



Communications and Digital Committee

Corrected oral evidence: Digital exclusion and the cost of living

Tuesday 18 April 2023

1.45 pm

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Members present: Baroness Stowell of Beeston (The Chair); Lord Foster of Bath; Baroness Fraser of Craigmaddie; Lord Griffiths of Burry Port; Baroness Harding of Winscombe; Baroness Healy of Primrose Hill; Lord Kamall; The Lord Bishop of Leeds; Lord Lipsey; Baroness Wheatcroft; Lord Young of Norwood Green.

Evidence Session No. 9

Heard in Public

Questions 74 - 82

Witnesses

I: Liz Williams MBE, Chief Executive Officer, FutureDotNow; Antony Walker, Deputy Chief Executive Officer, techUK.

USE OF THE TRANSCRIPT

This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Liz Williams and Antony Walker.

Q74 The Chair: This is the Communications and Digital Select Committee, and we are continuing our inquiry into digital exclusion. For the benefit of those in the Room, we are currently transmitting live on the internet. The session will be recorded in the form of a written transcript and a video recording, both of which will be available on our website later.

We have two panels today. In the first panel, we want to explore what is often termed as the digital skills gap, and we hope to understand better what that means and the different kinds of descriptions, as it were. What do we mean when we talk about people having digital skills? Before I get to the questions, can I ask you to introduce yourselves and the organisations that you represent?

Liz Williams: Good afternoon. I am chief executive of a business coalition called FutureDotNow. We are focused on the workplace digital skills gap. We were founded four years ago by business. I am not a technologist, so if you have complicated technology questions to ask, please do not ask me. My career has been founded on the human aspects of digital transformation and what it means for people in society.

Antony Walker: Good afternoon. I am deputy CEO of techUK, which is the technology trade association in the UK, representing almost 1,000 technology companies that operate here in the UK.

The Chair: Thank you for giving up your time and for being with us today. We are going to move straightaway to questions.

Q75 Lord Foster of Bath: Thank you both for being with us. As you know, we are looking into the issue of digital exclusion. Many of our witnesses have suggested various factors that lead to people being digitally excluded. Very often high on the list is the absence or shortage of digital skills. However, during our discussions with our witnesses, phrases have been used such as "basic digital skills" and "advanced digital skills", and whether you need both, or one or the other. Perhaps you could explore that issue for us. Liz, could you start off and talk about what digital skills are needed to help prevent digital exclusion as opposed to those that might help you do other stuff?

Liz Williams: That is a brilliant question. My starting point would be that, when we talk about digital and about skills, they are both such huge areas that, very quickly, you could be saying digital skills and mean something that is very different from what I might mean, and so breaking it down is really important.

At FutureDotNow, we have been working with Lloyds Banking Group and have just published the first report looking at essential digital skills for work. We have a great asset in the UK called the essential digital skills framework, which was produced by industry and government together. It

is led by the Department for Education and defines very specifically the set of skills that are deemed essential in the UK today.

It starts with the foundation skills—the very basic skills that you need to get online. Then it talks about the skills that you need for work and the skills that you need for life. It breaks those down into the skills you need to transact, to problem solve, to handle information and to communicate, and to do all of that securely and safely. That is a really good starting point, because it has a lot of specificity on it.

But I really chime with what you were saying there. There is a lot of conversation about digital exclusion and people not being online. There is a huge amount of conversation about high-end skills gaps. Then there is this whole rump in the middle, which we are probably all part of, where we do not necessarily have all the digital skills that we need to be digitally capable and confident. That is where we are very much focused at FutureDotNow. I hope that that answers your question.

Lord Foster of Bath: That is very helpful.

Antony Walker: I agree with Liz. It is important to think about those three stages of life skills. There are basic issues now of equity in society and the ability to participate in society that depend upon having those basic digital life skills. Then there is the piece around skills for the modern workforce, where basic digital skills are probably as essential as literacy to being able to function, operate and be productive in the modern workplace. Then there are the more high-end technical digital skills that are really crucial for ongoing innovation in the economy.

This is often the area where we as industry will focus on the skills gap, because they are often the skills that are most in demand by our members, but you get to that third point only if you are doing the other two. That is why, for an organisation such as techUK, these broad, modern workplace skills, as well as these essential life skills, are so important.

Lord Foster of Bath: This is a really noddy question, and I apologise in advance, but please help me. If we were to identify somebody and say, “That person is defined as digitally excluded”, and they had the funds, the kit and the enthusiasm to do it—all the factors that may impact on digital exclusion—what are the digital skills in your list that would help move them from being digitally excluded to being no longer digitally excluded? What are we talking about? Give me some specifics. What is on your list?

Antony Walker: It is important to break it down a little, because it varies, depending on who we are talking about. We know that the most digitally excluded cohorts in the UK are the elderly. Some 90% of those who are digitally excluded are 55-plus, and there is a whole range of issues in that cohort. For them, the implications of digital exclusion may not be that they are excluded from the potential to work, but that they are excluded from access to healthcare. They may have problems with the cost of living, because they do not have access to the best prices or availability of services. They may suffer from being excluded from access

to buying tickets online or paying for parking online. For that group of people, there is one set of impacts.

If you look at the younger cohort of the digitally excluded, often young people in very low-income households, the result of that exclusion could mean that they have less access to potential for work or to employment. Then, of course, if there are young children in that household, having a lack of access to digital can have a really detrimental impact on their ability to access education.

Lord Foster of Bath: I understand the difference between the groups that you are describing. What I am not gleaning yet is what skills they lack. Would they be very different?

Antony Walker: The skills in each instance are likely to be different. If you are talking about the older cohort, it is about the ability to engage confidently with digital services online. The reasons why that cohort of people find that difficult will be varied. They may have had much less familiarity with digital technologies through their lifetime. There might be health issues that mean some things are more difficult to access. There might be just general things that they find more worrisome, where a lot of coaching and reassurance can help.

When you are looking at the younger cohort, you probably have a different set of issues, but the skills may be more about the ability to write a CV or to look for a job online. It might be a number of things that are different. At this stage, for the most excluded people, these are still quite basic-level skills, but there are a lot of people who do not have the confidence in that skillset.

Liz Williams: I do not think that it is a noddy question at all. It is a really important question, and specificity is key. The essential digital skills framework is, as I say, a graduated framework. At the foundation level, it means that I can turn on a device, connect to wi-fi and use a mouse. It is a very specific set of skills that are the gateways.

Then you have the skills that are for life and the skills that are for work. Under each of those, there is a specific set of skills and attributes that are grouped under task areas. Can I transact online? Can I problem solve online? Can I handle information? Can I communicate?

In a home environment, it might mean I can use email. In a work environment, it might mean I can use a system such as Zoom. It will be very specific. It gives you a defined set of skills and attributes under each of those task areas. It has been developed in partnership with business, so it has been very robustly developed. The Lloyds Consumer Digital Index reports on the exact make-up of capabilities across the UK against those different areas.

Lord Foster of Bath: That is very helpful. I am going to pass on to my colleagues, because I know that they want to look at what we can do about this. Perhaps in responding to them, you can also answer one other thing that I should have asked. What is your assessment of how extensive the basic skill gap is? I am sure that it will be picked up by colleagues.

The Chair: Do you have a brief answer to that?

Liz Williams: In terms of the workplace gap, I can give you some data points. Just under 60% of the workforce cannot do all 20 tasks that are defined as the essential basics for work. That is 23 million people. There are about 3.2 million people of working age who cannot do any of the tasks. That means that about one in five is unable to use digital productivity tools, to access their payslip online or to update their software to prevent viruses. Those are the workplace data points on that.

The Chair: I am going to move on, because I am conscious of time, but it begs quite a lot of questions.

Q76 **Baroness Fraser of Craigmaddie:** Thank you for painting a very comprehensive view of the landscape and the challenges. We are sitting here in Parliament and I am keen to ask about government responsibility. Where is the evidence that government should be intervening? Whose responsibility should it be to close these skills gaps? Should it be government, business, community organisations or industry? Where does it sit?

Antony Walker: If we were sitting here 100 years ago debating the impacts of the Industrial Revolution that had happened, we would be talking about the need for universal access to education, so that people could read and write, be productive and participate fully in a modern society.

This is the same debate, but for today's age, where digital skills and technologies are so important for all aspects of our society and the way it works, in terms of the economy but also wider social aspects. These are fundamental, important, essential skills. Therefore, just as government has a role to play in the provision of reading, writing and basic literacy, we need to look at digital skills in the same way.

We also need to recognise that these technologies have arrived very quickly over a period of decades, and that there are a lot of people who are older and who we need to think of when we are thinking about skills provision. It is not an issue that you can solve simply by addressing the education issues at school. You have to think about it as a lifelong learning challenge.

Baroness Fraser of Craigmaddie: This is the nub of my question. It is all very well to say that we all need to have basic access, so education should equip children to plug in a machine, use a mouse and whatever. When we then come to the other specific things that you highlighted earlier, whose responsibility is that?

Antony Walker: It has to be addressed collectively. Industry has a role to play. We have a lot of third sector organisations that are very active in this space and have a big role to play. The Government have a crucial role to play in two aspects. The first is in terms of their convening power and ability to help co-ordinate all that activity. At the moment, one challenge we have is that there is a lot happening but it is incredibly fragmented. Secondly, there are funding issues to think about, and we

have to think about how some of the more difficult provision can be funded.

Baroness Fraser of Cragmaddie: Liz, you gave us quite startling statistics about workplace digital skills. Is it not in the interests of business and industry to ensure that their staff have the skills that they need to be more productive?

Liz Williams: Of course it is. Your starting point was about government, business and civil society. All those actors play a key role, for sure. The challenge that we have at the moment is that there is not, to go to Antony's point, this clear convening. It is everybody's and nobody's responsibility at the moment. We do not have a clear national ambition. We do not have a strategy, therefore, to get there. We have lots of activity, but it is not dialling up to the impact that we need and it is not being ferociously measured.

At FutureDotNow, we have been co-ordinating and convening business around it, and trying to get a lot more co-ordination rather than siloed activity, but we do not have anything at the moment that says, "We expect everybody in the UK to be at this level of capability by this date". We are just allowing ourselves to drift along and hope that we are going to get there.

From a digital inclusion point of view, I can remember, at the beginning of the pandemic, having a conversation with Helen Milner from the Good Things Foundation, who I know has given evidence, and saying, "This is our time. There will be money coming for digital inclusion. We will understand the potential that this offers our country from a productivity and from a personal effectiveness point of view". The truth is that less money has gone into digital inclusion. It is brilliant to see the announcements in the last few days about maths, but where is the money for digital? There is simply not enough, and not enough being convened around it.

The Chair: Are you suggesting that there is a government responsibility for accepting and defining a foundation level of skills that everybody needs, but that, once you get beyond that in terms of the more advanced skills, that might then be the responsibility of businesses, depending on their own individual needs?

Liz Williams: Business needs to help shape it all the way through. That is what you have in the digital skills framework. It has not been developed by the Department for Education in isolation. It is not even consistently adopted across government. Different departments are creating their own variants of it. You have all this sporadic effort. The wheels are turning, but not turning in the same direction and leading to a big answer.

If you set a grand ambition and said, "This is where we are trying to get to", people would come in behind it and bring their own elements to it, but you would all be driving in the same direction.

The Chair: Is that what you would set as a clear ambition—everybody having foundation-level skills?

Liz Williams: No, not foundation. Everybody needs to have at least the skills in the essential digital skills framework, which has the three levels. It has foundation, life and work. I do not think that it is a perfect framework by any stretch of the imagination, but it is specific and it gives us something to work to.

The reason why I would say that is that it then gives you the ability to move onwards. It gives you the confidence and the capability to continue growing, because you are going to constantly need to move your skills. We need to get everybody up to a certain level, whereas, for some reason, with digital, we seem to assume that most people will just get there through osmosis. Every single one of us will have digital skills gaps at the moment, and so helping people to see that as the norm and to want to build those skills is really where we should be going.

Antony Walker: As soon as you get into this level of conversation, we really need to break it down into its component parts. Whether you are talking about foundational life skills, essential workplace skills or high-end skills, these are quite different questions that relate to quite different groups of people in society, where the means and methods to address those gaps will be quite different and will have different resourcing and funding requirements.

If there was one thing that I would stress to the committee when you think about your findings, it would be to try to break it down into those groups. The debate really suffers when we just put digital skills into one big bucket. We often end up talking at cross purposes, because we are talking about different cohorts of people with very different issues and challenges, where the solutions are likely to be very different.

Q77 **Baroness Healy of Primrose Hill:** Just to concentrate on work, I take entirely what you are saying about different cohorts needing different solutions. We have a productivity problem in this country, so would you say that it is the Government's responsibility from that point of view to set the strategy?

Liz Williams: It is government's responsibility to convene around the need for a strategy and a goal. There are many people who will want to help inform and shape what that would look like, but I certainly think that government has the ability to really drive the development of that.

Antony Walker: The delivery of the skills should be led by and driven by industry. Particularly when we look at SMEs, which are the bulk of companies in the UK, they have historically tended to underinvest in upskilling people. We have been advocating for stronger incentives that government could provide to encourage companies to invest in upskilling; for example, a tax credit available to SMEs to encourage them to invest more in upskilling.

For a lot of companies, you need strong, simple and direct incentives to get them to move on this issue; otherwise, they will always tend to think that it is somebody else's problem. Building that into a broader strategy, that is one example of the components that we would advocate for.

Liz Williams: Building on Antony's point on specificity, the SME community is really important. You are least likely to have the basic digital skills if you work in an SME, but there is no point having a broad tax incentive that just says, "If you invest in digital, you get it". We need to be really clear about the skills are. We need to really invest in those basic levels of skills. What you are seeing with other programmes is that, because people do not have the basics, they are then not able to get to the next level.

We have done a lot of work with, for example, Marks & Spencer, which has been running huge data programmes with its workforce. What it found is that people just did not have the basics, so it is now running a whole digital essentials programme across its workforce. It just shows you that there are lots of hidden gaps out there. We have to start by bringing everybody up, particularly in the SME community. Do not assume that because someone has a smartphone they know how to use it.

Baroness Healy of Primrose Hill: That brings me to another point about what demographics would be worth targeting. I am interested in women returning to work having had children, or older workers who they are trying to bring back into the workforce. They all need retraining. Who would be responsible for that?

Liz Williams: The data shows that it is across the board. Just as an example, no region has more than half its labour force with all 20 work skills. People assume that the younger generation are very digitally literate. I can give you 50 stories of young people who are unable to use email accounts and, therefore, are really struggling with their apprenticeships. It is every age and every life stage. What we need, therefore, are plans that tack in on those. I would say that nobody should leave an apprenticeship without having ensured that they have all the essential digital skills. Nobody should go through the universal credit journey without being sure that they have all these skills. Companies should be incentivised to help people build these basics.

Baroness Harding of Winscombe: Thank you ever so much. This is really helpful. I just wanted to go back. You referenced the Prime Minister's statement and commitment about maths, and I just wanted to push on that. Which do you think is more important—maths or digital skills? You make a very compelling case that government should focus and convene on digital skills, but government cannot do everything. Which would you prioritise?

Liz Williams: Lady Harding, that is a very naughty question, because you know exactly what I am going to say. Digital is the lifeblood of how we now operate. Maths is really important, but we know how to do maths and there is a huge amount of learning out there on that.

In this whole area, we have an absolute crisis in our country, where we are going to have swathes of people left behind. We will never close this digital skills gap. We will never get to the productivity prize that is at the end of it. We do not even have an economic impact assessment of where we are now. From my perspective, this is number one—not digital skills

for digital skills' sake, but because that is the multiplier effect that drives everything else.

Lord Young of Norwood Green: Does it really take much to get a young person to get emails? They are on their smartphones morning, noon and night. I am pushing you on this, because I cannot believe that it is a huge leap to get them to do that.

Liz Williams: Go to an online centre or speak to one of the teachers who are dealing with that problem, and they will tell you that it is a completely different set of skills. If they are running on Snapchat and instant messaging, they understand how that works. They do not understand how the whole email technology works. They do not understand any of those workplace skills. They are just alien. It is like a completely different language, unfortunately.

The Chair: Apparently, they do not even like answering their phones.

Lord Kamall: I should declare a potential conflict. Years ago, I was on the techUK Brexit advisory committee. Antony, you will remember that. It was a great job we did then.

We are talking about skills. One of the challenges in any area of skills is particularly companies that are worried about training their workers and then losing them. How do we face that challenge, particularly in the digital skills area, or is it just a general problem with any skills?

Antony Walker: We have to help companies get across that worry. If you do not have a digitally skilled workplace and workforce, the chances are that your competitor will. It is a straight competitive threat. We have this compounding challenge, which is that, if you do not have those basic skills, you cannot get the next level of skills. Companies today are thinking, "How are we going to implement AI in our business?" If you are going to do that high-end stuff, you have to understand what data you have and you have to have people who are able to work with that data, so you already have to have quite an advanced skillset.

If you do not have those people, you cannot even begin to think about how you are going to apply AI to your business and—guess what—you are going to get left behind when your competitor, which has those skills, continues to innovate and move forward. It is about the competitive threat that results from not having a skilled workforce.

Lord Lipsey: Before I ask the question that I want to come to, may I just make one prior point? I see the size of the challenge, of course, but there is one thing working for us. Old people like me are dying the whole time, and we are going to die without the skills, whereas young people who have much higher levels of skills are coming through. There is a degree to which this is a self-liquidating problem.

Liz Williams: I completely disagree with you.

Lord Lipsey: In that case, may I ask why you disagree?

Liz Williams: We are not producing a next generation of digitally capable and literate young people, but young people who are just picking

up phones and using them. They are not building the digital literacy. People aged 30 to 40, those who grew up in the micro:bit generation, are the more digitally literate. This cohort coming through is not.

Antony Walker: I would also argue that one of the opportunities around digital is going to be to drive greater efficiency in the provision of public services, healthcare in particular. Because there is a link between digital exclusion and deprivation, and then a link between deprivation and complex health problems, there is a real risk that we still have a very large cohort of people who are not that old today but are ageing, without the digital skills that would be really useful to help them manage their conditions and help us manage the cost of providing services. This is a real problem with a very significant economic impact on the cost of provision of healthcare. That is just one example.

Lord Lipsey: We will not resolve this now, but I did notice that the excellent Lloyds survey shows much lower usage and capability among old people of 75-plus than among the babies. That seems important to me.

Antony Walker: That is true. We have a cohort of older people at the moment with almost no digital skills, and a significant cohort of the 55-plus who have no digital connectivity. That will decline as an issue, but I agree that there are still a lot of people coming through with very basic skills. For example, they might know how to use social media, but not how to do much else.

Q78 Lord Lipsey: We are very near to a consensus here, so I will move on to a question to which I simply do not understand what the answer could possibly be and need your advice on. Here we have what you call a crisis in digital literacy. Here you have a policy that, if improved, would yield huge economic benefits, because we are paying a huge price. For example, some people cannot get their GP appointment online, so they ring up the surgery and it is really expensive. Many people are not fit for jobs. There is a real economic crisis there. It is also a social crisis, because, if you cannot use this stuff, you may not be able to communicate with friends and neighbours, which is an important thing for the elderly.

When you look at what is going on, you find all these third sector organisations and foundations doing wonderful work. You find quite a lot of local authorities doing splendid work in getting digital literacy going among them. Among the devolved Administrations, the Welsh, for example, provide you with a free broadband link just for living in Wales. I have one and it saved me 800 quid; I probably could have afforded it, just about, but many people cannot.

There seems to be no coherent government strategy at the bottom of this for really getting it going. In fact, we have a situation where we do not really know which department deals with what. I am going to shut up. Hang on—I am allowed 10 minutes surely, Chair. Do you share that assessment? What is the cause of it?

Liz Williams: You have heard me say it already. There is an absolute opportunity area in terms of co-ordinated strategy and ambition, and then tracking against it with some urgency and priority. The digital strategy published last year speaks strongly to things such as tech superpower ambitions and unicorns, whatever that might mean, but there is a huge job to do around our people strategy, and it is too light on that. It is just an opportunity waiting to be tapped into.

That is a very positive side to it, but there is a negative side as well. If we do not do it, we will continue in this spiral and will not find the holy grail for the productivity challenges. We will continue to have social issues. If we invest in social mobility and suchlike, it will make a difference.

We do not currently have an economic impact assessment that shows us either the negative or the positive on this. There is undoubtedly a business case, but I cannot point to it, and I have been working in this area for decades. That is one of the reasons why, for example, maths might have got money that digital is not getting. Every time you talk to people, they ask, "Yes, but where's the business case?" and you go, "Well, nobody's done it". I wish the Treasury would do it.

Antony Walker: We have bits and pieces of policy, but we do not have a strategy. We do not have a clear owner in government. We sometimes have the odd initiative or things set up to make it appear as though there is real co-ordinated action, but there is not.

Responsibility for digital skills was sitting within DCMS, but with no budget. There was lots of engagement from business leaders in that council, but there was a great deal of frustration that, without any budget attached, little could be achieved. Through the period of both Brexit and the pandemic, the teams of officials who were working on the policy all got pulled off to work on those other issues. It was seen as a low order of priority within government, and that is what needs to change.

We need to recognise its strategic long-term importance, from both an economic perspective and a social perspective. We need to establish clear leadership in government, with the ability to pull together different bits of government and government departments, and there needs to be some money attached. There needs to be a very clear analysis and understanding of the agglomeration of problems. We also need to recognise that lots of parties have a role to play, and we need to bring those parties together.

Q79 **Baroness Wheatcroft:** It is very hard for Governments to teach adults who do not wish to be taught, and where Governments can get a grip is education. Without wishing to decry maths at all, is the curriculum at the moment sufficiently geared to producing people who leave the education system digitally included, with all the skills that they need? We have people who leave the education system unable to read and write, and they never, ever learn. How would you want to see government deal with this issue? Let us start with the youngsters.

Liz Williams: The essential digital skills framework is owned by the DfE, but it does not go below 18. Every year, you have another cohort coming out of the education system who do not necessarily have those essential digital skills. To me, that seems to be an open door of opportunity.

We need the education system to bring us young people who are technically literate. Some of them will go into high-end tech jobs, for sure, but we also need to make sure that the general population has the digital capability and confidence that they need to be able to engage with society. At the moment, the teachers I speak to suggest that that absolutely is not the case. Particularly when I talk to people who work in the apprenticeship space, to the point that I was making earlier, they say that young people are coming out of the system without the technical ability to do some of the core things that would enable them to work through their apprenticeship and do their coursework, for example.

Antony Walker: I would agree with that. There is quite a big disconnect between schools and the workplace. Schools and teachers sometimes do not have a good understanding of the way in which technologies are used in the workplace. That is a really difficult one to fix, because schools and teachers face a huge amount of challenges and are required to teach and achieve too many things. Generally, I worry that the curriculum as a whole does not really take full account of what digital skills are and what they mean in the workplace.

The debate often focuses too narrowly on coding. You are either a coder or you are not. Also, when we think about the skills for a modern workplace, we are thinking about the ability for people to do reasoning or to work as a team and to problem solve. You are looking at quite a broad range of skills and attributes for people to bring into the workplace. It probably requires a very long answer to get to more clarity on it, but do I think that we are there now? No, I do not.

Baroness Wheatcroft: To go for a quick answer, could there be an equivalent of a GCSE in digital skills, without which no child should be allowed to graduate?

Antony Walker: I am not sure that is the answer. I would argue that we need to be using digital and digital tools broadly to deliver the whole of the curriculum. That is how you build that familiarity. That is happening to some extent, but I do not think that it is there yet. Do not view digital too narrowly. Think about it as skills for living.

Liz Williams: It is how we do everything. Whether you are doing your history or your geography, you should be using digital skills to do that, as opposed to going into a computer suite, because that is how digital is in our lives. When I spoke to the team that run the apprenticeships, for example, they said, "The reason we can't do any of this, Liz, is that we can't add another piece of qualification and we've got too much in the curriculum". I am like, "No, it's just how you prove you're already doing the things that you're doing", so they have to embed it more.

Baroness Wheatcroft: That is the problem, is it not? If something is so broad that it cannot truly be measured, it does not happen.

Liz Williams: Absolutely, what gets measured gets done. Taking the example of the skills in the essential digital skills framework, you should be able to test them across a range of other subjects. You can do it through other means. To your point, it is not about getting kids into a computer suite and doing a GCSE.

Baroness Wheatcroft: I fear that, if it is not measured in a very specific way, it will not happen.

Lord Griffiths of Burry Port: I am finding this a very fascinating area and am becoming aware of the complexity of the issues. We started by thinking that, if people were poor and could not afford this, that or the other, they were excluded, but exclusion is a much more complicated thing. I am interested in something that just falls outside, but has been touched by a number of the things that you have said.

My wife worked as a radiotherapist in a hospital and had to master the use of technology to apply oncological outcomes to patients' needs. She was a whizzkid; she was brilliant at it, even though she learned after the children had gone to school and so on. Then she made the big mistake of going into management. The skills that she needed now were entirely different. It just illustrates to me how the skill base that we need is so intricately related to the work that we have to do.

Quite apart from the basic skills, and while I concur with all that you have said, there is this issue that only in the workplace can time and resource be given to upskilling and redirecting people who are not without intelligence or even experience but who have a different field of application.

Liz Williams: I would agree with that. Business does a huge amount and makes massive investments in people skills. What we are seeing at FutureDotNow is that, at the basic level, businesses tend to invest in you and will do things around certain tools. They will show you how to use the MS Office suite or how to use Zoom, or whatever those technologies are that you specifically need.

The reason why there are so many people without that full suite of skills in the essential digital skills framework is that certain things will just fall through, because you are not looking at it from a broad-brush perspective. A lot of the top 10 skills gaps are around safety and things like that, because people do not naturally go and do courses on that.

I completely agree that business has a huge role to play. Business is already doing a lot, but, at the basic level, there is a huge gap in capability in the UK that is largely misunderstood at the moment. If we can close that, it will enable us to accelerate in other areas.

Q80 **Lord Young of Norwood Green:** You talked about lacking a coherent strategy, and we had evidence not long ago from Estonia. It has a coherent strategy. Is that the way we should be looking at things?

Liz Williams: It is a very different political system and make-up. Estonia has a multiyear, long-term plan. There is certainly a lot that we could learn from that, but the problem is that you are applying it to a very

different context. Unless we set a clear vision and a clear strategy, we are never going to get there. We need to make sure that this is going across whatever side of the House is in power. We should see this as a national challenge that we all need to get behind.

Antony Walker: We can absolutely learn from international examples. It is not just Estonia. Places such as Singapore do very interesting work. The South Koreans are doing lots of interesting work in thinking about the societal impacts of technology. We need to come up with a strategy that works for us and that fits the UK context, but any strategy would be an advance from where we are today.

Q81 **Baroness Harding of Winscombe:** I have a slightly less cheeky question this time. As Lord Griffiths said, the more we explore the topic, the more complex the problem appears. One thing that was really new to me was the realisation that, unlike traditional literacy, the bar for digital literacy keeps going up as technology changes. I would really like to understand your views on the extent to which bar for essential digital skills is going to change over time and how that should affect government policy.

Liz Williams: It is going to keep moving. There is no question about that. That is why, when I talk about the subject, I talk about capability and confidence, because, if we can instil in people the core capability and then the confidence, that will enable them to respond to things as they grow and move. I think about things I learn from YouTube. When I want to learn to do something, I have the confidence to go on, get a video on YouTube and find out how to do the next thing, or I google the question.

We are going to have to be incredibly agile to change. You have only to look at the innovations in the last few months in AI. It is just going to keep moving, but we have to get us up to a base level, because it is the base level that will enable us to keep growing.

By the way, the skills in that framework have been reviewed many times already. They should keep being reviewed and we should keep moving them, but must not lose sight of the fact that so many people are currently below that bar, because 60% of the working population is massive. In the tech industry, which you would assume would be up there, 70% of people have all 20 skills in that work list. If you are in construction, it is about 20% of people who have them. Even where you think people are going to be highly digitally skilled, there are swathes of people who do not have all the skills that they should have at the base level.

Antony Walker: It is not just that it is going to keep changing, but that the pace of change is going to keep accelerating. To your point about recent innovations in AI, if your job is coding, the new ChatGPT that was launched at the end of last year is suddenly an incredibly powerful productivity tool for people who code. It could also transform the way in which coding is done, so it may need far less human input to generate lots of computer code. That is an example of a set of skills that are going to be transformed by AI.

The pace of change right across the economy is going to accelerate, and we have to think about what our response to that is. As I was saying, the response to industrialisation in the 19th century was universal basic education, and that was a pretty good response at that time, but we face a different challenge now. It is a lifelong learning challenge and we have to think about how you provide that lifelong education or how you give people the opportunity, time and resources to upgrade their skills as and when they need to do it. Therefore, incentives for SMEs to provide training become really important, because they are going to be a key part of the provision of this continual process of upskilling.

Baroness Harding of Winscombe: There is a counterargument that technology will become more and more user-friendly and that the digital skills that we will need in the future will be fewer, because things will be voice-activated. I will not need to learn how to use a mouse or whatever it is. Do you have any truck with that argument?

Liz Williams: At one level I do, but at another level I do not, because it could become "them and us". There will be the people who are digitally literate and who can use it. I have only to think about my parents at the moment. My dad goes into his favourite café. They no longer have a menu and expect him to be able to use a QR code. It is really easy, unless you are 85, slightly deaf and knew what you previously used to do.

To your point, people will move on and have different needs, but we all have to understand the technology around us and not be driven by it. If we do not invest in people and if we do not build a digitally literate society in the UK, we are going to continue to be a "them and us" society, which is going to feel very bad.

Lord Foster of Bath: Is the logical corollary of that that somebody who is currently not digitally excluded could become digitally excluded in the future?

Antony Walker: Yes.

Q82 **The Chair:** You have used the Industrial Revolution a couple of times as an analogy. I get your point about equating digital skills to reading and writing. We do not have an O-level in reading or in writing. It is a fundamental skill that you use and then apply as you develop. I get all that.

I just wondered whether there were more recent examples of evolution, as opposed to revolution, where you have seen a disjointed or uneven set of skills in our way of life. Thinking back over the last century about how things have developed, when did this start to emerge as an issue in terms of a divide? When you have thought about how to simplify this, is there anything else that has made you think, "It was a bit like that then"? There may not be. I was just struck that you are using an example of something very old, and maybe that is a symptom of just how radical this situation is.

Antony Walker: Personal computing came along and, for some people, that meant going from a world of using a typewriter to one of using a word processor. You were doing sort of the same thing. You were writing a letter and printing it out, but you were just using a different machine to do it. When the internet came along, that changed, because it meant that you could do things quite differently. You no longer needed to write a letter, print it out and post it. You could send an email, engage with a service directly online and put your information in, or whatever it was.

Once we started to move to a society where internet services were integral to the provision of so many things that used to be formal services, the world started to change. Year by year, the speed of that change has been accelerating. It is hard to forget that we have not had these things for that long, but a lot of us live our lives through them today.

If you had never had one of these in the first place and were looking at other people who are glued to them all day long, you would think, "What on earth are they doing? How's their life different from my life?" It is hard to think of a parallel because this is a new epoch, in a way, where we have a new set of incredibly powerful technological tools available to us individually and as a society, but, if you cannot engage with them, you are at a huge disadvantage.

Liz Williams: I cannot think of an example either, but a couple of points occurred to me when you were talking. The first thing is that, in the previous Industrial Revolution, it was visible. This has been invisible in a way. To your point about the smartphone, I used to work in the telecoms industry and remember someone saying, "There will be a point when minutes won't matter; it will be about data". I thought, "What are you talking about?" Of course, that is where we are now.

You mentioned reading, and there is a really interesting thing about reading. We do not turn around to our children and say, "You are surrounded by books. You will pick it up. You will work out how to read". We train them in it. For some reason, we treat this differently. Culturally, we treat this differently, and I find that fascinating. We just assume that, if we give somebody something that is easy to use, they will be able to work it out. That is true in the workforce as well. We train a bit, but we do not train enough. We do not enable people to get the maximum from it.

There is something that is culturally very different about this, and the way that we treat it at the moment needs to change. There needs to be a new cultural norm about what we expect people to be able to do with digital.

The Chair: I will draw this to a close now, because we will move on to our second panel, but thank you both very much for your evidence today. It has been really helpful and interesting.