

Press release

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techUK publishes Growth Plan for the UK Government

- *Ahead of the Chancellor's Budget, techUK provides a roadmap for the Government to work with the tech sector to boost the British economy,*
- *The Growth plan comes as the Office for Budget Responsibility (OBR) suggests that greater tech adoption could help close the Chancellor's £22 billion black hole, twice over*
- *techUK launches a new Growth Council bringing together leading tech businesses to advise the UK Government on its growth mission.*

LONDON, 17 October 2024: techUK, the technology trade association, ahead of the Chancellor's Budget has today published its Growth Plan outlining how the Government can boost economic growth by developing the tech sector and encouraging technology diffusion across the economy.

The UK's tech sector is on track to become the biggest single sector contributing to GVA due to its size and a faster growth rate than other sectors in the wider UK economy. Additionally, virtually every other business sector has a 'growth plan' predicated on greater digitisation and the use of new and emerging technologies such as AI, quantum and automation, meaning that support for the industry is critical.

As the UK faces an unprecedented set of challenges, including slow economic growth and labour shortages, it is crucial that the new Government recognise the tech sector's ability to establish sustained growth, aimed at making the UK the best place to start, scale and run a technology business.

By taking decisive action, we could create up to [678,000 new tech jobs](#) across all regions of the UK, raise [£40 billion](#) for the Government through AI and digital technology adoption, and ensure the UK leads in the technologies that will drive global economic growth in the next decade.

techUK's Growth Plan is framed around:

1. Building the right foundations – get the foundations right, including skills, digital adoption, infrastructure and investment incentives
2. Enabling the competitiveness of the UK's everyday economy – place-based approach to deliver tech clusters and improve the quality and efficiency of our public services
3. Shooting for the stars – shore up the UK's competitiveness by leveraging economic growth opportunities and capitalising on our unique advantages

The Growth Plan lays several practical proposals for the tech sector and the Government through a strong working relationship. A few of these include:

Build: Get the foundations right, including the skills, digital adoption, infrastructure and investment incentives to boost productivity and enable firms to grow.

- Reform the planning system to enable billions of pounds of new investments in digital infrastructure, including for artificial intelligence, across the UK.
- Improve the performance of the UK's R&D tax credit and set out a five-year plan to reform an underperforming HMRC, improve take up and expand the coverage of the R&D tax credit. Encouraging businesses to invest more in R&D and receiving a return of £2.70 for every £1 spent on R&D support.
- Provide a boost of up to £232 billion to the UK economy by encouraging digital and AI adoption across the UK's SMEs. By setting out a digital adoption strategy and identifying a named Minister responsible for increasing digital adoption by 2030.
- Deliver the new Growth and Skills Levy and work with the tech sector to create a Digital Skills Toolkit. Increasing digital skills provision across the UK and encouraging a more diverse and inclusive tech sector.

Empower: Take a place-based approach to develop tech clusters and improve the quality and efficiency of our public services to deliver better outcomes for UK citizens.

- Reform the processes for public procurement to create more opportunities for UK Scale-ups and SMEs to access contracts to provide Government technology projects.
- Deliver on the recommendations of the Harrington Review to create a more joined up investment offer with the support of Metro Mayors and Devolved Governments.
- Create a Connected Hubs programme, similar to the scheme run in Ireland opening remote and co-working locations across the UK.

Shoot for the stars: Shore up the UK's competitiveness by leveraging economic growth opportunities and capitalising on our unique advantages, including in net zero, AI and quantum.

- Deliver a new AI Strategy, sitting alongside the UK Industrial Strategy to unlock the full benefits of AI technologies, potentially raising UK GDP by 10.3%.
- Utilise the Regulatory Innovation Office to run focused policy sprints to help commercialise new and emerging technologies.
- Maintain the planned increase in the UK public R&D budget and support critical technologies such as Quantum and Semiconductors.
- Create tailored a scale-up support offer to help close the UK Scale-up gap. Full list of policy suggestions proposed in techUK's Growth Plan.

Julian David, techUK CEO, said:

"The Government is currently grappling with multiple challenges, from boosting economic growth and supporting public services to tackling climate change. Despite tight fiscal conditions, investing in the tech sector can yield substantial returns.

"We can seize this opportunity by recognising the tech sector as a driver of growth and change, but this requires Government action to stay ambitious, keep up with technological

advancements, and continue prioritising investment in research and innovation to tackle economic challenges.

"This is a crucial moment for the UK to signal its commitment to investing in industries that will shape the global economy over the next decade. The Growth Plan presents practical examples of how the Government can build the right foundations for growth, empower the competitiveness of the economy and support the industries that will define the economy of the 2030's. These ideas are backed by practical interventions that recognise the fiscal position the Treasury finds itself in, in the early stages of this Government."

Notes to Editors

- The full report will be available for download [here](#) (live from 00:01 on 17th October)
- techUK recently launched its Growth Council of members, which urged the Government and policymakers to embrace these objectives and work together to ensure the UK remains a global tech leader, driving innovation and economic prosperity. Members of the Growth Council include: Google, Microsoft, IBM, Virgin Media/O2, Block, RELX, HP, Arm, Cloudflare, Broadcom, Experian, SAP, Plexal, Kainos, Vorboss, Griffith Ltd, Made Tech, Lenovo, and Yoti.

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[techUK's new Government 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 1000 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.