Press release

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techUK principles for data governance: the UK must seize post-Brexit opportunities with a bold reform to data policy

- *Ambitious reforms through the UK Government's National Data Strategy could support increased investment and activity in R&D and innovation*
- *Data use has added at least £241 billion to the UK economy between 2015 and 2020[1], while 76% of techUK members say R&D is important to their business operations in the UK[2]*

LONDON, 31 March 2022: Technology trade association techUK has today released a new data governance paper, listing six key principles for the UK Government to seize post-Brexit opportunities, with a bold approach to data policy.

Ahead of the Government's publication of the consultation response, *Data: A new direction*, techUK has worked with members, from large global players to scaling UK companies, to outline six bold principles that should be embedded into the implementation of the new data protection regime.

Data is a foundational part of the UK's ability to innovate, accelerate R&D and drive economic growth; its use is projected to have added at least £241 billion in value to the UK economy between 2015 and 2020. However, techUK members cited confusing and unclear rules as holding them back from investing further in the UK. The Digital Economy Monitor[3], a recent survey of techUK members, found that 76% said R&D and innovation was either important or very important for their UK operations.

When reforming data policy, care must be taken to ensure high standards of personal data protection and that principles are aligned with other key global players such as the European Union (EU). This means maintaining the independence of the data regulator (i.e. the Information Commissioner's Office) and guaranteeing citizens can exercise the right to have a human review on significant and legal decisions made about them by artificial intelligence (AI) systems or algorithms.

techUK is calling on the Government to take a focused approach to supporting R&D and innovation by making reforms to its data protection regime that provide organisations with clear rules and more confidence when pursuing data-driven research projects. To ensure these benefits are captured as widely as possible, product development should be kept

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[1] The Value of Big Data and the Internet of Things to the UK Economy, Feb 2016, CEBR & SAS
[2] techUK Digital Economy Monitor Q1 2022
[3] https://www.techuk.org/resource/digital-economy-monitor-q1-2022-results.html

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within scope of the proposed reform to the GDPR's statutory definition of "scientific research," and the Government should enable responsible re-processing of data already collected for research and innovation purposes. Doing so will help build on the contribution of businesses to UK R&D, which amounted to £25 billion or over two-thirds of all R&D funding in 2018[4].

Getting this balance right will ensure the UK can not only have an innovative data protection system at home, but also continue to export abroad through partnerships with the EU and others. In its latest figures, the Department for International Trade estimates the UK exported £190.3 billion digitally delivered services, representing 67.1% of total UK services exports[5].

The six principles identified by techUK and its members to make this framework workable are:

1. **Improving data access for cutting-edge research and development (R&D)**

    The current GDPR is an example of regulation that has caused legal uncertainty for businesses seeking to innovate, with some being unable or choosing not to use data to the fullest extent due to a lack of clarity in the law. The Government has proposed several reforms that, if upheld by proper safeguards and regulatory guidance, would offer organisations effective and trusted mechanisms to re-use personal data for research purposes.

    techUK is calling for the introduction of an exhaustive list of common processing activities under legitimate interests to support UK based innovators. This proposal would offer businesses greater legal certainty, reduce administrative and legal burdens, and mitigate re-use limitations associated with consent, which businesses often rely on as a lawful base.

    This opportunity must be seized to ensure the benefits are captured as widely as possible. Product development should be kept within scope of the GDPR's statutory definition of "scientific research," to reflect the contribution of UK businesses to R&D, which amounted to £25 billion or over two-thirds of all R&D funding in 2018.

2. **Securing strong safeguards for personal data protection and a pro-innovation regulatory environment**

    It is crucial that any reform to the data protection regime seeks to maintain high levels of public confidence in the system, by protecting effective mechanisms for redress in the GDPR. This includes making sure subject access requests remain free, ensuring human reviews of automated decisions remain where those decisions have significant or legal effects, as well as maintaining the independence of the ICO as the regulator.

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[4] UK Research and Development Roadmap (webpage) - GOV.UK (www.gov.uk)
[5] Understanding and measuring cross-border digital trade 2020 – DIT

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3. **Setting the UK on the right track to unlock the value of data across the economy and society (non-personal and personal data)**

   The use of personal and non-personal data is growing rapidly, enabling a pace of innovation that is allowing businesses to offer individuals access to new and improved products and services.

   The Government needs to step up work in the National Data Strategy to appropriately equip individuals with the right data skills to participate in the digital economy. There is also a need for increased collaboration between Government, and the public and private sector by seeking to improve data availability to different sectors of the economy and creating trusted avenues for voluntary data sharing. This includes accelerating reforms to smart and open data.

4. **Strengthening the UK's cyber resilience to protect UK data infrastructure**

   Government must ensure that data remains protected in transit and when stored or processed at home or abroad. Robust data infrastructure is crucial for this. techUK says Government must seek to understand the scale and nature of potential cybersecurity risks, as well as develop appropriate escalation paths to address them, including keeping track of new and emerging trends. Collaboration with industry will be essential in this process.

5. **Enabling the global free flow of data with safeguards**

   The Government's proposal to shift to a more proportionate and risk-based approach to its own adequacy agreements with likeminded third countries and regional blocs is a positive step-forward in setting a new international model for international data flows. However, Government should take steps to ensure the confidence of partners in the UK system is upheld. Achieving this will be vital to maintaining the UK's adequacy decision with the EU.

6. **Taking a firm line against data localisation at home and abroad**

   As countries develop their thinking on data protection, there has been a concerning shift towards data localisation policies which pose a serious threat to the future of international trade and innovation. To be an effective advocate for increased international digital trade cooperation, the UK Government must address its own disconnect between its global commitment to push back against this trend, and its policy interventions at home, which have contained provisions that promote data localisation.

Neil Ross, Associate Director for Policy, techUK said:

"Developing a clearer, more trusted and innovation-enabling data governance system is one of the most obvious opportunities of Brexit.

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"In doing so, the UK must find the right balance between upholding citizens' rights, allowing data to be reused for research and innovation, while also supporting global data flows.

"By putting forward these principles for reform, techUK believes the UK can strike this balance and unlock the next wave of data driven innovation. However, the Government will need to be bold and embrace these opportunities, otherwise risks only achieving half-hearted changes, and creating extra compliance for UK businesses without seizing any of the benefits for increasing UK R&D and innovation."

-ENDS-

Notes to Editors

The full paper can be downloaded here.

Digital Economy Monitor 2022: In techUK's recent Digital Economy Monitor Survey when asked how important it is for their businesses to conduct R&D activities in the UK, 76% said it is either important (45%) or extremely important (31%). However, members highlighted several barriers that are hindering businesses from meeting their R&D objectives. Among these almost one third suggested removing regulatory barriers to innovation and the deployment of new technologies and products (29%) such as through data policy. See the full results here.

Evolving the UK's approach to data protection, techUK's response to the DCMS consultation Data: a new direction

How UK data protection reform can help drive the R&D ecosystem (techuk.org)

techUK's data reform hub

About techUK

techUK is the technology trade association that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve.

With over 850 members (the majority of which are SMEs) across the UK, techUK creates a network for innovation and collaboration across business, government and stakeholders to provide a better future for people, society, the economy and the planet.

By providing expertise and insight, we support members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.