

Rt Hon. Michelle Donelan, MP  
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27th October 2022

Dear Ms Donelan

Congratulations on your re-appointment to the role this week.

We are pleased to see the Government's focus on growth. The signatories to this letter represent hundreds of technology businesses with operations in the UK. These firms have created huge numbers of high productivity jobs and plan to do so in the future. Correct management of data is critical to their success, including compliance with the General Data Protection Regime (GDPR.EU). Recently a 'reassessment' has been announced of the UK's proposed Data Protection Reform Bill, with a suggestion that the UK may depart from the terms of the EU's GDPR.

We live in an increasingly digitally connected world, with data flowing internationally across national boundaries all the time. All firms now understand & conform to GDPR. Divergence from GDPR would constrain growth rather than enable it for the following reasons:

- Data is international. Technology companies are thinking constantly about growth, that is a key part of what they do. Growth almost always means winning customers based in the EU or expanding usage of their solutions to users based in the EU, meaning data flowing across borders.
- Companies will need to remain compliant with GDPR in any situation. Compliance with two regimes would increase the burden on firms rather than reduce it, the greater the divergence the higher the burden.
- Data adequacy with the EU is critical. Currently the UK has adequacy status meaning that data can flow to/from EU unimpeded, revocation of that status would hugely increase complexity for firms and make the UK a less attractive place for technology firms to be.
- Data protection globally is increasing rather than decreasing, for example California, Colorado, Virginia & Utah are implementing new legislation.<sup>1</sup>

The announcement of the reassessment has caused uncertainty, as timing of the consultation is not clear. Delay and uncertainty will constrain growth as companies will postpone investment decisions.

Technology businesses and ScaleUps can play a big part in solving the UK's Productivity Puzzle. Their jobs are of significantly higher value than the UK average<sup>2</sup> and their solutions enable all organisations to transform their productivity through greater automation, analytics and adaptability.

There are several areas where the Government could support greater productivity and economic growth. One of the biggest constraints on business is having the right people with the right skills<sup>3</sup>, here the education system can have a direct positive impact. In 2022 Computing was the 16<sup>th</sup> most popular A level in UK, 29<sup>th</sup> for female students (2021 data).<sup>4</sup> Computing & digital skills are the new

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<sup>1</sup> <https://www.linklaters.com/en/insights/blogs/digilinks/2022/march/us-utah-follows-california-virginia-and-colorado-with-comprehensive-state-privacy-law>

<sup>2</sup> <https://technation.io/people-and-skills-report-2022/#key-statistics>

<sup>3</sup> <https://www.harveynash.co.uk/latest-news/2021-11/Digital-Leadership-Report>

<sup>4</sup> <https://www.jcq.org.uk/examination-results/>

modern language, understanding of Digital/Data/Technology (DDaT) is needed in all jobs across all industries and sectors. We would like to work with you on the implementation of proposals like the recent 'Levelling up through digital, computing & technology skills' published in 2022 by the ScaleUp Institute<sup>5</sup>.

We believe passionately that the Technology industry can play a greater part in the UK's productivity and growth agenda, but Government must create the right environment to allow that to happen. Data protection is critical, but we believe there are other areas where reform would enable growth. We represent a large part of the industry and would like to sit down with you to discuss how Government can help to enable that.

Please let us know how we can arrange a discussion.



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Chair Arctic Shores, Clue Software, Orbus Software

Co-signed by the following UK HQ'd Technology ScaleUps:



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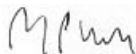
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<sup>5</sup> <https://www.scaleupinstitute.org.uk/reports/levelling-up-through-digital-computing-and-technology-skills-growing-the-uks-domestic-talent-base/>