforts. I do not think one particular group is going to fix this problem. Some 55% of our volunteers are from within industry. It is interesting that the other 45% are teachers, but I will come back to that later: 55% are from within industry. We like to go to companies that are technology-focused, recognise that what we are doing is trying to help their industry in the future, and in return they encourage their staff to volunteer for us. It is better when it comes from the top down because staff members feel supported in their volunteering. They do not have to try to bargain for it, and the more that employers can give flexible working hours to volunteer and, even better, actual free time to go and do that as part of their CSR policies, the easier it is for us to train them to be volunteers.

They are the things that get in our way when it comes to approaching a company and taking away volunteers. We went to see Morgan Stanley, who are our kind of poster child for this really. They had all the things in place that I just spoke about, and we came away with 60 volunteers, which is pretty good going. That is what we try to replicate around the country.

Lucy Hastings: Age UK do work with industry. At the beginning of September we had a very successful partnership with EE, National Techy Tea Party, where Age UK invited and promoted lots of older people to go into a high street store and get support for an hour or so, one to one. That was extremely successful, and I think what was successful was it was an

intergenerational opportunity. It was the younger workforce in EE sitting down and really understanding and learning about how to communicate the complicated technological language about buying broadband to an older generation—and they learned as much from the sessions as the older people did about technology. So we do embrace working with industry to do that.

You asked the question about keeping up to date with technology. We are very much driven by what older people want, and I do think that we are still very much at the basic skills level. But older people, when they do get excited about technology, do push us to learn more about it. We work with other voluntary organisations, such as Digital Unite, to understand more about the latest technology or applications. We would not replicate that.

Q136 Lord Lucas: How can skills delivery be linked more closely with industry? In particular, how can we make sure that the skills that are delivered actually meet industry requirements? How can someone who is setting out to educate themselves be sure that the courses they are being offered will meet employer requirements? Who is best placed to facilitate all that?

Iain Wood: I think industry has to accept a huge responsibility for this. We as a business think we have a huge responsibility to help those 9.5 million people get online—but, to be perfectly candid, we also have a huge incentive. That is potentially 9.5 million new customers, so why would we not be playing a huge and active role in supporting this?

I think there are several things we can do. At a schools level, the changes in the computing curriculum are really welcome. One of the things we are also looking at doing is supporting STEM specifically, so we are working with the Government on their Chairs programme, where they take post-docs and put them in—a little bit like the Teach First model, but they get a very significant increase in salary paid for by a partner, who is then able to work with that academic. They spend part of their time teaching but then part of their time doing academic research with an employer, which from our perspective is hugely encouraging. That is one way that we are trying to encourage an improvement in STEM teaching and specifically around STEM education. We heard this morning about the careers service not necessarily being particularly au fait with the best opportunities, so that is one way we can address it.

There are all sorts of other ways we can do it. As a business, we have gone down the digital champions route, so a lot of our staff are trained and volunteer their own time in UK online centres, teaching people. We have also done it through awards and funding awards, so we run the Digital Heroes Awards every year. We are in our seventh year and every year that gives funding of £5,000 for individual winners and then £10,000 for an overall winner. We have our awards ceremony coming up in Parliament later this month. Over the last seven years, that has given away nearly £500,000 in funding to small-scale projects. This comes back to the point of how do we scale those up? Fundamentally, they do need that support at a grass-roots level that gives them the seed funding to expand their work, and Code Club has been an organisation that we have worked with on that.

One of the other things that struck me about industry is better working relationships with local universities. We are going out of our way now to create a much more strategic relationship with set universities that have specific courses that speak to our skills gap as an organisation. Rather than simply waiting for universities to give them a production line of

people and then possibly complain because the people did not meet their needs, I think organisations like TalkTalk have to get much more involved with the universities, and help design courses that meet their specific skills gap. Partly that will be funding, partly it will be running skills events on campuses and partly it will be about employability events.

Those are the sorts of things that we are doing as a business that I think are a bit of a model for how the private sector can get more involved, both from a responsibility perspective but also from an incentive perspective in terms of developing the business.

Clare Sutcliffe: Yes, I massively agree. We hear a lot about universities not outputting the kind of people that have the right skills to then go into work, and that computer science graduates are one of the least employed sectors.

The Chairman: We could not quite believe it when we heard that first.

Clare Sutcliffe: It seems such a crazy gap to me. Why are we not finding out more about what is actually required in the workplace? I am talking about programmers here rather than those with general digital skills. How can we work with universities to make sure that their courses are producing people who are ready for work? I think that is one of the main reasons that you go to university to do a computer science degree, because you can argue that you can do it, but you could go for other reasons.

I am not sure I have much more to answer on that really, apart from that lots of people complain that not enough people are going to university to do computer science. I am sure you have heard time and time again about the pipeline problem and how there are gaps all over it. Code Club is trying to introduce children to the pipeline. At the moment, we only run to 11, so we would like some support to be able to do this in secondary schools.

The Chairman: You are only in primary schools at the moment?

Clare Sutcliffe: We are only in primary schools at the moment. We would like to go into secondary schools as well, but at the moment the kids just drop off a cliff. They are all excited. We get them all excited, and then they go to their secondary school and the likelihood is that there is no computing GCSE. What is the point? Then even if there is, maybe there is no computing A-level either, so the pipeline is—

The Chairman: You are really cheering us up, I must say.

Clare Sutcliffe: I am sorry. There are things that can be done about this. One of the most important things is that computing GCSE and A-level are offered consistently across the country. I know that it is easier said than done and I know that that costs a lot of money, but I think that that is one of the ways that we can make this a lot fairer.

There is a chap called Peter Kemp, who you might or might not have heard of, who has done some research that suggests that low socioeconomic groups have less access to computing and A-level qualifications, which I am sure you already know. That seems drastically unfair to me, and I think that is one of the ways that we can fix the gap.

Q137 Lord Janvrin: Coming back on to the area of in particular how the third sector co-ordinates within itself but also with industry and with universities, the impression I get from what you have been saying so far is that you see very much at local level that this happens most effectively: how you work out or how you connect with local universities or the local workforce to produce your Code Club people. Could you comment on what is best practice

locally, why does it work in some localities and not in others, whether there is some national framework, and what kind of national framework do we want to fit over that to encourage that kind of local co-operation?

Clare Sutcliffe: I will go for that one, if that is okay. This might or might not be a surprise to you, but we found that programming professionals tend to live in cities because that is where their jobs are. Therefore, the most densely populated areas are the ones with the most Code Clubs. It kind of follows logically. We do not think that that is fair either. We are only teaching nine to 11 year-olds, and you do not actually have to be a computer science graduate to do that. You need to be an encouraging, enthusiastic adult who is just one step ahead of them, because that is all you ever need to be. So what we are going to be focusing on this year is training non-computer skilled people to be able to go to their local primary school and deliver a Code Club. I will let you know how that goes, but that is our attempt at trying to reach as many people across the country. That training will be online. It will be for free and it will also be face to face, backed up by the regional co-ordinators that we have working around the country, so I hope that makes a difference.

Lord Janvrin: Your regional co-ordinators are crucial to orchestrating that?

Clare Sutcliffe: They are currently working at the moment in encouraging the local development communities to volunteer for Code Club. So we are still grabbing the last of the low-hanging fruit there, but then they will be reaching out to parents groups and going to schools and saying, "Right, if you want your school to have a Code Club, it is time to step up".

Iain Wood: I would add that as a private sector company we see a disparity in the level of enthusiasm that there is at local level. I talked earlier about our fibre-to-the-premises network that we are building in York, and one of the reasons we picked York, frankly, was the huge enthusiasm from the local authority. It is very determined to be the digital capital of the north and sees this being a huge advantage to York. Alongside the infrastructure, what they have, which I talked about earlier as not necessarily being replicated at national level, is that they understand that skills and inclusion need to sit alongside infrastructure, because just building it will not guarantee it is used.

As a national private sector company, one of the chief things we can do is continue our regulatory efforts to reduce the price. I think Ofcom has done a fantastic job of introducing competition into the market for existing copper broadband. Because we have high levels of competition, we have some of the lowest copper prices in Europe, but we have very serious concerns about the fibre market. At the moment it does not have that competitive regulatory architecture and, as a consequence of that, we see much lower levels of competition and much higher prices. We think fibre is overpriced. At a wholesale level, it is about twice the price it should be, and we are on record as saying that if, through more effective regulation that introduced more competition into the market, we can bring down that wholesale price, we would bring down retail prices. If you think about the barriers to getting people online, as a private sector company helping get that price down is going to be a huge achievement and it will make a huge difference. We have seen evidence from the Tinder Foundation about the number of people citing price as a barrier to getting online actually going up over recent years, which is not surprising given the economic climate. It is absolutely crucial we get more competition in the fibre market to get the price down.

Q138 Lord Macdonald of Tradeston: I wanted to pick up on Lord Janvrin's point about the national framework. Clare, you obviously have had a very successful initiative there; to have got to 2,000 schools is splendid, but it is still probably only about 10% of the primary schools in the UK. In terms of a national framework, has there been any guidance from the Department for Education saying to primary schools, "Code Clubs are good. They are easily set up. Get to work on it now, and we will give you whatever support there is and, by the way, there is a Code Club already existing who no doubt will be willing to help"? We cannot wait until you get to 50% in 2018. How does the Department for Education push that through in a national framework?

Clare Sutcliffe: I am not entirely sure, to be honest. We have had some match-funding from the Department for Education for Code Club Pro, which is our teacher training part of our project.

The Chairman: We are not putting you on the spot. We can take it as read that that is not there on the table for you at the moment.

Clare Sutcliffe: Yes, I do not know. They could obviously encourage schools to set up their own Code Club. I am not sure how.

The Chairman: They are not doing so at the moment?

Clare Sutcliffe: Not to my knowledge.

Lord Macdonald of Tradeston: There are no other competitors in the market then at your level—the nine to 11s in primary schools?

Clare Sutcliffe: Essentially, yes. There are other people who do a similar thing to us but on a smaller scale, and with a slightly different model, but I think Code Club is the largest of its kind.

Q139 Baroness O'Cathain: There are two points following on from Lord Macdonald's question. They fall off a cliff at 11, but surely there is a huge opportunity for somebody to replicate what Code Club does in primary schools in secondary schools? Has anybody seen that gap in the market and are they going to go and do it?

Clare Sutcliffe: I have seen people try but they have been very small-scale—nothing that has grown to the same size. For a little light sunshine though, we are planning on writing materials and projects for 11 up to pre-GCSE and widening our reach that way. Obviously, that requires more volunteers.

Baroness O'Cathain: And more money?

Clare Sutcliffe: Yes, probably.

Baroness O'Cathain: Anyway, good luck to you. The second point was following Mr Wood's point about York wanting to become the digital centre of the north: is there anything published about that that we could have? Should we get straight on to the council?

Iain Wood: The council is certainly on record, and the leader and chief executive are very passionate about it. I can find out more information.

The Chairman: That would be great. We have a session looking at the local delivery, so it will be useful if you would attend to that.

Lucy Hastings: Age UK is part of Go ON, as TalkTalk is, and it does regional rollouts. Every six months it has chosen a region and done a big promotion and marketing campaign about generating interest about getting online. The BBC has been part of that, too, and it has been very successful. What we want to do, though, is make sure that after that finishes there is the long-term support that follows it. It is being done with Go ON, and we have voluntary, private and public sector partners on that.

Lord Kirkwood of Kirkhope: Who orchestrates that?

Lucy Hastings: Go ON, the actual organisation itself, which will participate.

Baroness O'Cathain: Does it involve local radio?

Lucy Hastings: It involves local radio.

Baroness O'Cathain: Because local radio is much more popular a medium than most people realise.

Lucy Hastings: BBC, TV, radio and local authorities have all signed up, and lots of local businesses. One of the big agendas is about encouraging small to medium-sized enterprises and charities to increase their digital skills among their employees, and that seems to be the hardest thing, the challenge for us at the moment.

Q140 Lord Haskel: We have heard all about the wonderful work and important work that you are doing, but we have also heard that there are 5 million people who have never been online. The obvious question is how can this be scaled up so that everybody has the experience of being online? Do we do it by allowing many flowers to blossom or do we do it by getting some kind of an organisation behind it?

Lucy Hastings: It is a travesty that 5 million people are offline and there are very clear reasons why they are offline: cost, motivation, interest, fear, and lack of access to equipment. I am not going to beat about the bush. If there was a significant funding pot, we could do an enormous transformational programme in the voluntary sector to help a large majority of those 5 million people online, but what I would like to say is there will always be people who do not want to go online for many reasons, or cannot. The Government's digital by default programme is very important, but if you ask me my policy question at the end, it would be to ensure that nobody is discriminated against by choosing or not being able to go online. That is the point that you made earlier.

Iain Wood: I will add to that. I think funding is absolutely key to all of this. If you look at the savings potentially generated by digital by default, we are talking about £1.7 billion a year. The total cost estimated to give everybody basic online skills is about £800 million. In terms of the funding priorities, and particularly when you consider the spending, as I say, of over £1 billion on infrastructure, I think we need to reorientate policy. Infrastructure absolutely matters. I would not want to suggest in any way that we hold the development of infrastructure back, but let us not presume that just building infrastructure will be enough.

We need to think far more holistically about the skills that people need, but also demand stimulation and addressing some of those concerns. When we did our polling, 25% of the people told us they have already been a victim of some sort of virus or scam online; 75% expect that to get worse. The vast majority of parents told us they want more information about how to keep their children safe online from inappropriate content. We have to start

addressing some of these concerns and that is not going to be done by treating skills in isolation or infrastructure in isolation.

I was slightly dismayed by the Government's digital communications infrastructure strategy, which is all about predicting the future infrastructure that Britain needs. In it they specifically said that digital skills did not form part of their consideration. I do not understand how you can map future infrastructure demand unless you are talking about the 10 million people who are not currently online. Surely that is part of the same demand coin, so I think that trying to get this message through to government that we need more holistic, joined-up thinking and more joined-up funding is absolutely crucial.

The Chairman: Thank you very much. Anything to add, Ms Payne, or do you echo that really?

Mary Payne: Yes.

Q141 Lord Kirkwood of Kirkhope: I am getting a sense in this session that there is more urgency about the extent of the problem. Just listening to the evidence, as Mr Wood has said, we are rightly investing and there are a lot of optimistic suggestions about how we go forward, but I am very frightened that people will get left behind. I am interested that Ms Hastings was talking about discrimination as maybe a part of the toolkit that protects people. One of the questions would be: do you think it would be sensible to start using this kind of lack of access as part of the discriminated categories in some of the rights legislation that we already have? Is that a way forward? I am very worried. It is not just a question of we do not have any money, because we do not have not any money, but any money that we are spending is going in promoting cleverer, better access for those who have it, and we are creating a bigger and deeper problem for those who are left behind.

Lucy Hastings: I do think there is an equality issue here. The Equality Act 2010 says that businesses have a legal obligation to their customers, and their employees as well, to ensure that services are accessible, so this is not just about the government agenda. This is about the goods and services that should be made accessible to everybody and the protected characteristics, and it comes down to the digital by default agenda to make sure that people are not left behind or disadvantaged in any way. One of the biggest disadvantages is financial disadvantage as well. People will become poorer because of this issue if it is not made sure that they are assisted with digital government services.

Baroness O'Cathain: That is balanced by what they save on shopping and everything else. That is what has to be sold to them.

Lord Kirkwood of Kirkhope: Is there a social cost factor? Is it mainly poorer people who have never been online?

Lucy Hastings: More poorer people are offline and in lower skilled jobs, so one of—

Lord Kirkwood of Kirkhope: But do we know that? Has that been captured by ONS or somebody?

Iain Wood: I think it is 70% of DE demographic households are offline.

Lord Kirkwood of Kirkhope: Whose figure is that?

Iain Wood: I will need to check.

The Chairman: Can you send that to us?

Iain Wood: Absolutely.

Lucy Hastings: One of the issues about the low-skilled job market is that people lose their jobs and then want to reapply for jobs. More and more jobs these days are posted online, so if you are applying for a job at Tesco, you do not need digital skills to do the job but you need digital skills to apply for the job.

Lord Kirkwood of Kirkhope: Jobcentre Plus requires you to use job maps.

Lucy Hastings: Absolutely, and some Jobcentre Plus workers refer people to Age UK to get the training to help write the CV or fill in the job applications.

Lord Kirkwood of Kirkhope: Did I understand Mr Wood to say that there was an £800 million cost to doing all this properly?

Iain Wood: It is the forecast I have seen, and I will dig it out and send it through to the Committee.

Lord Kirkwood of Kirkhope: That would be very useful. We need to crystallise the costs of dealing with inclusion properly. Nobody has any money, and this Committee is long enough in the tooth to know that it is not going to make unrealistic recommendations, but we need to understand what it would look like trying to address it over a period of time. Even if you start at the beginning and it is a continuing spend, people then recognise that there is work to be done and will get more involved in trying to address the problem.

Iain Wood: Absolutely. I think we also have a responsibility to talk very positively about the savings and potential uplift in GDP that comes from that and not just view this negatively as a pot of money when we have a tight fiscal climate—I think it is Booz & Co that said there was a £63 billion uplift in GDP possible from being a digital leader. When we are talking about costs of £800 million to get basic online skills, we have to balance that against the potential uplift.

The Chairman: Perhaps you can collectively send us any hard evidence and facts on that, because we have had various figures thrown at us. We have found it quite hard to pin some of it down, and we are very clear that we want to make the economic case for this, so that would be extremely helpful. Ms Payne, I know you were trying to come in.

Mary Payne: From a coalface point of view, we go into homes of people who are on the lowest incomes possible. It is not just affording the hardware, the computer, which we supply; it is not the internet, the connection; it is also the specialist software. A piece of screen reader software will cost more money than a laptop. A specialist screen reader can cost £600 to £800. Now you can get a laptop for £300.

The Chairman: That is not covered by any discrimination legislation at the moment? There is no right to get any of that provision?

Mary Payne: No. As a charity, we go in and fundraise and supply it, but without people like our small charity going in, assessing them—we are linked with another organisation called AbilityNet where we carry out assessment of need, find out the IT needs, what equipment they need, fundraise, and put it in—they would just stay there. We have evidence within the charity of people with the severest disabilities where you could be forgiven for going in and thinking, “This is just not going to happen”, and 10 weeks later we actually have them shopping online.

Q142 The Chairman: I think there is a discrimination point. That is very helpful. Can I come to the final question? It is fine if you want to repeat the point that you have already made, that is completely fine, but we actually want your one key suggestion. We are very clear in trying to produce this report. It is such a huge area that the more we can be hard and focused in our recommendations the better, and so we are looking for everybody's help in getting us there. If each of you could think about what the one key thing is you think would change things dramatically, it would be very helpful to hear that. I will start with you, Ms Payne.

Mary Payne: I think with charities like ourselves who are small but yet doing big things, it is more localised commission and smaller contracts. A lot of the time what happens is the tendering goes to the bigger private organisations, bigger charities. We are the little people, and we do not have the capital to compete with schemes that get paid by results, so we get left behind.

Iain Wood: I would aim for a much more comprehensive digital economy strategy that puts digital skills right at the heart of debates around infrastructure, and particularly puts the funding priorities next to that. Within that, there are several things that need to happen. We need to continue our focus on having competitive markets so that there is competition that brings prices down and stops poverty being a barrier. We also need to restructure skills training—we heard about fantastic examples this morning—around much shorter courses that are much more accessible and speak particularly to the harder to reach people who are never going to sign up for a three or four-year course. Within that, clearly there is budget restructuring that needs to happen.

Clare Sutcliffe: For me and from my point of view, it would be about strengthening or giving more responsibility to industry for passing on information about the skills that they require but also actually delivering training as well and passing on some kind of requirement for them to do this. It should not be left to just the larger companies to try to address this problem. I am sorry, I do not know any answer to it, but that will be the most helpful thing for our project, and I think for so many others as well.

Lucy Hastings: I have mentioned that government online services need to be high-quality and easy to use, but nobody should be discriminated against if they cannot or choose not to use them. My second point, if I could have one, is that access to the internet should be treated as a utility service, the same as others, and that means the Government should recognise the significant cost of getting and staying online and nobody should be digitally excluded on cost grounds.

The Chairman: From what you have all said this morning, in a sense if we can establish the economic case, that is an easier argument for us to have.

Lucy Hastings: I think it is becoming a more and more essential service for daily living.

The Chairman: Yes. Thank you very much indeed. That was very useful and added very much to the first session, so thank you very much.