

Good afternoon – thanks for the kind invitation to speak at this event.

It's great to see so many familiar faces from across the Liverpool City Region – and the wider northern corridor.

But - it's also great to see some new faces too.

I'll keep my remarks as short as I can today – as I am keen to take some questions at the end.

But - there is a really good story to tell about what we are doing locally.

And I want to do justice to it.

Today – we're here talking about something completely different.

Something that hasn't fully permeated the public's conscious yet.

But - something that is already changing the world as we know it.

And that is - artificial intelligence.

Actually - before coming here today – I looked up on some stats regarding AI – and they are truly mind-blowing.

For example – depending on whom you listen to – Artificial Intelligence will either create 58 million new jobs by 2022 (that's according to the World Economic Forum).

Or - it could put 35% of jobs in the UK at risk over the next 20 years – (according to Oxford University).

What is clear – above all else – is that there stands to be both winners and losers from the emergence of this new technology.

The role of politicians like myself – therefore – is to ensure we have the infrastructure and ecosystem necessary to take full advantage of this coming digital revolution.

And at the same time - to ensure - we future-proof our communities for that - inevitability.

Now – before I go on – there’s something I should let you know.

I’m not here professing in any way to be an ‘expert’.

In fact – as someone who is still waiting for the Jet Pack I was guaranteed by Tomorrow’s World 30 years ago – you could say that I’m someone who (at times) is slightly sceptical of promises of technological change.

But I wanted to contribute to this discussion today – because - for the area I represent – I think it will be truly transformational.

Here in the Liverpool City Region - we are already leading the way in the development, production and application of artificial intelligence.

And there are a number of reasons for that.

It is due - in part - to the absence of a genuine National Strategy in regard to ‘all things AI’ – meaning regions like ours - are pushing ahead for themselves.

But mainly it is down to new-found sense of collaboration that has

come to pass in the last few years.

This mutually beneficial cooperation is in its embryonic stage – but progressing at pace – in a region that hasn't always been known to work in partnership.

But it has - far surpassed - what is happening in many other areas of the country.

This sense of collaboration is strong, well-grounded and extends into all of our sectors – be it public, private or higher education.

In our city region we are seeing a recognition by the public sector that AI is not only essential to economic growth – but that it will eventually change every place of work – no matter what sector that may be.

And given this inescapability, we need to gear up to be ahead of the game.

So... through our Local Enterprise Partnership – we have funded programmes like LCR 4.0 and LCR Activate programmes - which have been recognised as exemplars by Government.

These provide targeted support to hundreds of organisations in the manufacturing, digital and creative sectors - which will gear them up for the *Fourth Industrial Revolution*.

And - we are also seeing a desire in organisations where change is notoriously difficult to implement – (like our NHS) – who are embracing AI to transform healthcare.

For example - Alder Hey is making the first moves on this – and they

have ambitions to become the World's first 'living hospital' - by employing Virtual Reality - to improve pre-operational planning – which will reduce patient recovery time.

Benefitting both the patient and the hospital at the same time.

On the other side of the coin - when it comes to our private sector institutions – we are seeing the use of Artificial Intelligence to push to obtain an edge on competitors – be they national or international.

And we're not just talking about big business here.

In the case of our SMEs - we have organisations like Red Ninja - who are employing artificial intelligence to develop an algorithm - that could create a clear run through the traffic for ambulances on emergency calls.

And - there is one particular company, based in the Baltic Triangle, whose work developing a new platform for VR - has attracted the attention of companies in Silicon Valley.

Over on the other side of town, something equally as exciting is happening – with up to £2bn of pipeline investment in the Knowledge Quarter.

Our established big businesses are playing their part too – and in many cases they are doing things that – if I am honest, blow my mind.

Unilever, for example, are using AI in their chemical formulations.

Gone are the days of test tubes and Bunsen burners.

Instead - Chemical formulations are now being entered into computers for experiments – meaning increased production, efficiency, and ultimately less waste.

And then we have Jaguar Land Rover – one of our region’s truly great success stories.

They have now moved into the new space of AI – and have developed an application which can recognise failure before it has happened, and then correct it.

At the epicentre of public/private collaboration in our city region (though) are our universities – who are leading the charge into this brave ‘New World’.

‘The Internet of Things; the ‘Fourth Industrial Revolution’; the ‘Second Renaissance’ – whatever you want to call it – it is round the corner – and our universities will be key if we are to gain a competitive advantage.

An example of their involvement can be found at Sensor City – which was opened by the Business Secretary in 2017.

Sensor City exists to foster the development of cutting edge sensor technologies for use in a wide range of sectors – in recognition that by 2040 - there will be a trillion sensors worldwide.

And - DCMS’s 5G health and social care testbed is being led out of the building – which is aimed at improving health outcomes for our ageing population.

The final thing I want to touch on - is that although all of the things are fantastic - and worthy of high praise...

With the platform of Devolution - we can go one step further...

As a Combined Authority, we stand ready to support organisations who can prove that they are using AI in a way that no other area is – and which will benefit the people of the Liverpool City Region.

This support can come in many forms – be it lobbying ministers, making international connections or even providing direct funding.

But the Combined Authority isn't just waiting for others to do the work.

We are getting ahead of the game ourselves.

We are currently embarked on a project that could elevate the city region to stratospheric heights – and benefit every one of the 1.6 million people living here.

This project will see us connect up two digital assets that until now have sat in isolation – under-utilised and under-valued.

One - is the most sophisticated computer in the country (with IBM Watson capability) – located not in Oxford, Cambridge or London, but in Daresbury in Halton.

And the other is the UK's Fibre Optic link to north America and China.

This cable runs under the Atlantic Ocean and comes ashore at

Southport.

In and of themselves, these are great assets.

But by connecting them up – we can change the game entirely.

We have proposals to create a 260km fibre spine running through each of our boroughs – from Kirkby to Kirkdale; Southport to St Helens; Wallasey to Widnes.

This digital loop would deliver the fastest broadband speeds in the UK.

And most excitingly - we can capitalise in the transfer of Big Data - the raw material for life changing research - and cutting-edge commerce.

Our fibre spine would be unique - in that it would link in every business, school, university, hospital - and *every home* – in our area.

And they would be supported by 6 associated digital exchanges - to light up the dark fibre - and support local tech sector growth in each of the six local authority areas.

Presenting us with the opportunity to pioneer digital approaches to social challenges, such as tackling some of the worst health outcomes in the country that exist in our region.

But with the spine, we can also potentially attract inward investment and relocation by the big blue chip multinationals; - because we will also harness the power of the river Mersey to create, clean, green, plentiful and predictable energy for 120 years.

Imagine being able to attract companies that have signed up to be Carbon Neutral and who require ultra-fast speeds – to our city region

– an area which can fill both requirements.

This forms the basis of our Local Industrial Strategy – which has Inclusive Growth at its heart.

And - that brings me to my conclusion.

I want to finish by talking about how we must embrace – and not be fearful – of the changes that are coming.

Last year, my good friends at the Liverpool Echo ran a story talking about how AI and robotics are set to wipe out 141,000 jobs in Liverpool over the next 12 years.

As a Socialist – this causes me most concern - given that automation puts low-income workers at the greatest risk.

The same low income workers who have already suffered from stagnant wages for almost a decade.

In between 2007 and 2015 – the UK economy was the only advanced economy in which wages contracted - while the economy expanded.

But instead of reacting to this story negatively – I said we must embrace the changes as an opportunity to create and grow a robust and highly productive future economy.

For many – it is easier to be a Luddite.

That is the challenge to us as politicians also.

If we don't respond positively, we will simply fall behind other areas.

Which will result in an unskilled and unproductive workforce.

And we will face the same threats and challenges that we did in the days of de-industrialisation.

For us in the North, if we don't step-up and embrace this new technology, we will perpetuate the unbalanced, unfair economy - which continues to only look south.

And... lastly... we might find ourselves in a world where UKIP are once again top of the political agenda.

Pitting man – against machine.

Imagine a future UKIP Party Political Broadcast (if you will).

An octogenarian Nigel Farage – sitting in a country pub – smoking a cigarette - and supping a pint of British Bulldog Bitter.

And with a gnarled fist – looking into the camera and describing a dystopian World – with:

*“All these robots – coming over here - taking all our jobs!”*

I am quite sure - that is a world none of us wish to live in.

Thank you.