

PROJECT SAIL

SOVEREIGN AI LEADERSHIP TASKFORCE
MOBILISING THE NATION

OCTOBER 2026



RIGBY





Project SAIL

The Project Sovereign AI Leadership (SAIL) taskforce brings together leaders from across the UK technology sector to review progress on the government’s AI Opportunities Action Plan and set out what should come next. It was convened by Rigby Group in June 2026. SCC, the Group’s main trading business, is Europe’s largest independent IT services provider.

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Zinc Innovation Partners provided the secretariat for Project SAIL.

Foreword

The world is moving at an unprecedented pace. It is more than two years since the AI Opportunities Action Plan was commissioned and more than 21 months since it was published. Much of the plan remains relevant, but the technology, the investment landscape and the geopolitical context have moved rapidly. The UK's priorities must move with them.

Through our SCC business, Europe's largest independent IT services provider, we see customer demand, investment priorities and emerging technology trends at close quarters. We have used that network to bring together the most senior leaders from across the UK technology industry, including individuals operating at the frontier of AI, infrastructure, data and digital services. Some have contributed publicly, others privately.

This work was commissioned by Rigby Group, with Zinc Innovation Partners acting as secretariat, and its conclusions draw on the experience of businesses investing in, building and deploying AI.

Our starting point is the UK's economic strength and resilience.

The UK will not lead every part of the global AI economy, nor does it need to. But it can secure a globally significant position in the deployment, adoption, application and design of AI. That requires deliberate choices about the capabilities the UK needs.

Compute is fundamental. The UK needs enough AI infrastructure on its shores to support economic growth, public services and national resilience. This is not an argument for buying British. Much of that infrastructure will be built and run by international

partners, and that is a strength. It is an argument for making sure the UK has the capacity, the continuity of access and control that its most critical services need.

That requires a clearer, practical definition of sovereignty. Ownership is only one consideration. Location, operational control, legal jurisdiction, supply chains, connectivity and energy all matter, and different uses need different levels of assurance. Government should give buyers a framework for judging which workloads need the highest level of control, and which can be met by the best services available, wherever their providers are based.

Skills are equally important. AI adoption across our services-led economy is a major productivity opportunity, worth around £75 billion a year by 2035. Capturing that opportunity will require a much faster approach to workforce adoption, technical skills and organisational transformation.

The state also holds two extraordinary assets: its data and its purchasing power. Used intelligently, alongside the capabilities of UKRI, including Innovate UK, they can stimulate adoption, improve public services and strengthen the UK's technology ecosystem.

None of this can be delivered by government alone. It is clear we need to shift from mobilising teams in government to mobilising the whole nation.

But that requires a shift in mindset as well as skillset. A government that collaborates first, not last. Businesses ready to adapt and share. A national commitment to ensuring that our citizens benefit from the AI transformation, and feel confident that they will do so.

So this report makes an offer: a Prosperity Compact for the Nation. We make 10 recommendations, each of which a lead part of government could deliver within 12 to 24 months, and against each we set out the role business will play.

The opportunity is substantial, but it will not be realised through ambition alone. It requires clear priorities, coordinated policy, investment and execution.

Project SAIL is intended to support that next phase of thinking. Industry stands ready to invest, contribute and work alongside government to ensure the UK remains at the frontier of this technological and economic transformation.



A stylized, handwritten signature in white ink, likely belonging to Steve Rigby.

Steve Rigby
Chair, Project SAIL
CEO, Rigby Group



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Executive Summary

The development of AI presents a great opportunity for business and the nation. The government has focused significant policy attention on unlocking it. The strategic framework put in place by the 2025 AI Opportunities Action Plan is already producing dividends. But it is time for a reset in the nation’s approach.

Government machinery has been reorganised since the Plan was published, creating new opportunities and new demands on both systems and teams, but the direction of travel has not yet been clarified.

The reward for getting this right is significant: most of the roughly £75 billion a year the OBR’s central productivity forecasts suggest that AI could add to the economy by 2035 depends on business adoption, not solely invention, and a coordinated national effort is required to turn that potential into growth that reaches every region – with the state rebuilding the efficacy, legitimacy and trust that delivery depends on.

But the risks from getting it wrong are severe, and growing. The withdrawal of two frontier AI models in June 2026 showed that UK access to models built abroad can change with little notice. And public opposition to data-centre infrastructure is rising in Britain, following a pattern already visible in the US.

This report, developed with input from private sector technology leaders, is built on a comprehensive review of the implementation record from the government’s AI Opportunities Action Plan, published in January 2025. The review shows a consistent pattern: progress has been rapid where government controls the machinery directly, and far slower wherever delivery depends on coordination with other parties.

That gap is this report’s central diagnosis, and closing it must be the founding task of the Prime Minister’s AI Taskforce. Section Two sets out the evidence in full.

The way through this is not a faster version of the same process, but a wider one, which we describe as a Prosperity Compact for the Nation.

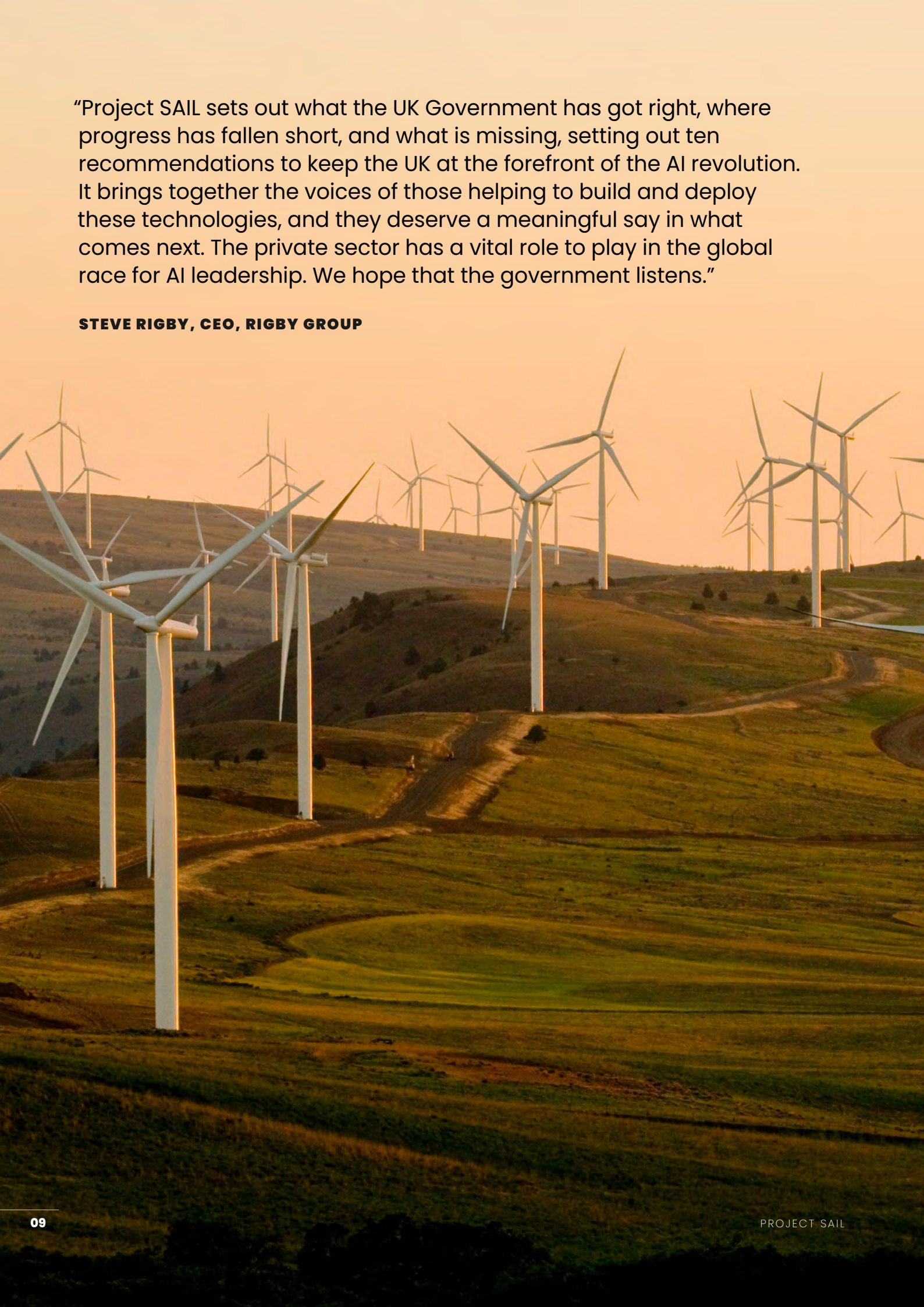
Government cannot secure adoption, build infrastructure or earn public consent by itself. It needs a reciprocal compact with the parties who can help deliver each: business, the places hosting AI’s infrastructure, and the working people whose jobs it will change. Section Four sets out that compact, including what each side must contribute.

Our report turns the compact into 10 recommendations. Each names an accountable part of government, sets a delivery window of 12 to 24 months, and is paired with a statement on the role of business. Section Five sets out the recommendations in full.

To reap the rewards of AI in, and for the citizens of, the United Kingdom, we must mobilise the nation into action.

Summary of 10 Recommendations

#	RECOMMENDATION	COMPACT	ACCOUNTABLE BODY	TIMELINE
1	Close the midscale compute gap with a Compute Accelerator service	AI economy and places	Department for Business, Innovation, Science and Trade (DBIST)	Operational by April 2027
2	Create a Community Benefit Agreement framework for data centre hosts, backed by business rates retention	AI economy and places	Ministry of Housing, Communities and Local Government (MHCLG), supported by the AI Taskforce	Consultation by January 2027; pilot running by October 2027
3	Fix the grid connection queue: plan for homes, build for data centres	AI economy and places	Department for Energy Security and Net Zero (DESNZ), supported by National Energy System Operator (NESO) and Ofgem	Framework by April 2027
4	Agree one skills settlement for the AI economy	AI economy and people	Skills England, supported by the AI Economics Institute	First sector live by October 2027
5	Publish a clear definition of sovereign AI	State and business	AI Taskforce (definition), handing to the Government Commercial Agency (implementation)	Definition by April 2027
6	Aggregate compute demand and widen access to compute	State and business	AI Taskforce, with delivery through Innovate UK and Sovereign AI Fund	Rollout by April 2027
7	Set a security and resilience baseline for AI in critical public services	State and business	Cabinet Office, supported by National Cyber Security Centre (NCSC)	Gap analysis by April 2027; guidance by October 2027
8	Make government a demanding first customer for AI at adoption and the frontier	State and business	Government Digital Service (GDS); Sovereign AI Fund	Criteria published by April 2027
9	Strengthen the National Data Library	State and business	DBIST, supported by GDS	First data partnership established and UKRI frontier dataset commissioning process live by October 2027
10	Create a second stage of support for firms that have started and stalled	State and business	DBIST	Deployment from April 2027



“Project SAIL sets out what the UK Government has got right, where progress has fallen short, and what is missing, setting out ten recommendations to keep the UK at the forefront of the AI revolution. It brings together the voices of those helping to build and deploy these technologies, and they deserve a meaningful say in what comes next. The private sector has a vital role to play in the global race for AI leadership. We hope that the government listens.”

STEVE RIGBY, CEO, RIGBY GROUP

1 Changing Context, Faster Pace

The 2025 AI Opportunities Action Plan was written in different times. The government now faces increasingly pressing and complex strategic challenges. Each of these raises the stakes and changes what government and business need from each other.

First, the machinery of government has been reset. Where the Department for Science, Innovation and Technology once held broad leadership on AI, digital functions are now split across three departments, each with its own budget and priorities. The Minister for Artificial Intelligence, the government’s AI Taskforce under Lord Vallance, and the wider Cabinet Office now provide clear leadership from the centre, but reorganisations of this kind inevitably turn attention inwards and consume delivery bandwidth that would otherwise go to implementation. The Action Plan is no longer the mechanism by which progress on AI is tracked, and nothing has yet replaced it. Business and government alike need a revised framework for direction and accountability.

Second, the AI sovereignty debate has matured. In June 2026, the United States government applied export controls that required an American AI company to suspend foreign nationals’ access to two newly released frontier models. The company disabled both models for all customers to comply, and restored access 19 days later, after the controls were lifted. One business represented on the Project SAIL taskforce had to spend the following three weeks visiting all their regulated clients to reassure them that no kill switch for their product existed. While the models had only been available for three days, the episode made continuity, fallbacks, and what ‘sovereign’ actually means live questions that the government must help resolve. The European Union has already proposed binding sovereignty rules for cloud and AI. The UK has yet to set out its own position. Resilience and security are not simply a technical question of domestic versus international supply and hosting, but a strategic priority for the UK.

Third, public opposition to critical data infrastructure

is growing. In the United States, organised local opposition has stopped fully permitted data centre projects, and moratoriums have been announced even in states that are otherwise pro-growth (Thompson and Sun, 2026). Reporting from those places shows that AI itself is only a surface-level concern; distrust of corporate and government promises, fear of stranded assets, and electricity costs run deeper. The same arguments have begun to appear here. The UK context is specific, higher energy bills and successive dry summers have put data centres’ resource use under particular public scrutiny. Britain has a window – we think of roughly 12 months – to build a compact that earns public consent before that pattern takes hold.

The reward for getting this right is real. The government’s stated ambition is for Britain to be the fastest adopter of AI in the G7, with benefits reaching every region. Microsoft’s diffusion measure currently places the UK eighth in the world, with just over two in five adults using a generative AI product – but the rate of growth is slowing while several Asian economies accelerate (Microsoft, 2026). The Office for Budget Responsibility’s central scenario is that AI could raise UK productivity by around 2.3% by 2035 (OBR, 2025) – equivalent to roughly £75 billion a year in today’s prices¹, before the costs of investment are taken into account.

Most of that depends on adoption – people and organisations using the technology well, in practice – rather than invention. Access to skills is one of the principal barriers to AI adoption: around a fifth of people in work feel confident using AI in the workplace, and only 11% of employers have had staff undertake AI training in the last 12 months (DCMS, 2026).

It is time for a new approach.

“The government has taken important steps to set the UK’s AI ambition; now it’s time for government and industry to come together to deliver. Our national strategy must translate into tangible benefits for every region and community. That starts by recognising that AI is only ever as powerful as the infrastructure that underpins it, the power that sustains it, and the robust cybersecurity that protects it. By backing these recommendations and accelerating digital skills through strong cross-sector partnerships, government and industry can build the secure, trusted ecosystems needed for AI to scale responsibly.”

SARAH WALKER, CHIEF EXECUTIVE, CISCO UK & IRELAND

2 Progress on the AI Opportunities Action Plan

The Assessment

The AI Opportunities Action Plan was published in January 2025 and the government accepted all 50 of its recommendations. In its One Year On update, published in January 2026, the government stated that it had met 38 of the 50, with 12 in progress.

We conducted our review 19 months after the plan launched.

We examined each recommendation independently and compared the government’s account of its own progress against evidence from independent and third-party sources. The purpose was to separate announcements, funding commitments and appointments from implementation and effect.

We used four assessment categories:

CATEGORY	MEANING
Substantial progress	Delivery is operational, in use, and has produced some evidenced impact
Early activity	Commitments, appointments, funding or early pilots are under way, without demonstrated impact
Weak or short of ask	Related action exists, but the central recommendation has not been delivered
Lack of information	Evidence available is insufficient to assess implementation

Across the 50, we recorded 14 as substantial progress, 27 as early activity, six as weak or short of the ask, and three as lacking the information to judge.

Underneath those four patterns is a consistent shape. Government is good at standing up a tool with a capable team behind it. The rapid prototyping unit built systems that work, the gated procurement process ran end to end and produced a contract, the AI Security Institute recruited the people it said it would, the citizen-facing chat service is running with users, and independent survey evidence shows a strong rise in basic AI adoption among small firms, which is the clearest positive outcome in the whole review.

The government is weaker on anything structural. The roles, standing services, mandates and reforms intended to make adoption systematic are where delivery thins out. There is no verifiable AI lead for each government mission. There is no single central service for scaling successful pilots, only several

separate programmes doing parts of the job. There is no interoperability mandate, only guidance that departments should follow. The National Data Library has produced a curated set of links to already-published datasets, a guidance manual, repairs to the old data.gov.uk directory and five pilot projects, which satisfies the recommendation as drafted and leaves the underlying problem where it was.

We observe that across the board, the ambition of a recommendation is not the determining factor of whether a recommendation could be achieved, but rather the number of parties who had to act on it. We call this a coordination ceiling. Below the ceiling, where one capable team could build a thing and put it into service, delivery is strong. Above it, where a recommendation has required shared infrastructure, several departments moving together, or a change in the law, delivery thins into guidance, strategy documents and pilots. The ceiling, and not the quality of the ideas, is what the Action Plan ran into.

The 50 Recommendations

INFRASTRUCTURE (#1–6)

Recommendations #1–6 aimed to secure Britain’s compute across three fronts: publicly owned, privately owned and British-based, and access through allies. The funded build-out is substantial and verified. The AI Growth Zones lag, with investment figures that are pledges rather than results, and delivery further muddled by the departmental reorganisation. Where the deliverable was funding or a signed agreement, the recommendations were largely met. Where it depended on building and operating infrastructure, the progress claimed reflects money committed rather than capacity verified in use.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
1	Set a long-term AI infrastructure plan	Compute Roadmap and £2bn committed; most projects still in delivery	
2	Expand the AI Research Resource	Isambard-AI and the AIRR expansion operating and producing research	
3	Appoint mission-focused AIRR directors	No independent evidence that directors were appointed with autonomy	
4	Establish AI Growth Zones	Zones designated; grid delays, and limited build so far	
5	Mitigate AI infrastructure risks	Nuclear, small modular reactor and microgrid options cited; power constraints already significant	
6	Agree international compute partnerships	Agreements reported; broader researcher capability not yet demonstrated	

- Substantial progress
- Early activity
- Weak or short of ask
- Lack of information

DATA (#7–13)

Recommendations #7–13 aimed to open up high-quality public and private datasets to British startups and researchers, anchored on the National Data Library. Almost every headline is money committed rather than spent, a platform in pilot rather than operational, or a dataset identified rather than accessed. The National Data Library’s own June 2026 roadmap still had it repairing a failed data.gov.uk portal.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
7	Identify five high-impact public datasets	Five kickstarter projects launched; no verified third-party use	
8	Shape strategically valuable data collection	Funding and consultation; no new strategic datasets collected yet	
9	Publish guidance for AI-ready open data	Guidance published; departmental adoption unproven	
10	Couple compute access with proprietary data	Genomics England environment paired with Isambard-AI; sandbox use relied on synthetic data	
11	Build public data collection infrastructure	Pilots begun; collection infrastructure sits outside the current remit	
12	Reward curation and release of private datasets	OpenBind releasing datasets through an operational pipeline; incentive mechanism unevidenced	
13	Create a copyright-cleared British media dataset	No such dataset assembled, licensed or made available	

SKILLS (#14–22)

Recommendations #14–22 aimed to make Britain a natural home for AI talent. Early activity is promising, with more than 100 technical hires at the AI Security Institute, an apprenticeship enrolling learners, and a new scholarship established across nine universities. The largest headline numbers are the softest, several recommendations miss their own stated targets, and pre-existing schemes are relabelled as new progress.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
14	Quantify the AI skills gap	Newer studies exist; none gives the current estimate requested	
15	Increase AI graduate numbers and industry relevance	Doctoral centres selected; intakes largely start late 2026 and 2027	
16	Increase diversity in the AI talent pool	TechFirst under way; women were 20% of AI roles in 2025, against 24% in 2020	
17	Expand alternative education pathways into AI	Apprenticeship enrolling learners; outcomes not yet published	
18	Launch a flagship AI scholarship	Scholars selected for October 2026; first cohort may fall below 100	
19	Make lifelong skills provision AI-ready	AI Skills Boost operational at scale; courses often very short	
20	Build an elite AI headhunting capability	AISI recruited 100+ technical staff; wider sourcing and retention machinery unquantified	
21	Use immigration routes to attract top AI graduates	Visa rules changed; the Indian Institutes of Technology remain excluded and take-up is far below the cap	
22	Expand Turing AI fellowships	Two new schemes launched; under half the 40 places requested	

REGULATION, SAFETY AND ASSURANCE (#23–30)

Recommendations #23–30 aimed to protect the public and build trust while preserving Britain’s pro-innovation position, through a well-funded safety institute, clearer frontier-model rules, better-resourced regulators and stronger assurance tools. Government delivered on a few and did less than asked on most: it declined to reform copyright law, wrote to 19 regulators rather than all of them, and produced narrative strategies in place of the hard metrics requested.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
23	Grow AISI and clarify frontier-model regulation	Funding, staffing and evaluations verified; no binding regime in place	
24	Reform text and data mining rules	Copyright regime unchanged; the requested reform was not delivered	
25	Fund regulators to scale AI capability	Modest grant competitions; broader scale-up not evidenced	
26	Put safe AI innovation into regulator guidance	19 regulators asked, several published plans; not yet universal	
27	Run pro-innovation sector sandboxes	Sandboxes operating; the FCA mechanism used by third parties	
28	Require transparent regulator reporting	Narrative strategies, not the transparent annual metrics requested	
29	Strengthen the AI assurance ecosystem	Inspect in use but predates the plan; £11m fund yet to make awards	
30	Realise the Alan Turing Institute’s full potential	Institute narrowed towards defence amid governance turmoil	

GOVERNMENT ADOPTION OF AI (#31–42)

Recommendations #31–42 aimed to embed AI inside government through mission leads, vendor partnerships, faster procurement, scaling machinery, an experimentation environment and citizen-facing services. Where government built a specific tool, delivery is verified. Where a recommendation asked for something structural, the specific thing is missing.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
31	Appoint an AI lead for each government mission	No independently identified mission AI leads found	
32	Create cross-government horizon scanning	Capability evidenced, but internal project selection rather than market intelligence	
33	Build two-way partnerships with AI vendors	Vendor agreements and one live pilot; influence on vendor roadmaps thin	
34	Use a consistent build, buy or challenge framework	Strategy on paper; consistent departmental use unclear	
35	Create a rapid prototyping capability	Incubator for AI (iAI) tools deployed; Consult used and evaluated externally	
36	Improve recruitment of external AI talent	AISI screening delivered; the 75% pay benchmark unverified	
37	Create a data-rich experimentation environment	Model and compute access verified; data-access route not evidenced	
38	Introduce faster, gated AI procurement	Extract and Minute scaled to councils but no single central scaling service exists	
39	Create a service to scale successful pilots	Extract and Minute scaled to councils; no single central scaling service	
40	Run mission-focused national AI tenders	Tenders reached contract award; tutoring trials not started	
41	Build a scalable citizen-facing AI technology stack	GOV.UK Chat live with users; usage still in the thousands	
42	Mandate interoperability, reuse and open source	Inspect and Redbox reused internationally; however the mandate itself is missing	

PUBLIC AND PRIVATE REINFORCEMENT (#43–49)

Recommendations #43–49 aimed to make government the demanding first customer for AI, to expose digital infrastructure through interfaces innovators could build on, to publish a single knowledge hub, and to identify quick wins within three months. The picture is mixed and softer than it first appears.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
43	Use government as a smart AI customer	300+ market responses; the customer-zero offer is still in design	
44	Open digital infrastructure through interfaces	No evidence of a mandate; e-invoicing duties from 2029 are the nearest action	
45	Publish a single AI Knowledge Hub	Hub live and used; 100,000+ page views against a civil service of 500,000	
46	Identify quick wins within three months	Five quick wins reported on time in January 2026; three delivered since	
47	Use the Industrial Strategy to drive AI adoption	AI embedded in sector plans; BridgeAI has a record of delivered projects	
48	Appoint AI Sector Champions	Eight champions appointed and six sector plans published; outcomes unproven	
49	Drive nationwide AI adoption	Survey evidence shows a strong rise in SME adoption; scaling gap remains	

SOVEREIGN AI (#50)

Recommendation #50 aimed to secure Britain’s stake in homegrown frontier AI through equity, partnership and commercial backing for British AI companies, delivered by a single dedicated unit.

#	RECOMMENDATION	WHAT THE REVIEW FOUND	STATUS
50	Create UK Sovereign AI to maximise Britain’s stake in frontier AI	Unit established and investing, with confirmed equity stakes and compute grants; launched roughly a year after the stated commitment and deal terms are undisclosed	

This rating reflects delivery of the unit the recommendation asked for, rather than judgement that the UK’s sovereign capability is secured. As Section 1 and Recommendation 5 set out, the government has yet to define what sovereign capability means.

3 Iterating the Approach

As we have seen, good initiatives on AI can stall when they hit the ceiling beyond which coordination at scale will be required. The importance of coordination has only grown since the Plan was published.

Responsibility for the wider AI agenda, including skills, now runs across at least five departments, with the boundaries between them still being drawn. Skills England sits in the work and pensions department; the curriculum and the apprenticeship levy sit with education; digital skills and technology regulation sit with culture; cross-government adoption sits at the centre; the research funding that would commission new data sits with business and science.

Beyond simply civil service coordination sits the nation as a whole. Adoption at scale is a change in the behaviour of firms that the government does not control – and with devolution accelerating that complexity is increasing. Regional benefit depends on councils, combined authorities, grid operators and developers agreeing terms. Skills provision is devolved, and in Wales and Scotland it is devolved again. Sovereignty, in any of the senses now in circulation, is a property of contracts between buyers and suppliers, not of a strategy document. The state can set the direction for all of these. It cannot deliver any of them alone, and the evidence of the last 19 months is that it has not.

SPRINTS AS A WAY THROUGH

The government's answer to the coordination ceiling is speed. The Prime Minister's AI Taskforce is an empowered unit with a single clear objective, a ring-fenced budget, a high tolerance of risk and a direct line to the Prime Minister (Cabinet Office, 2026). It is understood to be planning its work in sprints of three to six months. Its leadership has been drawn from the parts of the AI system that delivered best under the Action Plan.

The Taskforce is said to be inspired by the Vaccines Taskforce of 2020 and commentators have urged it to similarly adopt one mission and pursue it with the powers of direction the vaccine programme enjoyed (Coleman and Lawrence, 2026). This is a powerful model for well-defined and well-boundaried problems – and it is a mode government has proven it can work well in and deliver results through.

WHERE SPRINTS NEED SUPPORT

Sprints suit problems that can be bounded, and many start-ups and the businesses that work with them would not want government to lose the habit. But the vaccine programme was of two parts. Buying the vaccine was a sprint; getting it into arms was a mobilisation, delivered through institutions and relationships that already existed.

AI adoption is an execution problem of the second kind: changes in the behaviour of two million firms, several hundred local authorities, dozens of regulators and the public. We also need an operational capability that can:

Build standing services. A standing service, a mandate or a reform requires several parties to accept a permanent change in what they do. A temporary unit with a temporary remit has neither the authority nor the lifespan to secure that. A taskforce sprint can write the service agreement. It cannot hold the other side to it in three years' time.

Secure consent. The next phase of AI in Britain runs through planning committees, grid connection decisions, NHS Trust procurement panels, and the boardrooms of mid-sized firms. Each of these decisions will be taken by people weighing the costs

of AI today against benefits they cannot yet see. Consent is built by parties the community already trusts. Speed at the centre, applied to a decision being made elsewhere, mostly produces friction.

Mend fragmentation. A unit at the centre of government that depends on other departments to deliver is only as fast as the slowest of them. The AI Taskforce's advantage is its line to the Prime Minister, but this attention cannot be assumed over the medium term (Key, 2026). Capability needs to offer benefits beyond leadership attention to hold together a broad coalition around a significant transformation.

MOBILISATION AS THE WAY THROUGH

The Taskforce's sprints and a wider mobilisation can work together: the Taskforce can set direction and move quickly where it controls the levers, while the compact brings in the businesses, places and institutions needed to deliver at scale.

The question then is not how to speed up, but how to form a new mode of government operation. This is a question about incentives and trust as much as levers and mechanisms, and it is one that business is well placed to help answer. It is a project of shared mobilisation. That is why Project SAIL recommends a new approach built on collaboration. We call it the Prosperity Compact for the Nation, and we set out its logic, and what it should contain, in the next section.



4 A Prosperity Compact for the Nation

In the next phase of the UK's AI journey, the government needs to change how systems beyond its control behave. But mobilisation cannot be commanded.

Businesses will not redesign how they work, workers will not trust new systems, and communities will not welcome new infrastructure because the government has told them to. They will do it because they have a reason of their own to want it to succeed – willingness, incentives, and beyond either, active enthusiasm and commitment.

It is no great surprise that we see scepticism about the benefits of AI adoption. Britain has a long record of world-class research that is scaled and commercialised elsewhere. DeepMind and Arm, the best-known examples from the AI era, are both now foreign-owned. If AI more generally follows that pattern, there will be little here to share: no domestic surplus for firms, regions or workers to hold a stake in, and no basis for the bargain the compact is asking business and government to make. Only a country that captures a share of the AI value chain can afford to fund the returns to society that will establish and maintain consent.

Previous periods of rapid technological growth did not settle distributional questions by winning the argument. They settled them through bargains. The postwar European settlement rested on a broadly corporatist arrangement in which labour accepted wage discipline, capital accepted taxation and codetermination in various national flavours, and the state built the welfare systems that made the whole thing tolerable. The lesson is not that Britain should return to 1950s corporatism. It is that the fast diffusion of a general-purpose technology has historically required an explicit bargain about who gets what from the growth it produces.

That is why we propose a Prosperity Compact: a reciprocal agreement between government, business, places and citizens, structured to start a virtuous circle of capturing value for the nation. What follows sets out that circle, and the compact that sets it moving.

WHERE TO BEGIN

A compact of this kind is not built in a single report or a single year. It is a standing practice of dialogue and consent-building that has to run for as long as the AI economy keeps changing what it asks of people, places and firms. What follows are proposals for the first 12 months of that practice: 10 recommendations where government can act to mobilise and incentivise wider change.

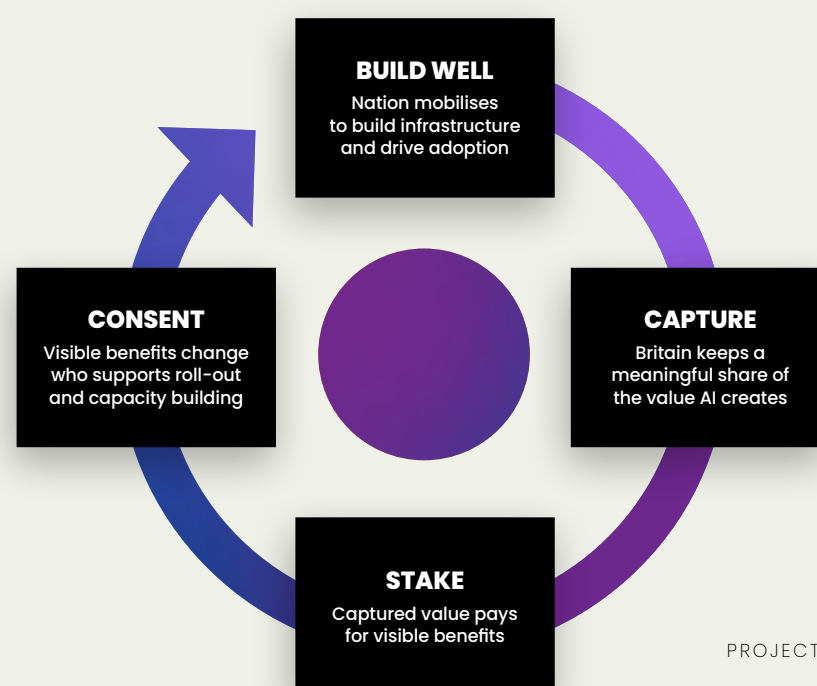
The compact has three interfaces: between the state and business, between the AI economy and places, and between the AI economy and people. At each interface there is a reciprocal relationship between what business brings and what government can deliver.

It starts with building well, stage one in the virtuous circle we aim to set in motion. Before there is anything to share, there has to be something built well enough to be worth sharing. That is why the recommendations that follow lean so heavily toward building: definitions, procurement, data, compute, resilience and adoption support.

Even if we get this right, capture remains the critical challenge, where the circle is most fragile. Below, we seed the earliest, most tractable form of capture – planning gain for communities hosting data infrastructure – as well as recommending building new collaborative capacity to understand skills and the labour market to minimise negative effects of AI on employment.

Nevertheless, securing Britain's share of a global value chain and ensuring that citizens benefit from it will be an ongoing challenge for decades. How AI-generated activity is owned and taxed is one of the central questions governments must answer in the years to come. That dialogue must happen in partnership with business, and with one critical thought in mind: trust is the scarce resource; a visible stake in prosperity for firms, regions and workers is how trust is built; and without it there will be no gain for business or citizens.

The Virtuous Circle



Build well.

We build resilient and secure AI infrastructure and drive adoption in ways that create value in the short and long term, mobilising collaboration between public and private sectors.

Capture.

Britain keeps a meaningful share of the value AI creates. Companies scale here, compute revenue lands in the regions hosting infrastructure, and enterprises retain the intellectual property and learning generated on top of third-party models.

Stake.

Captured value pays for visible benefits: higher wages, skills investment, retained business rates, and lower energy bills near data centres.

Consent.

Visible benefits change who argues for a project and who argues against it. Residents who see lower bills, councils that retain business rates, citizens that see environmental responsibility, and workers who see wage growth have a reason to back a data centre or grid connection at the planning meeting – enabling us to continue to invest in building well.

The following 10 recommendations set out a roadmap for the AI Taskforce and the Minister for Artificial Intelligence to mobilise AI for the nation within the next 12 months. The recommendations initiate the compact by building well, and starting the processes that will enable us to capture value from AI for people, places and the nation as a whole.

Measuring Success

Our review found that progress on the Action Plan was mostly reported as announcements and funding, with little evidence of impact. The next phase needs a clear measure of success. Government's estimates of AI's value to the UK economy vary widely, from the OBR's cautious central forecast to DSIT's £55–140 billion by 2030 (DSIT, 2026d). None of these estimates net off the costs of investment. The AI Economics Institute, working with the OBR and ONS, should publish a single methodology for measuring AI's net contribution to the economy, including how widely the gains are shared, and report against it annually.

Recommendation 1. Close the midscale compute gap with a Compute Accelerator service

AI ECONOMY AND PLACES

The compact. Places identify and support sites for midscale compute; data centre businesses build infrastructure that drives local growth.

The problem.

The UK's flagship compute scheme, AI Growth Zones, is designed for the UK's largest sites and world's largest training runs with a 500MW threshold. Of roughly 73 gigawatts of data centre applications in the connection queue, about 93% sit in the two largest size bands – very little sits between 10 and 100 megawatts (Ofgem, 2026). This midscale is the range Britain can build at pace and one that serves enterprise, research, defence and health. A mixed compute supply is needed – both a backbone of flagship, power-efficient large scale compute – and a distributed infrastructure of responsive midscale compute. Government should back the midscale with the same ambition it has shown for the flagship tier.

We believe that mayoral and combined authorities, newly equipped with Strategic Spatial Planning powers, are the best-placed bodies to find and deliver these mid-sized sites. Bristol's Isambard-AI already shows what serious compute investment can do for a place, drawing researchers, startups and applications well beyond its original remit.

But most authorities currently can't act on that potential as they lack a working picture of what infrastructure exists in their area: spare electrical capacity, low latency, high speed fibre, convertible buildings, consented land and a route to bring a midscale site to a developer once they've found one. A site with power but no fast fibre route to its users risks becoming a stranded asset. The slow permitting that delays energy connections often delays fibre in the same way, so energy, fibre and data centre construction should be planned together.

Many of these sites will serve inference and adoption workloads which means proximity to the businesses, hospitals and public services that will use them is beneficial. Greater Manchester's choice to back edge computing over a Growth Zone bid is an early signal of this. Large and mid-sized sites can complement each other, and government's compute strategy should have room for both approaches.

The recommendation.

Government should fund a Compute Accelerator service, available to every mayoral and combined authority, built by extending the existing Department for Business, Innovation, Science and Trade (DBIST) expert data centre planning support function rather than creating a new one.

The service would perform three functions:

- It would help each participating authority build a site register including substation headroom and reinforcement triggers, consented and convertible land, heat, water, and dark fibre. This could be done as part of the Spatial Development Strategy work mayoral strategic authorities now have a statutory duty to produce. Data centre and edge-compute site identification, as well as the networking infrastructure necessary to connect these sites to end users, should be fast-tracked and published as this work begins, not held back to match the wider SDS rollout timetable.
- The service would actively match identified sites with developer partners, and with broadband providers whose fibre backbones could connect a distributed network of sites, rather than leaving each authority to find one alone.
- It would support authorities in bringing matched sites through planning, considering energy, fibre and data centre applications together, drawing on the call-in powers mayors are gaining to unstick individual applications, and on the National Planning Policy Framework's existing requirement for local plans to identify data centre sites.

Government should build this by extending the remit of the existing national team of AI data centre planning experts, funded at £4.5 million, whose job today is planning advice alone. This turns it into a proactive function working in partnership with regional government on site identification and developer matching for the 10–100MW band specifically. Access should be a standing entitlement open to every mayoral and combined authority on the same open-access principle behind the new Digital Devolution programme.

Accountable body. Department for Business, Innovation, Science and Trade.

Timeline. Service operational by April 2027.

Recommendation 2. Create a Community Benefit Agreement framework for data centre hosts, backed by business rates retention

AI ECONOMY AND PLACES

The compact. Places host data centres; data centre businesses provide community benefit.

The problem. Data centres are the factories of AI and Britain needs many more of them. Building consent and earning public trust is a shared job for government and industry. Britain has a short period in which to do so, demystifying data centres, maximising benefit and mitigating concerns.

Local opposition to data centres is a growing risk, and already a political flashpoint in the US. The drivers are less about AI itself than scepticism about its local benefits, loss of a sense of place, and concern about rising electricity bills. In the UK, the local authorities responsible for representing community priorities currently negotiate alone against sometimes better-resourced developers.

The recommendation. Government should publish a Community Benefit Agreement framework that local and mayoral authorities can follow when negotiating with data centre developers, alongside extending business rates retention to all combined authorities.

We recommend that the government publishes a model framework setting out recommended terms for community benefit, including an indicative contribution scaled to a site’s size. DESNZ’s ongoing work on community benefits for low-carbon energy infrastructure is a useful model of how this could work.

Beyond the indicative contribution, a benchmarked menu of local recruitment, apprenticeships and facilities will let each authority choose what fits its own priorities and capacity. The framework should also include a set of benchmarked resource and energy standards. Developers who adopt it

would commit to published standards on energy efficiency, water use, heat reuse and grid flexibility, so that the concerns residents raise are answered up front and not negotiated site by site. The framework should build on existing good practice like Urmston in Trafford where heat from a Deep Green data centre now warms the leisure centre’s swimming pool (The Business Desk, 2026).

A voluntary, benchmarked starting point will also give developers predictable, bankable terms and a faster route through a negotiation that otherwise happens slowly and from scratch with each development. Operators who adopt the framework would be transparent about the benefits the project will bring, and also explain in plain terms what a site does, how much energy and water it uses, and where its heat goes.

Any combined authority hosting a data centre should gain full business rates retention for a defined period. These are the same terms Greater Manchester and West Midlands already have under their devolution deals, and the AI Growth Zones benefit from.

To prove the model before it is scaled, government should back one or two host authorities to run the framework end to end within the 12-month window and publish the results.

Accountable body. Ministry of Housing, Communities and Local Government, supported by the AI Taskforce.

Timeline. Framework published for consultation by January 2027. Pilot host authorities selected and running the framework within 12 months.

Recommendation 3. Fix the grid connection queue: plan for homes, build for data centres

AI ECONOMY AND PLACES

The compact. Places get distribution capacity planned for homes and electrification as well as data centres; data centre companies get a faster route to new capacity in return for flexible and phased grid connection arrangements.

The problem. Demand connection applications rose from 41 to 125 gigawatts between November 2024 and June 2025. Around 73 gigawatts of that is data centres, across some 315 projects, against a British peak demand of about 45 gigawatts (Ofgem, 2026). Almost all of the data centre demand comes from large projects: around 99% is above 40 megawatts and 93% above 100 megawatts. Much of the queue will never be built, and speculative entries are being cleared slowly.

Ofgem has consulted over the summer on a commitment fee and readiness milestones to deter speculative applications. Whatever it decides, a harder question remains: when connection capacity is scarce, who gets it, and who chooses. Network operators do not want to rank their customers, the regulator does not want to trade data centres against housing or industry, and ministers may not want to make that trade either. Projects with committed capital and confirmed customers can wait behind projects with neither, and some developers are turning to on-site generation because the queue offers no timely alternative.

Data centres and homes compete directly only where they draw on the same shared headroom: spare capacity at an existing grid supply point or primary substation that the local network also depends on.

The design of the commitment fee could unintentionally worsen the situation. It applies only above 40 megawatts, so developers may design projects to fall just below the threshold, which pushes more demand onto shared local headroom. Ofgem has acknowledged this risk in its consultation. Government has separately said that AI Growth Zone projects will always qualify as strategic demand and so receive reserved capacity and queue priority. Projects outside the zones should not be left to wither as a result.

The recommendation. Government should publish, by April 2027, a settled framework for how connection capacity is allocated between homes, electrification and data centres, how new capacity for large demand is delivered, and how flexible connections are used to get more from both. These choices should be made strategically in upfront planning and not project by project.

Firstly, the National Energy System Operator and the distribution network operators should forecast the capacity needed for housing and the electrification of heat and transport, and plan for it. Data centres should be able to use shared distribution capacity where that forecast shows it is available, on transparent terms.

Secondly, new capacity should be built faster for large new demand. Many new data centres already in the queue will need new capacity over time, and the route to it should be quicker and more predictable. That means engagement and pre-studies from the system operator before the commitment fee falls due, so that projects are bankable, and a reserved share of annual network outage slots for demand connections. The commitment fee should not create a threshold that rewards projects for designing themselves below it, thereby pushing demand onto shared distribution capacity with other loads.

Thirdly, the framework should build on the flexible and interim connection arrangements the system is already moving towards. Projects that can evidence readiness and offer verified flexibility should connect faster, with smart grid tools used to check that flexibility in practice and make fuller use of the capacity already available.

The framework should apply to new applications. Existing connection offers should not be affected, and projects already in the queue should not be moved back or deprioritised as a result.

Accountable body. Department for Energy Security and Net Zero, supported by the National Energy System Operator and Ofgem.

Timeline. Publish the framework by April 2027.



“We welcome the progress the Government has made on AI. We are backing the recommendations in this report, and in particular two that resonate with what we are hearing from our customers; a clear definition of sovereign AI, and a second stage of support for firms that have started adopting AI and stalled.

A shared and simple definition will educate buyers and unblock procurement, which today can be held up by uncertainty over what ‘sovereign’ means. Secondly, too many organisations are stuck in trials and pilots. How can we enable adoption at scale, at pace and safely for our customers?

We urge the government to act on the recommendations in this report so that adoption accelerates at the pace the opportunity demands to get the UK AI Economy moving at pace.”

AMANDA GRANT, CHIEF OF STRATEGIC VENTURES – DATA & AI, ONEADVANCED

5. THE WAY FORWARD

Recommendation 4. Agree one skills settlement for the AI economy

AI ECONOMY AND PEOPLE

The compact. The state sets up sector skills compacts and opens its workforce evidence; employers co-design the standards and invest in training, so workers gain skills that move with them.

The problem.

Britain does not have a skills system capable of planting new skills in the economy at the speed the AI revolution requires. AI has made these long-standing weaknesses impossible to ignore.

Skills were the clearest gap in the original AI Opportunities Action Plan, and the national baseline is poor: only around a fifth of people in work feel confident using AI at work, and only 11% of employers have had staff undertake AI training in the last year (DCMS, 2026).

Provision is mismatched twice over. It is organised by geography, because funding is devolved, when much of the need is defined by occupation, and a care worker in Carlisle needs roughly what a care worker in Croydon needs. And it is pitched at the two ends of intervention intensity, short awareness courses at one and degrees at the other, with almost nothing for the person who has to take an existing tool and make it work inside a particular process with that trade’s own rules, data and risks. Job displacement, when it comes, will be uneven: customer service, administrative and entry-level roles are likely to feel it first (IPPR, 2024).

The recommendation.

Skills are critical not just to adoption and infrastructure build-out for the AI economy, but to the consent that needs to underpin it. A workforce that experiences AI transition as something being forced on it will not sustain the political room this report asks government to create. But the system meant to carry that weight is fragmented and too slow for the pace of change: standards take years to update, and responsibility is split across national, devolved and regional government with no shared picture of what is actually happening in workplaces.

The AI economy does not need a faster version of the same process, but a different one, powered by data-sharing and partnership working. The Financial Services Skills Compact provides a useful template: firms sign up to three-year training plans including AI skills, and report progress to HM Treasury annually. The AI Economics Institute has also built a channel through which 20 companies are sharing ongoing workforce evidence and intelligence.

Skills England should extend this approach to a small number of priority sectors, starting with construction, care, professional services and manufacturing. Each new sector signs a compact on the financial-services template, its employer bodies co-author the sector’s AI skills standards, and its workforce data feeds into the AIEI’s evidence base, which is made available for use by researchers and innovators. This way, firms, training providers and accreditation bodies and policy makers have accelerating insight, rather than relying on the current static and patchy picture. Over time, this will accelerate the clock speed of the skills sector.

Accountable body. Skills England, supported by the AI Economics Institute.

Timeline. First new sector partnership live within 12 months of publication; three further sectors added each year thereafter.

Recommendation 5. Publish a clear definition of sovereign AI

STATE AND BUSINESS

The compact. The state provides clear sovereignty parameters; business delivers sovereign products against them.

The problem. ‘Sovereign’ is used to mean different things, which has meant that some suppliers use it as a marketing label. For some it means control over infrastructure and data; for others it means where a company is headquartered. This is causing serious problems. Some buyers, including public bodies, are specifying sovereignty in tenders without needing to, and end up spending money that would have instead bought better services. Others, without a clear definition to work from, may not specify the continuity of access their most critical workloads need.

The Science, Innovation and Technology Committee found in July that ministers had not defined sovereign capability, measured it, or defined success in this area (Science, Innovation and Technology Committee, 2026). Meanwhile the European Union has proposed the first legally binding version of sovereignty: the Cloud and AI Development Act, which will certify providers against a four-tier schema. This approach, defining sovereignty on a company-by-company basis, risks limiting access to cloud and AI services and forcing binary, expensive compliance onto use-cases that don’t need it. Without clarity on its own sovereignty frameworks, Britain risks the EU’s classification becoming the default rule for what ‘sovereign’ means.

The recommendation. The AI Taskforce should publish a UK definition of sovereign AI, then develop it into a classification that grades sovereignty across each layer of the stack (infrastructure, including data centres, compute and networks; data; models; and applications) and workloads. The classification will act as guidance for buyers, helping them make informed, risk-based procurement decisions for specific use cases, rather than a certification of providers.

The definition should describe the outcome a buyer needs: control over its infrastructure and data, meaning who can access them, under whose law, and what happens if access is withdrawn, as well as how important UK domicile is for various use cases. At the most sensitive end, that may mean on-premise or air-gapped systems. Infrastructure sited and operated in the UK, under UK law, is an important part of how the highest tiers can be met, alongside the contractual and technical controls that international providers can offer. For many workloads, standard cloud with the right contractual and technical controls will be enough, so access to innovation is kept. The classification would sit within the government’s cloud-first policy and existing Cabinet Office guidance, and should set no general preference for domestic supply.

In order to cement the framework in the British market, the Government Commercial Agency should apply the classification as a scored requirement in public procurement for designated sensitive workloads, starting with health, mapped onto the Own-Collaborate-Access framework it already uses for critical technology. The Office for the Prime Minister and the Cabinet should take the classification to the UK-hosted G20 in 2027 as a common procurement specification for middle powers, pursuing recognition alongside the European framework.

Accountable body. AI Taskforce, with implementation held by Government Commercial Agency.

Timeline. Definition by April 2027. GCA implementation schedule published within six months with a maximum 12-month deployment.

Recommendation 6. Aggregate compute demand and widen access to compute

STATE AND BUSINESS

The compact. The state aggregates compute demand and widens access; business builds the capacity to meet it.

The problem. Compute power is often too difficult to access, especially for emerging firms. British compute demand is fragmented, scattered across too many small, disconnected buyers.

This lack of demand aggregation may also be slowing down the build-out of physical national data infrastructure. Ofgem now proposes that data centre projects above 40 megawatts evidence a credible customer before holding a grid connection (Ofgem, 2026), so the absence of aggregated, contractable demand has become a constraint on building the infrastructure.

The difficulty accessing compute is particularly acute for UK startups, for whom compute provision currently rides on equity investment, so firms that do not raise equity do not get compute. Moreover, these buyers, many of whom may be frontier startups, lose precious focus and time in this hunt for compute which would be better spent on company building. The Sovereign AI Fund does not currently have the scale to unlock this barrier systematically for British businesses.

The recommendation. The AI Taskforce should tackle compute constraints head-on through assembling multi-year compute demand into a contractable block, and easing access to existing compute capacity through innovation vouchers and investment.

The first step would be to aggregate demand by assembling a multi-year committed demand from public bodies, the research estate and voucher holders into a contractable block that a British infrastructure builder can finance, so that demand for UK-based capacity can be met.

Mistral in France can act as a template, underwriting 200 megawatts by 2027 on five-year no-exit commitments from anchor industrial customers, structured similarly to a power purchase agreement (Lacroix, 2026).

Secondly, the government should enable access to compute: offer a tiered compute voucher through Innovate UK’s existing machinery, redeemable against any accredited provider. We recommend a workload test instead of a rigid geographic rule for where innovation-funded compute is hosted. Highly sensitive, critical workloads must remain under strict British legal and physical control. However, standard everyday workloads should be allowed on any accredited international provider, potentially with scope to recognise firms contributing substantially to the UK economy. This balances sovereignty considerations with the benefit of keeping costs low and ensuring British firms can access the cheapest, most efficient tools available globally.

Accountable body. AI Taskforce, with voucher delivery through Innovate UK and Sovereign AI Fund.

Timeline. Rollout by April 2027.

“Time moves fast in this sector, and the original AI Opportunities Action Plan, with the AI Growth Zones initiatives, now feels outdated. This initiative, from leaders within the UK AI Industry has resulted in 10 strong objectives, that will stand the test of time. They will stimulate the economy, enabling UK Sovereign AI to achieve both regional and national growth across the UK. I hope our politicians take notice.”

KARL HAVARD, CHIEF COMMERCIAL OFFICER, ERA4

Recommendation 7. Set a security and resilience baseline for AI in critical public services

STATE AND BUSINESS

The compact. The state sets a security and resilience baseline for critical services; suppliers publish the continuity and security terms buyers need.

The problem.

AI is becoming part of the infrastructure that public services run on, and that infrastructure needs to be secure and resilient from the outset, wherever it is located. Most of the AI that public services use today, such as image and character recognition, runs on-premise or in standard cloud and falls under existing IT security and resilience arrangements. A small and growing set of services now use frontier models hosted by a supplier, and for those, continuity of access is less certain, as the June 2026 withdrawal of two such models (Section 1) showed. Withdrawal is one risk among several. Hosted models can also drift, be deprecated, compromised or have their terms changed. Risk sits in different places at different stages: training concentrates it in high-value datasets, models and compute, while use in service spreads it across users, devices, and locations.

The security state is already assessing dependence for the systems it covers. But not all other parts of the public sector are doing the same. Health is the clearest example: individual NHS trusts are rarely equipped for this kind of resilience planning, and there is no consensus on which systems could tolerate losing access to hosted AI models and which could not. Local authority, regional and devolved services face the same question. Without a resilience baseline, caution about adoption is the sensible response.

The recommendation.

Within the next 12 months, government should set a security and resilience baseline for AI in critical public services, starting with health.

The Cabinet Office and National Cyber Security Centre should publish a statement of which critical national infrastructure functions are already covered by existing dependency assessment, sector by sector, and where the gaps are.

They should then issue guidance, starting with health, built on existing standards such as the NIST AI Risk Management Framework, OWASP and MITRE ATLAS. The guidance should ask organisations to:

- be secure by design, from the infrastructure through to the model and application layers
- monitor model behaviour and the data models can access, with guardrails at runtime
- use AI in their own cyber defence, for prediction, incident response and observability
- hold a documented fallback for any service that depends on a hosted frontier model, so that losing access to a model or a supplier does not interrupt the service

The guidance would be advisory. It would apply to services defined by the type of dependence rather than by named models or suppliers, so its scope holds as adoption grows, and it would treat every provider on the same terms, wherever it is based. Its purpose is to remove a reason for caution about adopting AI in public services.

In return, suppliers of AI models to the public sector should publish their continuity, security, deprecation and fallback terms, so that buyers can plan around them.

Accountable body. Cabinet Office, supported by the National Cyber Security Centre.

Timeline. Gap analysis published within six months; guidance within 12 months.

Recommendation 8. Make government a demanding first customer for AI at adoption and the frontier

STATE AND BUSINESS

The compact. The state acts as a first customer for AI adoption and AI capability products; business innovates to provide them.

The problem.

For fledgling industries and businesses, undemanding customers can create underperforming businesses. It is therefore imperative that the government is a sophisticated and demanding procurer of AI services.

Public sector AI procurement reached £1.4 billion across 453 contracts in the first eight months of 2026, against £1.18 billion across 521 contracts in the whole of 2025; spend rising while contract count falls implies a settling into a pattern of incumbent preference. The progress that the Sovereign AI Fund is making in this area is encouraging, but we must go further to ensure that the purchasers are just as capable as the products they are buying.

The recommendation.

The government should use procurement to accelerate two forms of capacity in the AI market: using the state's purchasing power to drive both adoption at scale and innovation at the frontier. Large-scale commitments to adoption procurement will raise government's own productivity and give confidence to providers and their financial backers that it is worth investing in UK capacity. The Government Digital Service should be returned to the centre of government, as a key partner in the Cabinet Secretary's Future Civil Service programme, to lead this work.

This should not be confused with capability procurement, where government buys something that does not yet exist from suppliers that benefit from early reference customers. This requires different instruments: contracts that specify the outcome and leave the solution to the bidder, advance market commitments of the kind the AI Hardware Plan has used for novel inference chips, and follow-on investment (DSIT, 2026c).

For capability procurement, the AI Taskforce should make a standing commitment to identifying five designated cases at any time where the government's purchasing power is specifically leveraged to accelerate innovation, and risk parameters are altered to enable greater experimentation. These should be chosen against published criteria (public value, technical difficulty, the buying institution's own capability, and strategic importance). Here, the Sovereign AI Fund should lead delivery. We recommend moving towards vested contracts, building on innovations in defence procurement, where contracts are specified around outcomes. This strengthens relationships and normalises adaptation rather than contract rigidity, more suitable for accelerating technological capabilities that cannot be fully understood at contract outset.

Accountable body. Adoption procurement: Government Digital Service. Capability procurement: Sovereign AI Fund.

Timeline. Capability procurement criteria and forward look published within 6 months.

Recommendation 9. Strengthen the National Data Library

STATE AND BUSINESS

The compact. The state builds high-functioning data infrastructure; businesses use it to grow and contribute data back.

The problem.

AI needs large quantities of high-quality data for both pre-training and fine tuning while AI deployment needs access to interoperable and machine readable data infrastructure. While the government's AI Opportunities Action Plan recognised that we need to actively build new public datasets not just tidy up old ones, progress has been slow. The National Data Library (NDL), with over £100 million in funding, currently focuses on cataloguing existing data and running small test pilots.

This approach neglects the creation of new datasets, the likes of which the British technical differentiation of tomorrow will rely on (the next UniProt or PDB upon which AlphaFold was trained). Because of this gap, the government is also supporting isolated, specialised projects elsewhere such as OpenBind (for mapping how drugs interact with proteins) and the Health Data Research Service (HDRS) for organising NHS data.

The recommendation.

We recommend strengthening the NDL in collaboration with UK Research and Innovation to focus on building high-functioning data infrastructure for the state and enterprise. Twin approaches will be needed for two broad categories of data.

The first is the data that makes government itself work: the operational, often unglamorous datasets that public services need to function, and businesses regularly need to interact with – citizen verification, property information, employment data and criminal records. The second is novel and emerging data needing to be collected, assembled or made usable to keep Britain at the research frontier. For both, government should adopt a partnership delivery model, leveraging the ability of non-governmental organisations to connect to and adapt to user needs.

The Health Data Research Service is a substantial proof of concept. Registry Trust is a smaller, legacy example – a not-for-profit that cleans and commercialises the database of County Court Judgements. Government should commit to three further partnerships on this model, in sequence. The next priority should be consumer and customer data – leveraging the interconnections built for 'Tell Us Once', which supports bereavement notifications. This should be followed by land use data, property identifiers and housing data: assembling and making interoperable the currently fragmented set of registers – Land Registry, UPRN, EPC and planning data – into one connected, usable picture. Finally, employment and labour market data should be developed as set out above in Recommendation 4.

For frontier datasets, government should partner with UKRI and move to a commissioning model. Based on industry consultation, UKRI should state what it wants, set a price in advance, pay on delivery, and publish new datasets in two rounds a year. An industry consortium could propose what should be commissioned. The resulting datasets should be released openly with no privileged access for proposers.

Accountable body. Department for Business, Innovation, Science and Trade, supported by the Government Digital Service.

Timeline. Consumer and customer data partnership established within 12 months; land and property partnership within 24 months; UKRI frontier dataset commissioning process live within 12 months, running in parallel with the government-data strand.

Recommendation 10. Create a second stage of support for firms that have started and stalled

STATE AND BUSINESS

The compact. The state funds a second stage of adoption support; leading firms share expertise and participating firms co-invest.

The problem.

Most British technology adoption support helps a firm take a first step, which is valuable. However, many firms will begin adoption and then get stuck. This can be seen in survey evidence on how far firms have got. Around a quarter have scaled AI in areas such as operational efficiency and employee productivity, but only around an eighth in the areas where most value is created: new products, risk and controls, and strategic decisions (CBI and Oliver Wyman, 2026).

The gap shows up in returns: 49% of AI deployment leaders are meeting or exceeding their expected returns, against 15% of laggards (CBI and Oliver Wyman, 2026). The difference between leaders and laggards is primarily organisational, as deeper adopters are more able to engage in process redesign, data plumbing, governance and measurement. The gap is most acute in the mid-market, in firms of a few hundred to a few thousand people that are large enough that building AI into platforms is non-trivial, yet too small for an enterprise AI team, and exposed to AI-native competitors with lower margins.

Many of these companies have begun informally, with staff using personal accounts, and cannot take the next step because they lack governed data access and integration into the flow of work. They turn to their software suppliers and their advisers, and there are not enough people in Britain who know how to do this.

The recommendation.

Alongside the refreshed BridgeAI scheme, the government should stand up a second-stage offer restricted to firms that can evidence an existing deployment. Eligible spend should be on capability, rather than software licences: experienced implementation specialists placed with a firm for a defined engagement, workflow redesign, governance templates and benefits measurement.

Delivery should harness the expertise, capability and evidence within leading-edge AI adopters to inspire and enable the rest of the economy, delivering against several opportunity areas and recommendations in many AI Champions' sectoral Adoption Plans with a joined-up, economy-wide offer for medium-sized organisations. Co-investment from businesses – either in kind from leading firms, or in cash from participating organisations – would ensure good value for money. Precedents and effective models like Be the Business and Barclays Eagle Labs could be drawn upon.

Accountable body. Department for Business, Innovation, Science and Trade.

Timeline. Deployment from April 2027.

“The opportunity is substantial, but it will not be realised through ambition alone. It requires clear priorities, coordinated policy, investment and execution.”

STEVE RIGBY, CEO, RIGBY GROUP

Moving Forward

Project SAIL has brought together leaders from across the UK technology industry to take an honest look at what the AI Opportunities Action Plan has delivered, and what the next phase requires. The review shows a clear pattern. Government delivers well where one capable team controls the work, and struggles wherever progress depends on many parties acting together. That coordination ceiling, and not a shortage of ideas, is what now holds the UK back.

There is a narrow window to act. Public consent for new infrastructure is not yet settled, the machinery of government is still being redrawn, and the UK's access to critical AI capability depends on decisions made elsewhere. Other countries are moving quickly. If the next 12 months are spent on announcements and pilots, the UK risks building the technology here while the value, and the public's support, goes elsewhere.

The conditions for action are favourable. The Prime Minister's AI Taskforce gives AI a direct line to the centre of government. The AI Economics Institute provides a new basis for measuring what works. Mayors and combined authorities are gaining the planning and spatial powers to host and shape new infrastructure. The Sovereign AI Fund is investing in British companies. And business is ready to invest, share evidence and work alongside government.

The 10 recommendations in this report set out where to start. Each has one lead part of government, a 12-month timeline and a clear role for business. Together, they begin the Prosperity Compact for the Nation: a reciprocal agreement in which government, business, places and people each contribute, and each see a return.

A compact of this kind cannot be agreed in a single report. It needs a standing relationship between government and the businesses building and deploying AI in the UK. Rigby Group is prepared to convene the Project SAIL taskforce as an external advisory council to the AI Taskforce and the Minister for Artificial Intelligence. It would offer independent advice from industry, test policy as it develops, and report publicly on progress against these recommendations in 12 months' time.

Mobilising the nation starts now, and it starts with government and business acting together.

Methodology

Our findings rest on an independent review of progress against all 50 AI Opportunities Action Plan recommendations between June and August 2026.

This was built from documentary analysis of government announcements and publications, parliamentary material, and independent and third-party sources. Each recommendation was assessed against what it asked for, not against related activity.

We brought together over 30 leaders from industry partners – startups, civil society and policy specialists – to test and extend that evidence

through a cross-sector sandpit on 23 July 2026. We also conducted extensive interviews and discussions with private-sector actors to sharpen our analysis and recommendations.

The steering committee set our priority areas, and several members contributed directly to shaping the recommendations.

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PROJECT SAIL

ABOUT PROJECT SAIL

Project Sovereign AI Leadership (SAIL) taskforce brought together leaders from across the UK technology sector to review progress on the government’s AI Opportunities Action Plan and set out what should come next. It was convened by Rigby Group in June 2026.



ABOUT RIGBY GROUP

Founded in 1975 by Sir Peter Rigby, Rigby Group is one of Europe’s largest privately owned technology companies and investors. It is also one of the UK’s top ten wholly family-owned businesses, and in the top 500 globally. The Group is recognised as both an investor and business operator and a trusted partner to government, defence, global corporations, major charities and thousands of medium-sized organisations.

Rigby Group has three main divisions: SCC, the principal trading business, which is Europe’s largest independent IT services provider; Rigby Technology Investments, which is a leading private capital investor in transformative technology businesses; and the Group’s Real Estate portfolio covering hospitality, commercial and residential real estate assets. Through a £300m technology investment programme, the Group is accelerating development in AI, cloud and cybersecurity.

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This report was produced by Zinc Innovation Partners (ZIP), and authored by Luke Charbonnier-Bevan and Polly Mackenzie, with support from the wider ZIP team.

All costs associated with its production were met by Rigby Group.

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