

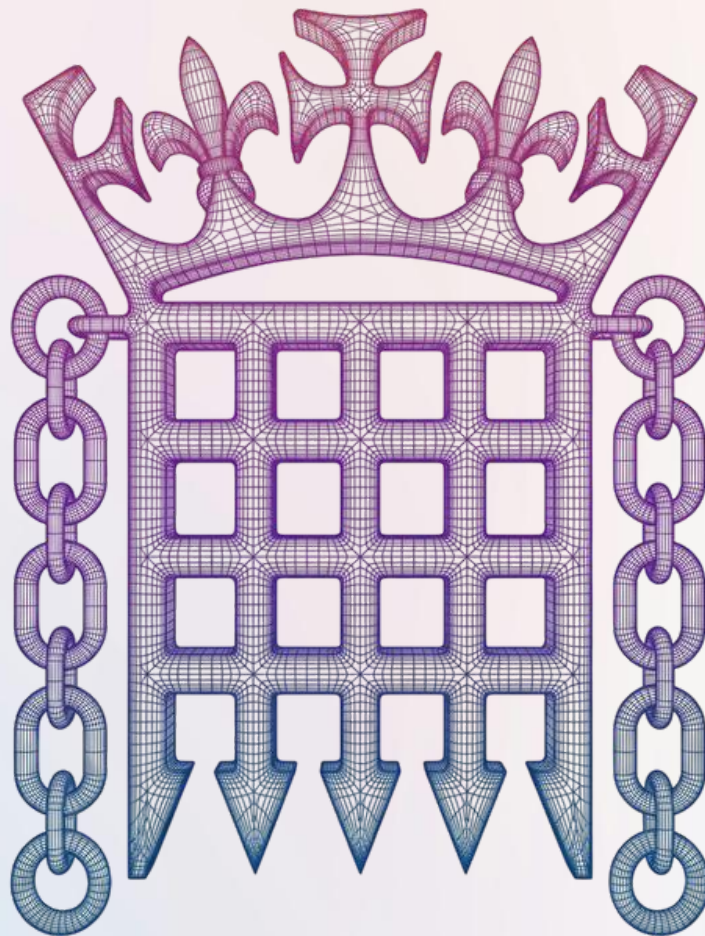


All Party Parliamentary Group on
Artificial Intelligence

AI GROWTH ZONES

BUILDING THE UK'S AI FUTURE

MARCH 2026
POLICY FORUM



**BIG
INNOVATION
CENTRE**

APPG AI Secretariat

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appg@biginnovationcentre.com
APPG AI Secretariat



All Party Parliamentary Group on
Artificial Intelligence

Rapporteur's Preface

AI Growth Zones: Building the UK's AI

AI is rapidly becoming a critical part of the infrastructure underpinning economic growth, innovation and national capability. The UK's ambition to establish AI Growth Zones therefore represents an important opportunity — not simply to build more data-centres and compute capacity, but to create the conditions in which AI innovation, investment and regional growth can flourish.

This evidence meeting of the All-Party Parliamentary Group on Artificial Intelligence brought together complementary perspectives from across the AI infrastructure ecosystem. **Samantha Wiggins of DSIT** provided the government perspective on AI Growth Zone policy and delivery; **Richard Gwilliam of Drax Group** addressed energy supply and industrial power; **Tiffany St James of Liverpool City Region Combined Authority** focused on regional implementation and governance; **Huw Owen of Ark Data-centres** examined data-centre infrastructure, compute demand and investment; and **Gary Tierney of Nebius** brought the perspective of AI compute infrastructure and cloud platforms. Together, their evidence examined the policy, infrastructure, investment and regional dimensions of turning the UK's AI Growth Zone ambition into delivery.

The evidence highlighted both the scale of the opportunity and the practical challenges ahead. Access to power and the grid, planning, investment certainty, regulatory coordination and skills will all be critical. Equally important is ensuring that major AI infrastructure connects with the UK's universities, researchers, startups, businesses and regional innovation ecosystems, and that the communities hosting this infrastructure share in its benefits.

A clear message from the session was that AI Growth Zones cannot be considered in isolation. They need to form part of a wider, connected UK AI ecosystem; - one that combines infrastructure and compute with research, innovation, skills, industry and regional capability.

This report brings together the evidence presented at the meeting, the subsequent discussion and the implications for the different stakeholders involved in delivering the UK's AI Growth Zone ambitions.



**Professor
Birgitte Andersen**

Rapporteur
CEO, Big Innovation Centre,
APPG AI Secretariat

INTRODUCTION

This document is a structured transcript and summary of the principal evidence and discussion at the APPG AI evidence meeting held on 9 March 2026 in the House of Lords, Committee Room 1, UK Parliament. It captures the key contributions and is not intended to provide a complete verbatim record.

Where speakers subsequently provided additional written evidence, this is clearly identified as Supplementary Written Evidence.

DETAILS

- Evidence Session: AI Growth Zones: Building the UK's AI
- Time: 5:30pm – 7:00 PM
- Date: Monday 9 March 2026
- Venue: UK Parliament: House of Lords – Committee Room 1

CONTACT THE SECRETARIAT

appg@biginnovationcentre.com
APPG AI Secretariat
BIG INNOVATION CENTRE

EVIDENCE GIVERS

- **Samantha Wiggins**, Head of AI Growth Zone (AIGZ) Site Selection at the Department for Science, Innovation and Technology (DSIT)
- **Richard Gwilliam**, Director at Drax Group (Future of Drax Power Station Director) and Chair at Humber Energy Board
- **Tiffany St James**, Chief AI Officer (CAIO) Liverpool City Region Combined Authority
- **Huw Owen**, Chief Executive Officer of Ark Data-centres.
- **Gary Tierney**, Vice President of Sales at Nebius

APPG AI CO-CHAIRS AND RAPPORTEUR

The All-Party Parliamentary Group on Artificial Intelligence (APPG AI) is co-chaired by Allison Gardner MP and Lord Clement-Jones CBE.

CO-CHAIR OF THE MEETING:

Dawn Butler MP, Vice Chair (APPG AI) & **Lord Clement-Jones CBE** (APPG AI Co-Chair)

RAPPORTEUR FOR THE MEETING:

Professor Birgitte Andersen, CEO, Big Innovation Centre and APPG AI Secretariat.





From left to right: Yogesh Joshee (Founder and CEO GenAirate Technologies Ltd); Yatin Mahandru (Head of Public Sector & Health, Cognizant); Markus Anderljung (Head of Policy, Centre for the Governance of AI), XXXXXXXX; Lord Pitkeathley (APPG AI Parliamentary Member); Moushami Verma (Head of AI and Customer Insights, Santander UK); Professor Birgitte Andersen (APPG AI Secretariat, CEO Big Innovation Centre); Lord Ranger of Northwood (APPG AI Parliamentary Member); Samantha Wiggins, Department for Science, Innovation and Technology (DSIT); Richard Gwilliam, Director at Drax Group; Lord Clement-Jones (APPG AI Co-Chair); Tiffany St James (Liverpool City Region Combined Authority); Gary Tierney (Nebius); Lord Taylor of Warwick; Huw Owen (Ark Data-centres; Baroness Udden; Prof. Ashley Braganza (Dean, Brunel Business School).

Aim of Session

The aim of this session was to examine how the UK can successfully create AI Growth Zones to accelerate innovation, strengthen national capability, and support regional economic development. The topics addressed included the infrastructure, governance, skills and long-term vision required for the UK to lead in the next generation of AI.

Discussion Covered

- **Infrastructure, energy and compute:** data centres, grid capacity, energy costs, planning and investment.
- **Governance and coordination:** regulatory clarity and collaboration across government, regulators and industry.
- **Investment and regional growth:** attracting private investment and connecting Growth Zones with regional AI ecosystems, universities, startups and SMEs.
- **Skills and talent:** building the workforce and technical capabilities required for AI growth.
- **Sovereign capability and long-term resilience:** strengthening UK compute capability and adapting to future AI developments.
- **Community benefit:** ensuring AI infrastructure supports local jobs, skills and wider economic opportunities.

Selected Images from the discussion



Dawn Butler MP
(APPG AI Vice-Chair)



Lord Clement-Jones CBE
(APPG AI Co-Chair)



Lord Ranger of Northwood
(APPG AI Vice Chair)



Lord Tarassenko
(APPG AI Parliamentary Member)



Lord Taylor
(APPG AI Honorary Vice Chair)



Lord Pitkeathley
(APPG AI Parliamentary Member)



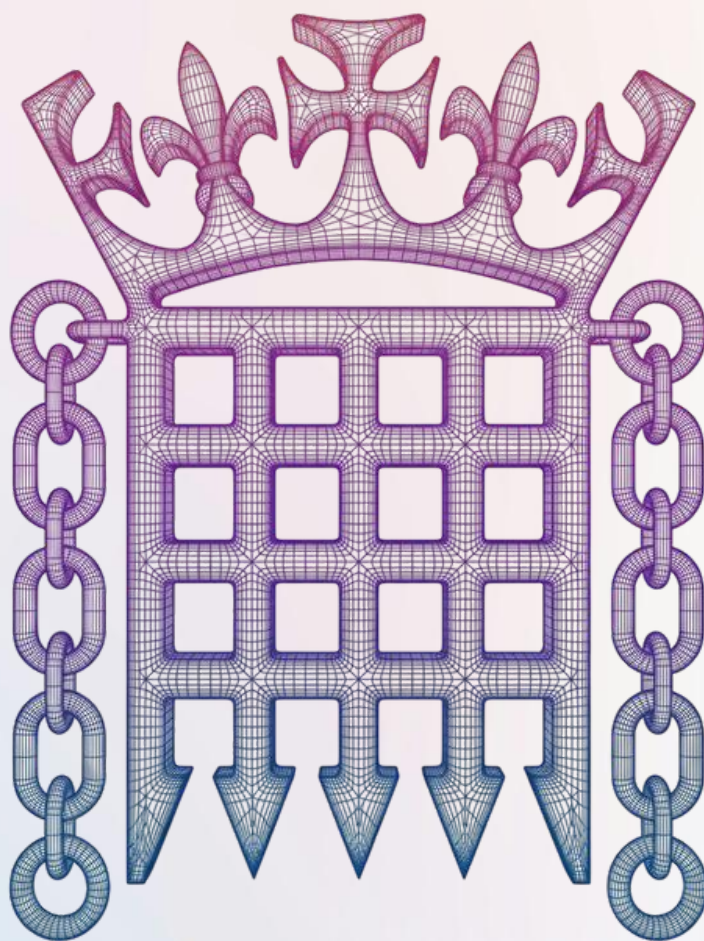
Lord McNicol
(APPG AI Parliamentary Member)



Professor Birgitte Andersen
(APPG AI Secretariat)

FINDINGS

EXECUTIVE SUMMARY AND KEY FINDINGS



Executive Summary

The session examined how the UK can translate the ambition behind **AI Growth Zones into investable, deliverable national infrastructure**. Contributors from government, energy, regional government, data-centre infrastructure and AI compute broadly welcomed the programme, while identifying significant challenges around energy and grid capacity, planning, investment certainty, regional integration, skills, regulation and community benefit.

1

The AI Growth Zones programme has moved from policy development towards delivery. Five Growth Zones have been designated (Oxfordshire, the North East, North Wales, South Wales and Lanarkshire) representing more than **£28 billion in committed private investment**. The immediate challenge is to convert designation into delivery through power arrangements, planning approvals and commercial agreements.

2

Energy and grid capacity are the most immediate constraints on growth. Long connection queues, major grid-upgrade requirements and comparatively high UK electricity costs risk delaying investment. Measures discussed included faster grid connections, recycling grid constraint savings, behind-the-meter solutions and on-site renewable generation.

3

Existing energy and industrial infrastructure could accelerate AI deployment. Drax highlighted the opportunity to repurpose existing power stations, grid connections, substations, cooling infrastructure and industrial sites to accommodate new AI demand. Its evidence also underlined the importance of ensuring that supportive AI infrastructure policies are not restricted solely to formally designated Growth Zones.

4

Commercial viability and investor certainty will ultimately determine whether Growth Zones succeed. Ark stressed that designation alone will not attract the scale of private capital required. Competitive electricity prices, timely grid connections, planning certainty, sufficient market demand and rapid execution are essential. The UK's existing London data-centre market should also be strengthened alongside the development of new Growth Zones.

5

The capital requirement is substantial and will require major private-sector participation. Ark estimated that a fully equipped 50MW AI-ready facility could represent approximately **£4 billion of investment**, illustrating the scale of financing required for 500MW Growth Zones and the importance of creating conditions capable of attracting long-term private capital.

6

Growth Zones should operate as anchors for wider regional AI ecosystems, rather than isolated data-centre developments. Liverpool City Region emphasised connecting compute with universities, applied research, innovation hubs, startups and SMEs. Regions outside designated Growth Zones already possess significant AI, research and digital infrastructure and should remain able to contribute to, and benefit from, the UK's national AI strategy.

7

Regulatory and government coordination should become easier to navigate. A proposed AI Growth Zone Governance Pack could consolidate existing guidance from Ofcom, the ICO and sector regulators. The Q&A also explored a broader “single front door” or brokerage function to help businesses navigate government departments, regulators and support mechanisms.

8

Building compute capacity is not sufficient on its own; the UK must also build the ecosystem capable of using it. Nebius highlighted the risk that scarce GPU capacity could rapidly be consumed by well-funded global players unless UK startups, universities, researchers and industries are supported to access and exploit domestic compute. Infrastructure providers should therefore engage actively with universities, communities and the wider innovation ecosystem.

9

Skills development must accompany infrastructure investment. Contributors identified requirements spanning AI engineers and researchers, data-centre engineers, electricians, construction workers and other technical occupations. Stronger partnerships between industry, universities, technical education providers, PhD researchers and startups will be needed to build the workforce required for sustained growth.

Local economic and community benefits need to be designed into Growth Zones from the outset. Direct operational employment in data-centres may be relatively limited, making the wider benefits across supply chains, research, startups, skills, apprenticeships and inward investment particularly important. The North East task force and Lanarkshire's proposed £543 million community fund were highlighted as approaches for connecting infrastructure investment with local benefit.

Overall, the discussion supported the ambition behind AI Growth Zones but emphasised that designation is only the starting point.

Success will depend on rapid execution, access to power, competitive costs, planning and regulatory certainty, substantial private investment, stronger links between major compute infrastructure and regional innovation ecosystems, skills development and meaningful community benefit. The wider UK policy framework must also enable AI infrastructure and innovation beyond the boundaries of formally designated Growth Zones.



Implications for Key Stakeholders

The following implications emerged directly from the presentations and subsequent discussion.



1. Parliament and Policymakers

- Support the policy and legislative framework required to move AI Growth Zones from **designation to delivery**, particularly in relation to energy, grid connections and planning.
- Consider further mechanisms to make UK energy costs and access to power internationally competitive for AI infrastructure.
- Ensure that the UK's AI infrastructure ambitions are **not limited to formally designated AI Growth Zones**, and that regions and projects outside those zones can contribute to national AI capability.
- Consider how the AI Growth Zone model should evolve as experience is gained from the first designations and applications.
- Recognise the importance of **sovereign compute and trusted national infrastructure** within the UK's wider AI strategy.
- Support mechanisms through which industry can engage constructively and regularly with government on the delivery of AI infrastructure.



2. UK Government

- Prioritise **faster grid connections, planning approvals and commercial arrangements** to enable designated Growth Zones to move into delivery.
- Provide greater clarity and certainty to investors and developers regarding AI Growth Zone criteria, support mechanisms and implementation timelines.
- Continue to explore energy solutions including the **Connections Accelerator Service, constraint-cost savings and behind-the-meter generation**.

- Strengthen coordination across government so that infrastructure developers and AI businesses have a clearer route for resolving barriers.
- Build on the AI Growth Zone Delivery Unit's account-manager model as a “**front door**” into government, with the discussion identifying potential value in a wider concierge or brokerage function.
- Consider how large-scale AI Growth Zone compute can connect with universities, businesses and regional AI ecosystems elsewhere in the UK.
- Ensure that places outside formal AIGZ (AI Growth Zone) designation can still contribute to and benefit from the UK's wider AI infrastructure strategy.



3. Regulators

- Improve coordination between **Ofcom, the ICO and relevant sector regulators**, including those responsible for energy, transport and health.
- Provide clearer and more easily navigable regulatory expectations for AI infrastructure operators, investors and local partners.
- Consider the proposed **AI Growth Zone Governance Pack**, bringing existing regulatory guidance together into a coherent framework covering areas including cyber and operational resilience, incident reporting and regulatory responsibilities.
- Work with government and regions to reduce fragmentation while retaining appropriate regulatory and security standards.



4. Data-Centre, AI Compute and Energy Infrastructure Businesses

- Engage early with **government, local authorities, grid and water authorities, universities and communities** when developing AI infrastructure.
- Explore opportunities to reuse existing energy and industrial assets, including **grid connections, substations, cooling infrastructure and industrial sites**, where these can accelerate AI infrastructure deployment.
- Build infrastructure with sufficient **adaptability and modularity** to respond to rapidly changing compute, cooling and technology requirements.
- Share best practice on sustainable and environmental approaches to data-centre development.
- Work with universities, startups and other regional organisations so that infrastructure contributes to a wider AI and innovation ecosystem.
- Contribute to skills development and training alongside infrastructure investment.
- Recognise that attracting private capital ultimately depends on creating commercially viable projects with sufficient demand, competitive costs and policy certainty.



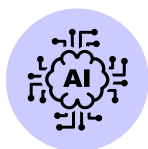
5. Regions and Local Authorities

- Connect AI infrastructure development with wider **regional economic development, universities, research, skills and innovation**.
- Ensure that major infrastructure projects create opportunities for local employment, apprenticeships, supply chains and community benefit.
- Build the local planning and specialist capability needed to support major AI infrastructure projects.
- Develop collaboration between local government, academia and business, including the **“triple helix” approach** discussed during the session.
- Regions outside designated AI Growth Zones should identify how their existing compute, research, fibre, industrial and innovation assets can connect with the national AI infrastructure programme.
- Consider regional coordination mechanisms, including task forces, innovation hubs and other approaches that bring relevant local stakeholders together.



6. Universities and Research Institutions

- Develop partnerships with AI infrastructure and compute providers to improve **access to computing capacity** for research and innovation.
- Connect university expertise and research facilities with Growth Zones and other major compute infrastructure, including where the infrastructure is located in another region.
- Use access to compute to support research breakthroughs, new commercial partnerships, startups and AI adoption.
- Work with infrastructure operators and businesses on **skills development, training pathways and technical education**.
- Strengthen collaboration between universities, industry and regional government so that compute infrastructure contributes to wider regional innovation.



7. UK AI Startups, Scale-ups and SMEs

- Ensure that UK startups and SMEs are able to **access and benefit from the compute capacity** being created in the UK.
- Give UK AI companies a stronger voice in discussions about AI infrastructure and Growth Zones, alongside infrastructure providers and large technology companies.

- Strengthen connections between startups, universities, compute providers and established UK industries.
- Use domestic compute capacity to support the development and scaling of UK AI businesses, rather than allowing available capacity to be absorbed predominantly by well-funded global players.
- Recognise the role of SMEs and startups in translating infrastructure investment into wider innovation and economic growth.



8. Skills and Education Providers

- Prepare for growing demand for **AI engineers, data-centre engineers, electricians, construction workers and other specialist technical roles**.
- Work with infrastructure operators and AI businesses to develop relevant skills, certifications, apprenticeships and training pathways.
- Connect skills provision with universities, technical education and local employment opportunities.
- Ensure that the skills benefits associated with a Growth Zone can extend beyond its immediate location to neighbouring regions and the wider UK ecosystem.
- Plan skills development alongside infrastructure investment, recognising existing shortages in construction and specialist technical occupations.



9. Local Communities

- Ensure communities have a meaningful voice in the development of AI Growth Zones and major data-centre projects.
- Connect infrastructure investment with tangible local benefits, including **jobs, skills, apprenticeships and community initiatives**.
- Consider community-benefit models such as the approach highlighted in Lanarkshire, where a substantial community fund forms part of the proposed development.
- Draw on existing approaches to civic engagement around data and AI when developing mechanisms for community involvement in AI infrastructure projects.

Across all stakeholder groups, a consistent message emerged: AI Growth Zones should be understood not simply as locations for large data-centres, but as part of a **connected national AI ecosystem** involving energy infrastructure, compute providers, government, regulators, regions, universities and research institutions, businesses, skills providers and communities. The success of the AI Growth Zones programme will depend on how effectively these different parts of the ecosystem work together.

EVIDENCE

EVIDENCE GIVERS:

- Samantha Wiggins, DSIT
- Richard Gwilliam, Drax Group
- Tiffany St James, Liverpool City Region
Combined Authority
- Huw Owen, Ark Data-centres
- Gary Tierney, Nebius



Samantha Wiggins,

Head of AI Growth Zone (AIGZ) Site Selection at the Department for Science, Innovation and Technology (DSIT) — AI Growth Zones policy (DSIT)

“AI Growth Zones have moved from policy concept to a national infrastructure programme, with the priority now to overcome energy, grid and planning barriers and ensure investment delivers tangible benefits for local communities.”

(1) Introduction: Turning Policy into Infrastructure

I'm Samantha Wiggins, and for the past year I've worked on the AI Growth Zones team at DSIT on the site selection process. This has involved the technical assessments, the investor engagement, and the cross-government work which has turned a policy idea into what is now a national infrastructure programme.

I want to use my time to present the evidence on what we've built, what's working, and where the barriers remain. I'd also really welcome thoughts from the group on these issues.

(2) The UK's Strengths and a Critical Scaling Gap

I'll start with a genuine strength: the UK has the third largest AI market in the world. We have world-class universities, a thriving startup ecosystem, and a strong record of frontier research.

However, the evidence identified a specific and material gap.

Only 20% of UK AI leaders saw the UK as a good place to scale a company, compared to 60% who saw it as a great place to start one.

The diagnosis of that gap was infrastructure.

Training and deploying frontier AI systems requires energy at a huge scale - hundreds of megawatts per site - and our planning system and grid connections were simply not built to deliver that at pace.

Just as the energy crisis taught us what it means to be dependent on infrastructure we don't control, AI compute is the next frontier where sovereignty really matters. Having the capability to run and train the AI systems that will power our public services, economy and national security here in the UK means we are better insulated from risks we cannot yet fully anticipate. Demand in the UK is clearly there. Over 200 local areas expressed interest in hosting a Growth Zone.

What was missing was the policy framework, planning support, and energy mechanisms needed to make that viable. That is the evidence base on which the programme was built.

(3) Progress So Far: Designation of the First AI Growth Zones

So where are we now?

We are one year on from the AI Opportunities Action Plan, and five AI Growth Zones have now been designated:

- Oxfordshire
- The North East
- North Wales
- South Wales
- Lanarkshire

Together they represent over £28 billion in committed private investment.

The North East zone brings together Cobalt Park and QTS (Quality Technology Services) Data Centres Blackstone in Blyth.

North Wales sits at Wylfa, which was simultaneously confirmed as the UK's site for the first small modular reactor.

South Wales builds on an already strong Welsh technology cluster along the M4 corridor.

And Lanarkshire is delivered by the home-grown company DataVita in partnership with CoreWeave.

But designation is, of course, only the beginning. Now the real work begins.

(4) The Two Core Challenges Ahead

I see the next phase as twofold:

1. Resolving the barriers that would otherwise stop these sites from being built
2. Ensuring they deliver for communities — not just investors

I'll talk about both:

(5) The Biggest Constraint: Energy and Grid Connections

There are several barriers we could discuss, but I want to focus on grid connections and energy costs, because this is by far the most acute constraint facing the programme.

Queue times are long. Upgrades are significant. And the existing framework was not designed for the scale of demand we are now seeing.

To address this, the government published the Delivering AI Growth Zones policy paper in November.

This introduced several mechanisms.

(a) Faster Grid Connections

On timing, there will be a Connections Accelerator Service — a bespoke engineering service provided by DESNZ (Department for Energy Security and Net Zero) to AI Growth Zone data-centre projects.

(b) Reducing Energy Costs

On cost, from April 2027, subject to legislation, a new pricing mechanism will recycle grid constraint savings.

This refers to money currently spent switching off generators in the North East and Scotland when the grid cannot absorb the power being produced. Instead, those savings will be recycled into projects that use the power locally.

Taken together, these measures could:

- Reduce time to power by up to five years
- Unlock up to £100 billion in additional investment

(c) Exploring “Behind-the-Meter” Energy Solutions

I also want to flag behind-the-meter energy solutions as an area we are actively exploring.

(d) Lanarkshire provides the proof of concept

DataVita's plans include over 1 gigawatt of wind and solar generated on site. If the UK can develop this model at scale, we will have an answer not just to data-centre energy demand, but also to grid resilience more broadly.

(6) Ensuring Growth Zones Deliver for Communities

The second key area is local benefit.

When we build cutting-edge AI infrastructure, we have a responsibility to ensure the communities around the projects also feel the benefits. In the North East, we have established a task force bringing together:

- The North East Combined Authority
- Local universities
- Skills providers

Its mandate is clear: connect infrastructure investment to local jobs and opportunities.

In Lanarkshire, DataVita has committed a £543 million community fund, to be spent over the next 15 years, supporting:

- Local skills
- Apprenticeships
- Community initiatives

They already have 50 apprenticeships committed from day one.

This is exactly the type of model we would like to see replicated across the programme.

(7) Next Steps: Moving from Designation to Delivery

We are currently assessing a further pipeline of potential sites for designation, with several high-potential locations already identified.

To deliver the announced zones, the AI Growth Zones Delivery Unit has been established specifically for this purpose. Their work focuses on brokering the:

- Power arrangements
- Planning approvals
- Commercial agreements needed to get the first wave of zones built.

The priority for 2026 is clear:

- Spades in the ground
- Grid connections secured
- Communities starting to feel the benefits

(8) Questions for Parliamentarians and Stakeholders

I want to end by inviting views from the group on two areas.

(a) Energy

The constraint cost savings mechanism is a powerful lever to make UK sites competitive internationally. Parliamentarians can support the legislation underpinning this.

But the question remains:

- Are there other energy mechanisms we should be exploring?
- What else should government consider to make the energy case for these zones even stronger?

(b) Local Benefits

Task forces are one model for ensuring communities have a voice.

But I would ask the group:

- Are there other ways to ensure local voices are genuinely heard?
- We would welcome experience from other major infrastructure programmes where this has worked well.

(9) Conclusion: From Bystander to Builder

I'll finish with a quote from the Prime Minister (Sir Keir Starmer) when he announced the AI Growth Zones programme:

“The UK has been a cautious bystander to the changes that AI is bringing for too long. Growth zones are how we stop watching and start building.”

Thank you, and I look forward to taking part in the discussion.



The UK can accelerate AI infrastructure development by repurposing existing energy and industrial infrastructure, while ensuring that supportive policy measures extend beyond formally designated AI Growth Zones.

Richard Gwilliam,

Director at Drax Group (Future of Drax Power Station Director) and Chair at Humber Energy Board — energy supply & industrial power

(1) Introduction and the Future of Drax Power Station

By way of introduction, my name is Richard Gwilliam. I'm a director at Drax. I'm responsible for the future of Drax Power Station. You may be aware that Drax is an asset that has been with us for quite some time. It first started operating commercially in 1974.

Between 2012 and 2018, we converted, so we no longer operate with coal, which was the original configuration of the plant, but we operate with sustainably sourced biomass. We have four biomass units. The two remaining coal units ceased operations in 2022 and were mandated to stay on for UK energy security for a further year.

(2) Drax's Capacity and Infrastructure

By way of further context, the power station has 2.6 GW capacity. Last year, we produced 15 terawatt hours of electricity. That's around about enough to power 5 million homes. From April next year, we will operate under a new contractual regime with the UK government that will see that output drop to around about 6 terawatt hours.

The site's located on a vast estate. We have 1,250 acres at our disposal. And as a consequence of the no longer used coal infrastructure, we have a lot of electrical assets available to us for alternative use. That includes grid infeeds, access to one of the largest substations in the UK, and extensive cooling water applications.

We think that if you couple those two things; one, the reduced output that will take place at the power station from 2027, and the underutilised infrastructure that we have;- it creates an ideal opportunity to provide both energy security for the UK and stimulate AI growth with an on-site data-centre demand.

(3) AI Growth and the Electricity Grid

Just briefly turning to AI, I think we're all here for a very good reason. AI offers an unparalleled opportunity for growth in this country. And picking up on Samantha Wiggins (DSIT)'s remarks and comments around the Prime Minister (Sir Keir Starmer), I also recall him talking about making sure the UK was an AI maker, of course, and not an AI taker.

But consistent with, Samantha's comments, one of the biggest barriers to the deployment of AI infrastructure is, of course, access to the electricity grid. Prior to working at Drax, I worked at National Grid, so I have seen these things from both sides of the fence. And I think you only need to look at any article that talks about the profoundly long grid queue that we are experiencing in the UK.

The UK's electricity demand is now at its highest since 2011. If you take both those two things together, it is a profoundly difficult time to contemplate how growth can come in.

(4) Data-centres and Rising Electricity Demand

Clearly, the rise in EVs (Electric Vehicles) and heat pumps, the electrification of our heating system, is having an impact, but no doubt the biggest and most profound effect is data-centre growth in the country. We have all, no doubt, read the article recently in The Times that described that the demand for data-centres on the grid queue at the moment is equivalent, or perhaps greater than, the UK's current peak capacity for electricity.

In that context, and against the backdrop of what I've just described, at Drax, repurposing and reusing infrastructure that we have within our system at the moment seems to me a very sensible and pragmatic solution, so that we don't inadvertently trip ourselves up in trying to promote AI growth at scale.

(5) Drax and the AI Growth Zones Process

Turning to the AI Growth Zones briefly, if I can, we participated in this process at the start of last year.

We submitted one of DSIT's 240 (I think) applications as an expression of interest. We worked alongside the York and North Yorkshire Combined Authority in preparing a proposal. We had understood the process to help unlock government issues and regulatory issues and planning. But clearly, the overarching ambition was to help use AI growth to deliver UK compute ambition, catalyse growth in key geographies that perhaps haven't grown to the extent that they can do, and become a focal point for the UK's AI agenda.

As an initiative, I think it has been really successful in driving attention to the UK's policy agenda as being one of the most progressive places in the world to invest in AI infrastructure.

(6) Growth Zones Beyond Data-centres

At the time, I recall government were at pains to point out that the AI Growth Zone process is not just about data-centres, but instead they want applicants to set out what they would use the compute capacity for and to prepare bids that were characteristic of the region, the regional character and ambitions.

And we saw as a consequence a high influx, or we observed from afar at least a high influx of applications.

I think that high influx drove the government to come up with some incredibly stringent criteria to become a AI Growth Zone, which, just for the record, includes 500 megawatts of capacity available by 2030, 100 acres of land available by 2028, 500 megawatts of cooling capacity by 2030, and access to the UK's fibre network.

I think the industry collectively perhaps remarked the government was trying to pursue a unicorn site.

(7) The Drax AI Growth Zone Proposal

Just turning attention briefly back to our own bid, not only were the York and North Yorkshire Combined Authority a participant, but we partnered with Hull University, the University of Sheffield and the University of York, capitalising on each of those institutes' expertise in AI growth.

And I think, perhaps unique to our proposal, we came up with a concept whereby installing a data-centre at the power station would help expedite our long-held ambitions to deliver carbon capture and storage at the site in a way that was more commercially attractive than the current government CCS (Carbon Capture) programme.

(8) Government Assessment and the 500 MW Requirement

The government kind of gave us 28 days to prepare a detailed application that was submitted in May, and I think it's probably taken for us until last month, so some time later, to reach a determination.

The feedback that we've had from government is that once we can demonstrate that 500 megawatts capacity can be available from the power station in time, that they will be perhaps interested in engaging with us on the scope or opportunity for an AI Growth Zone.

(9) Reflections on the AI Growth Zone Process and Wider Policy

I guess the challenge has been, I suspect, that government was perhaps overwhelmed by the number of applications and took some time to consolidate those. But I think collectively we found the process a little bit frustrating in that there was limited engagement with DSIT through the whole of the AI Growth Zone process.

And I think, looking from afar, whilst it's been enlightening to hear Samantha Wiggins (DSIT)'s comments, the process in determining successful applications was, to a degree, quite opaque. And I still remain slightly unclear as to how the successful sites met the eligibility criteria.

My final remark is that whilst AI Growth Zone policy has been successful in driving interest in the UK, more clearly needs to be done in this sector. And whether or not our application is successful, that won't deter our ambitions to deliver growth in this important area, but it's important the government's policy framework doesn't just limit itself to those AI sites.

And I would like to hear that some of the positive comments Samantha Wiggins (DSIT) the Department for Science, Innovation and Technology (DSIT) have made around, for example, allowing developers to develop their own grid, could be applicable to sites outside of Growth Zones.

Supplementary Written Evidence (Richard Gwilliam)

Existing Energy Infrastructure as a Strategic Asset

We believe that power stations like Drax should be seen as a strategic asset on that journey, providing:

1. Substantial and existing grid connections
2. Transformers and electrical infrastructure for industrial scale operations
3. Establish sites with an energy and industrial planning context and
4. Experienced workforces and supply chains

Repurposing and reusing this infrastructure offers one of the fastest and most credible ways to support large new electricity demand, without waiting years for the system to catch up.

Regional Academic Expertise and Applications of Compute

The bid [prepared by the York and North Yorkshire Combined Authority, to which Drax contributed] was supported by Universities in York, Hull and Sheffield that all set out the value of securing Growth Zone status, allowing the bid to leverage of considerable academic expertise. Including at Hull where they have one of the biggest graduate intakes nationally for their undergraduate AI programme and York who are pioneering AI safety. In addition, the bid explained how regional compute capacity would be utilised to address regionally significant issues including industrial decarbonisation, energy and food security.

Experience of the AI Growth Zone Process

One thing I would say in my experience is that this sector is moving at considerable

pace and I was surprised at the time taken to appraise the applications. The length of time that elapsed certainly impacted on perception of the policy, with many developers and offtakers that I spoke to becoming increasingly skeptical that the AIGZ (AI Growth Zone) process was something that could support their own ambitions.

Taking the edge off a very positive policy intervention.

The process has been a little frustrating. There has been limited engagement with the department (DSIT) throughout the decision-making process, despite significant engagement with DESNZ (Department for Energy Security and Net Zero).

Wider AI Infrastructure Policy

There has also been limited consultation on the wider policy decisions that could unlock growth in AI Infrastructure, with a range of measures announced in Autumn 2025. It is unclear whether these measures will only apply to AIGZ (AI Growth Zone) areas, and the timetable for implementation.

The development of a data-centre at Drax was not contingent on AIGZ (AI Growth Zone) status, however it would help to deliver on the opportunity in an expedient way. We will continue to engage with government in parallel with discussions with developers.

My summation is that whilst AIGZ (AI Growth Zone) provide a policy focus for an important growth area, they can not be the limit to the UK's ambition. More work is required outside of AIGZ (AI Growth Zone) areas to create the right policy framework to ensure that our growth in this sector is not hindered by the challenges and limitations of existing grid infrastructure.



AI infrastructure should act as an anchor for wider regional innovation ecosystems, connecting compute with universities, startups, skills and local businesses, supported by clearer and more coordinated governance.

Tiffany St James,

Chief AI Officer, Liverpool City Region Combined Authority. Regulation, governance, ecosystem and economic impact.

Tiffany St James has 25 years' consulting experience in global digital transformation and emerging technologies, including 14 years in the Cabinet Office and eight years working across 70 local authorities, as well as experience in the private sector.

(1) Introduction

I'm Tiffany St James. I'm the Chief AI Officer (CAIO) for Liverpool City Region Combined Authority. It was the first UK public sector CAIO. I've been in post five months.

Luckily, I've learned from my colleagues in digital infrastructure. I'll address two points here today: Regulation and governance and then ecosystem and economic impact.

(2) Regulation and Governance

I'll touch on regulation and governance to start with. The government has put some strong foundations in place, including the UK AI regulatory principles and NIS security duties. But regulatory guidance remains distributed across multiple authorities, each applying the shared NIS principles with its own sector remit. What this means is currently, Ofcom for data infrastructure, the ICO for AI and data protection, and sector-specific regulators in fields such as energy, transport and health.

As a result, there's no single easy-to-navigate government pack for investors and local partners. Guidance is really robust, but it is fragmented.

An AI Growth Zone governance pack would add real value by curating and consolidating what already exists into a coherent, accessible framework that would give partners clear expectations on cyber and operational resilience baselines, incident reporting and customer notification requirements, and clarity on the regulatory responsibilities for each issue, improving predictability, confidence and delivery readiness across AI Growth Zones.

(3) Recommendations on Regulatory Coordination

So my recommendation to Parliament, if I may be so bold are three-fold.

1. Support the creation of a single governance pack that curates existing regulatory guidance into one place for AI Growth Zone partners.
2. Secondly, encourage regulatory coordination across sectors, ensuring Ofcom, the ICO and sector regulators provide aligned expectations for operators.
3. And then, really support local authorities with clarity so they can plan confidently and engage investors without navigating a fragmented regulatory map.

(4) Economic Development, Innovation and Regional Impact

The second area that I'd like to come on to is economic development, innovation and the economic and regional impact of AI.

Liverpool City Region operates a diverse portfolio of micro, edge and core co-location data-centres across our region of six local authorities. But they are not the hyperscale 500 megawatt-class AI data-centres that government is targeting for its AI Growth Zones.

I want to focus on how we ensure that the UK's investment in AI infrastructure delivers meaningful, long-term regional value and avoids the risk of creating isolated assets that contribute little to local growth.

We've seen data-centres described as dark sheds: large, resource-intensive buildings that operate behind high walls, consume vast amounts of power and generate minimum local benefit.

If we're serious about national AI leadership, we must ensure that the next generation of AI-enabled data-centres does not follow that model. And it was great to hear from colleagues that the embedding with the universities of the work that's been done already.

Instead, they should focus on anchor infrastructure, assets that actively stimulate innovation, skills, collaboration, and economic opportunity in the places that they were built. And I'm sure that makes sense to everyone.

(5) International Models and the Value of Compute

There's strong international examples to learn from. In the US, where universities, industry, and research institutions work directly with data-centre operators, models have shown that access to compute has enabled research breakthroughs, new commercial partnerships, and the rapid scaling of AI-driven startups.

When the ecosystem is intentionally activated, a data-centre becomes more than infrastructure, it becomes a catalyst. So for regions like ours, the opportunities are significant. Access to compute for universities and research institutions enables everything from advanced material science to health innovation.

Co-locating laboratories or incubator spaces next to the data-centres helps startups prototype faster and bring products to market sooner. With the right agreements, operators can support specialised skills development, from cooling and resilience engineering to AI systems optimisation, supporting those career pathways into high-value technical roles.

And these benefits extend, of course, beyond the tech sector. They attract inward investments, stimulate local supply chains, and give small and medium-sized enterprises the tools to be able to scale. High-quality compute infrastructure is fast becoming as important to regional competitiveness as transport or energy networks.

(6) Liverpool City Region's Infrastructure and Assets

So this is a particular opportunity for the Liverpool City Region that we're already leaning into. We have an asset base that uniquely positions us to participate in this agenda. The Science and Technology Facilities Council supercomputing capability - a tongue twister in itself - already offers slices of compute to small businesses more cost effectively than many cloud facilities and co-locating smaller businesses on site.

Our Virtual Engineering Centre at our University of Liverpool offers free data and prototyping to businesses registered over 12 months within the region.

And LCR (Liverpool City Region) Connect, our 400 kilometre, full fibre, ultra-fast gigabit cable network and the subsea cables entering the UK and our region, connecting us to Ireland and the US.

So we've got a lot of that infrastructure here even though we're not an AIGZ (AI Growth Zone)-designated zone.

These organisations already are driving innovation in manufacturing and healthcare, advanced simulation and AI adoption, but with stronger partnerships with operators of larger AI data-centres, we can amplify that impact even further.

(7) Building a Regional AI Ecosystem

Obviously, we want to imagine a model where universities, research institutes and local businesses can securely access compute capability, capacity; where incubators and applied research labs sit adjacent to core facilities; where skills providers co-design training pathways with operators; and where regional SMEs can scale because the compute they need is on the doorstep.

It's not just what it looks like when a Growth Zone acts as an anchor, but a wider ecosystem, not just a construction project.

(8) Recommendations to Parliament

My recommendations for parliamentarians are that AI Growth Zones cannot be the only mechanism with which regions contribute to national AI capability.

Parliament should recognise regional AI ecosystems as strategic national assets and as contributors to the UK's AI resilience and economic growth, even where they sit outside AIGZs (AI Growth Zones), and ensuring that places outside formal designation are still enabled to benefit from cohesive government support.

If we get this right, there'll be engines of regional productivity, magnets for investment, and critical enablers of the UK's long-term AI competitiveness.

Thank you.

Supplementary Written Evidence (Tiffany St James)

Additional Recommendations to Parliamentarians

Regional AI ecosystems - including universities, applied research centres, innovation hubs, and local data infrastructure - should be recognised as strategic national assets and as contributors to the UK's AI resilience and economic growth, including where they sit outside formally designated AI Growth Zones.

Future AI infrastructure funding should explicitly include non-AIGZ (AI Growth Zone) regions as eligible beneficiaries, ensuring that places outside formal designation are still enabled to benefit from cohesive government support.

As the AI Growth Zone model is refined, ecosystem design should not be an afterthought. Expectations around skills pipelines, innovation spaces, university and industry partnerships, and SME scaling support should be embedded within the model.

These measures are not “nice to haves” - they are essential to ensuring that national investment in AI infrastructure translates into real economic and social value for places like Liverpool City Region.





“AI Growth Zones will succeed only if they enable commercially viable and internationally competitive businesses, requiring affordable power, faster grid connections, planning certainty, private investment and rapid execution.”

Huw Owen,
Chief Executive Officer of Ark Data-centres. Data-centre infrastructure — compute demand & investment

(1) The UK Data-centre Industry and Ark's Growth

My name's Huw Owen. I am the CEO of Ark Data-centres.

The data-centre industry contributes around £4.7 billion to the UK economy, supports about 45,000 jobs, and generates close to £700 million in annual tax revenues. Yet data-centres should not be viewed as niche or stand-alone industries. They underpin every aspect of our modern economy.

Ark began in two muddy fields and has since grown into a British unicorn, investing many billions of pounds into the UK. 90% of that flows directly into the UK supply chain, supplying steel, engineering, construction, associated services, supporting thousands of jobs.

Ark now operates across 10 sites, two overseas, with approximately £7 billion of forecast future investment.

There are useful parallels between where Ark began and where the UK stands today with its proposed AI Growth Zones, with one important difference. Ark began with little more than land and ambition.

The UK already has something extremely valuable: Europe's largest data-centre market. However, that position is no longer guaranteed.

(2) AI Growth Zones Must Enable Profitable Businesses

If we cut through the politics, the policy language, the media headlines, AI Growth Zones ultimately need to achieve one thing. They must enable successful and profitable business to be built in the UK.

Business can be made complex, but in essence it's $R \text{ minus } C \text{ equals } P$ (Revenue less Cost equals Profit).

Profit is not a dirty word. It funds growth, research, development, innovation, skilled jobs, investment in communities and people, and importantly, tax revenues.

So the first question is straightforward. What revenue base already exists, which we can stand on and drive future growth?

The answer is the London data-centre market, the largest in Europe.

(3) Protecting the Existing London Data-centre Market

Yet in recent years, that market began losing market share because electricity costs in the UK were roughly four times greater than the US and higher than almost anywhere in Europe.

If I were running a business, I would not announce ambitious new ventures while neglecting to speak to the profitable and highly successful core of my business and about real plans to further advance that part of my business. Doing so creates uncertainty, nervousness, distraction, speculation, and undermines confidence in that market.

Instead, I would send a clear signal to secure, support and strengthen that existing base while building the future.

I would also remind that there are companies having already spent that are spending more. That includes Ark across the sector in the London zone, investing billions into UK infrastructure, land, grid connections, mechanical electrical systems, and there are already facilities under construction today.

Those companies' seeds are planted, and I can guarantee farming is a lot easier than hunting.

Maintaining the competitiveness of the existing London data zone should therefore be a central part of the UK's AI strategy, along with the development of the new Growth Zones.

(4) What Will AI Growth Zones Actually Sell?

This leads to the next question. What will the AI Growth Zones sell, to whom, and are there hurdles?

Given the zones are geographically spread, some easier to understand than others, but all must confront the same fundamental business questions: the total addressable market available, the timing and alignment of their business offerings, cost competitiveness and network latency.

AI infrastructure falls into two categories: the training of the models, which is location agnostic, and then the inference, which is actually very sensitive to location - that is the selling of those AI services.

The simple fact is, around training, that the global race for large-scale training infrastructure is well underway. Because of the current UK power costs, most large deployments are occurring in the US and, within Europe, increasingly in the Nordic states.

And power discounts currently proposed for the AI Growth Zones, and only guaranteed until 2030, are not likely to change that dynamic.

This raises an important question. What are the AI Growth Zones intended to host? Training, inference, cloud services, data storage, or some combination of all four?

Likely it must vary from zone to zone. If inference is a significant component, then network latency becomes critical. Facilities located far from major population centres may struggle to serve markets they wish to reach and are unlikely, therefore, to attract business at scale.

Editor input / explanation:

AI inference is the live operational phase where trained models process user queries and generate real-time outputs. This is a central driver behind the UK government's designated AI Growth Zones (AIGZs).

As global compute demands shift heavily toward inference workloads over heavy model training, these regional growth hubs aim to provide the high-density power and streamlined grid access required to scale modern AI infrastructure.

(5) The Scale of Investment Required

Turning for a moment to the cost side of the equation, the scale of investment required is significant.

Constructing a 50 megawatt data-centre building costs roughly £800 million. The compute infrastructure required to populate that building (servers, network equipment, supporting systems) typically costs four times that amount.

In other words, an equipped 50 megawatt AI-ready facility represents a £4 billion investment.

Each AI zone is 500 megawatts. That's £40 billion. Five of them, that's £200 billion.

This context matters when announcements are made about investments of £500 million or even £5 to £10 billion. While those are vast sums of money, they represent only a fraction of the capital required, which speaks to a simple reality.

The scale of investment will only occur if very substantial private sector participation is involved, and capital ultimately flows to locations where profitable businesses can be built.

Simply designating an area a Growth Zone will not on its own attract capital. Business will invest only if there is a sufficiently large addressable market to generate revenues capable of delivering acceptable returns.

(6) Certainty, Power Costs and Speed of Delivery

Certainty is important too. Power discounts, short against the markets as they currently are and guaranteed for only four years, given the scale of the required investment from these companies, could put a brake on growth.

That is simply how business works. That is why planning reform, faster grid connections and competitive electricity pricing are so vital.

Equally important is the speed of that delivery. The global technology race is already underway and moving quickly.

The current Ofgem consultation into grid connectivity and the length of time it takes to connect across dated systems swamped with projects that are not viable is interesting in this context.

While good in intent, business reality requires rapid progress, clear, pragmatic guidance, and then relentless, robust execution against a declared position.

This consultation, therefore, provides a good test of the government's resolve to attack and win in this space.

(7) The AI Growth Zones Delivery Unit and Government Coordination

In that context, the creation of the AI Growth Zones Delivery Unit within DSIT is welcome.

What got us here won't necessarily get us there.

Historically, the engagement with government has been fragmented and the landscape across government difficult to engage with. Hopefully improvement will come.

It would be equally valuable to see a clear articulation of the unit's core must-have outcomes, the ownership of each and delivery timelines. That clarity could provide a true north that industry could rally behind.

(8) Accountability and Industry Engagement

How will government track progress?

There are traditional official accountability mechanisms - Science and Technology, Public Accounts Select Committee - but should there be a more collaborative process enabling industry to constructively and regularly engage with the unit to encourage a more joined-up, collegiate approach on what are ultimately common battles all parties need to win?

Their experience and expertise could be extremely valuable. They are also a large potential pool of engagement, but to date the engagement with us operators has not been what it ought to be.

(9) Conclusion: Speed, Collaboration and UK Competitiveness

To conclude, the ambition expressed by the policymakers is genuinely encouraging, and many of the proposed reforms are sensible, but not without challenges to their successful execution.

In business we often say, time kills deals.

Speed of execution matters enormously.

If we work across industry and with government with a real sense of urgency and together robustly attack all challenges, dare I say, reignite that bold buccaneering ethos of our time in the Industrial Revolution, so much positive progress can be achieved towards securing the UK's place among the leading pack in the global AI race.

Ultimately, if you want to control your future, - create it!



Supplementary Written Evidence (Huw Owen)

I speak in my personal capacity, not on behalf of Ark Data-centres Limited or Crown Hosting Data-centres Limited.

Outcomes, Muscle and Stop

In my own work I often deploy a simple framework: **Outcomes, Muscle and Stop**:

- **First**, define the **must-have outcomes** (verses should and could): clear, measurable objectives with someone accountable for delivering them and the deadline to do so.
- **Second**, build the organisational capability - the muscle - needed to achieve those must have outcomes. Name a leader and the team they shall lead all with the correct skills, experience and mindset equipped with the necessary tools rules and processes.
- **Third, stop** doing anything that does not directly support those priorities.

And never confuse being occupied or busy with being effective.

Sovereignty and National Infrastructure

Another dimension that deserves attention is **sovereignty**.

In a more complex and uncertain geopolitical environment, the ability to process and store sovereign data within trusted national infrastructure becomes increasingly important.

Sovereign British data-centres help protect citizens' data, reduce exposure to foreign legal jurisdictions, align with UK data standards and strengthen national resilience.

Identify, engaging and supporting British companies capable of delivering and operating secure, accredited infrastructure is therefore strategically important — particularly for critical public-sector data.

Legacy Infrastructure

The above achieved, the UK must still address its **legacy estate** and the data that resides there. That technical debt growing year on year must be resolved or it will greatly limit the governments' ability to benefit from AI, plus then there are the security, resilience and environmental concerns. There are numerous reports on this subject; I need not expand here.

Ark's Commitment to the UK

The UK is Ark's home. The place that enabled Ark to become a unicorn company. That unicorn company in turn invested billions into the UK economy - steel, engineering, construction, securing thousands of jobs, and saving the UK Government £9 billion through its joint venture.

Ark remains fully committed to UK. We welcome every opportunity to support the government to address the challenges and make the most of the opportunities we can see. I believe that the government together with others in our industry and companies like Ark, has all the expertise it needs to be globally competitive.



Building compute infrastructure is not enough; the UK must ensure that UK startups, universities and industry can access and benefit from that compute, supported by skills development and strong local and national collaboration.

Gary Tierney,

Vice President of Sales at Nebius - AI compute infrastructure & cloud platforms

(1) Introduction and the Scale of Nebius

My name is Gary Tierney. I represent a company called Nebius. We're a Dutch-headquartered AI infrastructure company.

We, to date, manage over 60,000 GPUs worldwide across seven data-centres, a couple in the US and most here in Europe.

In regards to scale and speed, over the next 12 months, we will add an additional nine data-centres, including a second one here in the UK. And that will take us up to somewhere in the region of 200,000 GPUs under management worldwide.

This market is moving fast.

(2) Why the UK

So one of the things why we're here and why we are here in the UK is we are very much attracted by what the UK government announced 12 months ago. We're also very excited by the fact the UK is a talent magnet when it comes to AI talent right now.

There's a vibrant AI ecosystem already here today.

And so we set out in July of last year, made an announcement we're going to open up a data-centre and we did it with our partners, Ark, just in Surrey. We announced it in July, we opened it in November, and it sold out immediately.

So it's an exciting time, but it's growing fast. We need more.

(3) Local Collaboration and Sustainable Infrastructure

The idea of collaboration, the community that was said down this end of the table, we completely agree, we absolutely need to do that. Because one of the learnings from this for us is we need to engage locally. And by that, we mean both with the universities and with the councils and with the grid and with the water authorities to make sure the ecosystem is completely there to do this.

We need to make sure there is sustainable and environmental learning from these data-centres.

The government and the council should mandate these data-centres are built to the right standard, not just for now, but going forward. We and others doing this should share best practice back and forth.

(4) Sovereignty and Access to Compute

But the other thing I think is really important is we're talking about local and the conversation of sovereign comes up.

The minute we build a data-centre, the well-funded global players will come and consume those GPUs. As it was said, training is geographically agnostic. You can put it anywhere.

What we've seen in some countries is where governments have lent in and provided infrastructure, power, discounts, investment to those local startups and universities and industries who are looking then to take advantage of those GPUs.

If not, it goes incredibly quickly.

So when we talk about access to grids and building, we need to invest in that ecosystem, otherwise we risk losing out to elsewhere outside of the UK.

So that's some of the lessons we learned from our first data-centre.

(5) UK Expansion and AI Talent

It's not stopping us. We will have a second data centre here before the end of the year. I'm sure many more will follow.

The other thing I mentioned about talent. We see UK as being a big (talent) hub, both for the talent that's already here, and for the universities we have that's going to help us grow more talent.

We have a small office here at the moment, about 40 people across both our data-centre and our office. That will more than triple over the next 12 months for us as we continue to scale our AI engineering hub here.

(6) Skills, Universities and Communities

Now, it's been talked about, whenever you open a data-centre, you don't need many people to run it once it's up and running. However, we do need to add in engineers and we provide services on top of each data-centre.

So we are looking at how we can help universities and how we can help PhD students and startups continue to upskill and develop as we go forward.

So that's something we're heavily focused on here. We ask the Government to ensure that, when we look at AI Growth Zones, we think beyond simply building data centres. We also need to consider how those developing and using this infrastructure can connect with universities and local communities, and contribute to skills and training.

Just because a data centre is located in North Wales doesn't mean the benefits of skills and training need to be confined to that location. They can extend across the wider North West and Welsh ecosystem, as well as to London and other parts of the UK.



(7) Building a Competitive UK AI Ecosystem

One of the last points I want to look at is building this competitive AI ecosystem.

Again, we can invite in these large global technology builders, and the infrastructure can disappear and be consumed elsewhere around the world.

I always find it fascinating, when I enter rooms like this, that we don't have more of the UK's amazing AI startups in the room 'talking' about what they're doing. Because they're 'doing' it. They're not 'talking' about what they're going to build in '2027 — they're 'doing' it *now*!

Whether that's Wayve, the amazing people coming out of DeepMind right now, or the phenomenal healthcare and life sciences startups we have, they have the wet labs, they're leveraging the training facilities, and they're doing inference. We have some amazing companies here today, and we should make sure we're hearing their voices and encouraging them.

Alongside them, we have the great industry players, the Jaguar Land Rovers and Rolls-Royces of the world. We should be leveraging both and encouraging them to collaborate, to make sure these AI Growth Zones are heavily adopted.

And really we should talk about this being innovation and industry zones across the UK.

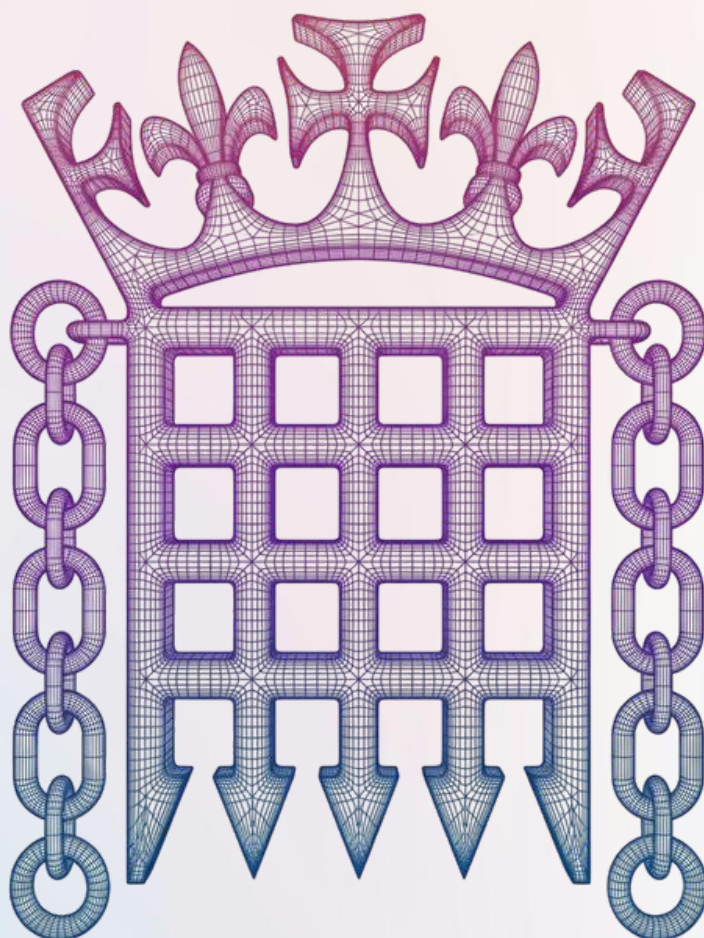
(8) A Call for Greater Collaboration

So if I can ask anything, I think you should make more demands of people like us and ask how we can really come in and collaborate more across the community, across the UK and across the ecosystem, rather than simply asking how we can get power more quickly.



DISCUSSION

DISCUSSION AND QUESTIONS FROM PARLIAMENTARIANS AND THE AUDIENCE



Questions and Answers

Summary of Discussion

Following the presentations, the discussion explored the practical challenges of delivering AI Growth Zones, including planning and energy, investment certainty, regional AI ecosystems, government coordination, infrastructure, employment, sovereign compute, skills and community engagement.

1. Planning and Energy Costs

Question: What barriers do current planning processes create for data-centre development, and how can the UK's high energy costs be addressed given the substantial electricity requirements of AI infrastructure?

Discussion: Huw Owen argued that the industry was not seeking weaker planning standards, but greater speed, consistency and certainty. Appropriate environmental and planning safeguards should remain, but decisions should not take 15–18 months or be repeatedly revisited.

Samantha Wiggins outlined government measures including potential changes through the Planning and Infrastructure Bill, possible ministerial call-in of projects and a £4.5 million fund to help local authorities access specialist planning expertise for AI Growth Zones. On energy, she highlighted constraint-cost savings and on-site renewable generation as potential ways to reduce costs.

2. Location of AI Growth Zones

Question: How should the government balance locating AI Growth Zones where power and infrastructure are available with locating them in areas where industry wants to invest?

Discussion: Samantha Wiggins explained that a central rationale for Growth Zones is to locate major new demand where grid capacity is available, rather than adding further pressure to already constrained areas such as the South East.

3. Evolution of the AI Growth Zone Programme

Question: What lessons have been learned from the first year of the AI Growth Zone programme, and should the model now evolve to provide greater certainty for investors and stronger connections with the UK's existing AI ecosystems?

Discussion: Samantha Wiggins said around 220 expressions of interest had been received, falling to approximately 60 formal applications once the criteria, including the 500MW energy requirement, were applied. She said the programme should continue to evolve as government learns from the market.

The discussion also considered whether locations that do not meet the full AI Growth Zone criteria could potentially be supported through another type of zone or mechanism, rather than being excluded from the wider programme.

4. Universities, Startups and Regional AI Ecosystems

Question: How are AI Growth Zones and data-centre operators connecting with universities, AI startups and regional technology ecosystems across the UK?

Discussion: Gary Tierney described Nebius's work with AI laboratories, startups and universities, including events and meet-ups in Cambridge, Oxford and London. Huw Owen described Ark's engagement with universities and technical education. Richard Gwilliam highlighted the collaboration generated by the Growth Zone process between Drax and the Universities of Hull, York and Sheffield.

Tiffany St James described Liverpool's approach as a **“triple helix” of business, academia and government**, alongside collaboration with neighbouring regions and international learning.

5. Connecting Major Growth Zones with Regional Compute Ecosystems

Question: How can major hyperscale AI Growth Zones be connected with regional AI ecosystems and university-based clusters, including areas that are not themselves designated as AI Growth Zones?

Discussion: The discussion distinguished between the hyperscale compute required for model training and smaller-scale infrastructure that can support fine-tuning and inference locally.

Samantha Wiggins said this was broadly the direction of the programme and cited Lanarkshire's relationship with UCL as an example of large-scale compute being made available to researchers elsewhere in the UK.

Tiffany St James also raised the possibility of Liverpool using its infrastructure and geographic position to support compute requirements beyond its own region, including internationally.

6. A Single Front Door into Government

Question: Would AI companies, startups and researchers benefit from a single government coordinator or “front door” to help them navigate departments, regulators and government programmes?

Discussion: Huw Owen strongly supported the idea of a government **concierge or brokerage service**, arguing that it could both help individual businesses and identify common problems and opportunities across companies.

The discussion also considered regional versions of such innovation or brokerage hubs. Tiffany St James discussed the potential for devolved authorities to develop regulatory sandboxes and local coordination mechanisms.

Samantha Wiggins explained that Growth Zones already have designated account managers who act as a front door into government and coordinate with relevant departments when individual sites encounter barriers.

7. Future-Proofing AI Infrastructure

Question: Given the rapid development of AI models, GPUs (Graphics Processing Units), TPUs (Tensor Processing Units), cooling technologies and other infrastructure, how can investments being made today remain adaptable to future technological change?

Discussion: Gary Tierney said complete future-proofing is extremely difficult because the technology is developing so quickly.

He emphasised that organisations should not try to do everything alone, particularly given the capital involved, and should remain closely connected to technology providers and the wider ecosystem.

Huw Owen distinguished between rapidly changing compute technology and the underlying physical data-centre infrastructure. He described the importance of modularity and adaptability so facilities can accommodate changing cooling, density and technology requirements.

The discussion also highlighted the UK's potential to develop alternative approaches, including lower-compute and other emerging technologies, rather than competing purely on conventional infrastructure scale.

8. Jobs and Regional Economic Impact

Question: What level and types of employment will AI Growth Zones actually create, and how should their wider regional economic impact be assessed beyond the direct jobs created by data-centres?

Discussion: Tiffany St James argued that regional economic impact should not be measured solely through direct data-centre employment. The wider impact can include companies attracted to a region, university activity, startups and associated high-value jobs.

Samantha Wiggins agreed that the employment picture is broader and said government is considering how local skills programmes can ensure that longer-term engineering and technical roles benefit local residents.



Richard Gwilliam said the employment estimates discussed were broadly consistent with what he had heard from developers, but emphasised the longer construction period of phased developments and the substantial employment associated with supporting power infrastructure and supply chains.

9. UK and Overseas AI Compute

Question: Will the UK be able to develop sufficient domestic compute capacity, or will it need to rely significantly on compute infrastructure located overseas? What does this mean for sovereign AI?

Discussion: Samantha Wiggins said the Growth Zones programme was designed to accelerate domestic capacity precisely because, without sufficient UK infrastructure, compute would need to be imported.

Richard Gwilliam emphasised that **access to power infrastructure** is a fundamental constraint, with very long potential connection times for gigawatt-scale projects.

Gary Tierney noted that AI businesses have global customer bases and that training and inference do not necessarily need to take place in the same jurisdiction. The discussion led into the wider question of what should constitute **sovereign AI**.

10. Skills and Workforce Development

Question: What skills and occupations will be required to build and operate the UK's expanding AI and data-centre infrastructure, and how can the necessary workforce be developed?

Discussion: Gary Tierney described the recently created Nebius Academy, designed to develop AI skills and certifications, and emphasised the continually evolving skills required around AI infrastructure.

Huw Owen highlighted the need for data-centre engineers, electricians, operational staff and construction skills, as well as the importance of developing home-grown talent through technical education.

The discussion also highlighted the UK's existing shortage of construction workers and the competition for skilled labour across major infrastructure projects, reinforcing the need for skills planning to accompany infrastructure development.

11. Community Engagement and Local Benefits

Question: How should local communities be involved in decisions about AI Growth Zones and data-centre development, and how can these projects deliver meaningful benefits to the communities in which they are located?

Discussion: Samantha Wiggins said local impact and evidence of local support formed part of the Growth Zone assessment.

She highlighted Lanarkshire's proposed **£543 million community fund**, intended to be shaped by the community and support wider local priorities.

Tiffany St James described Liverpool City Region's existing civic data cooperative and resident engagement around data and AI, while acknowledging the importance of extending consultation specifically to data-centre development.

The discussion concluded with broad agreement that **public engagement and community involvement should form an important part of future data-centre and AI infrastructure development.**



BIOGRAPHIES

OF EVIDENCE GIVERS



Samantha Wiggins

Head of AI Growth Zone (AIGZ) Site Selection, Department for Science, Innovation and Technology (DSIT)

Samantha Wiggins is a senior AI policy advisor at the UK's Department for Science, Innovation and Technology (DSIT), where she has led site selection and delivery in the Government's AI Growth Zones programme. She was responsible for the designation and announcement of the North East and Lanarkshire AI Growth Zones, and now leads their delivery - working across government, regulators, and industry to unlock the infrastructure, energy, and investment needed to make them a reality.

Prior to this, Samantha led UK strategy for international AI safety summits, including Seoul and Paris, designing government-industry dialogues to drive progress on global AI governance.



Richard Gwilliam

Director at Drax Group (Future of Drax Power Station Director) and Chair, Humber Energy Board

Richard Gwilliam is a director at Drax responsible for the future of Drax Power Station. He is leading a long-term development programme for the site including opportunities for Bioenergy with Carbon Capture and Storage (BECCS), data-centres, and AI growth as well as other generation and commercial opportunities across the estate. Prior to Drax, Richard worked at National Grid for nearly a decade and preceding that worked in engineering consultancy.

Richard has over 20 years of experience in promoting major infrastructure projects around the world including electricity generation and transmission, carbon capture and storage and gas. In addition to his work at Drax, Richard is a director and chair of the Humber Energy Board Limited - a company limited by guarantee that brings together the major energy businesses and decarbonisation opportunities in the Humber to deliver sustainable economic growth and a cleaner future for the region. He is also a non-executive director at the Northern Powerhouse Partnership, Hull & Humber Chamber of Commerce and sits on the strategic advisory board of Future Humber.



Tiffany St James

*Chief AI Officer (CAIO), Liverpool City Region
Combined Authority*

Tiffany St James is the Chief AI Officer for the Liverpool City Region Combined Authority, the first regional Chief AI Officer in the UK public sector. She is an award-winning AI and digital strategist and leadership psychologist with over 20 years' experience across government, local authorities, global organisations, and the private sector, specialising in digital transformation and the responsible use of AI in public services.

Tiffany has trained more than 10,000 professionals in practical AI and digital skills and delivered AI capability programmes to over 70 local authorities across the UK. She also authored the UK's first State of the Nation report on AI in Adult Social Care, covering 23 councils in the North West and providing frameworks now used by local authorities nationally.

Earlier in her career, Tiffany played a pioneering role in UK government digital transformation. She helped launch Directgov, the precursor to GOV.UK, as its first Communications Director, worked with Sir Tim Berners-Lee on the launch of DATA.GOV.UK, and served as the UK Government's first Head of Public Participation, helping to shape early approaches to digital policy co-creation.

She has also held senior leadership roles in local government, including Chief Digital Officer and Director of Residents' Experience at Lambeth Council, where she led large-scale digital transformation programmes.

Tiffany has been recognised as one of the 25 women who have shaped the British digital industry over the past 25 years and continues to advise organisations on AI leadership and public sector innovation.



Huw Owen

*Chief Executive Officer,
Ark Data-centres*

Huw Owen joined Ark in November 2012 as Chief Executive to lead a new Management Team following the recapitalisation of the company. He has held key roles at a number of organisations, including President, BT Global Services and Regional Vice President, HP Defence and Security. Other roles in his extensive career include Chief Executive of the Atlas Consortium.

A qualified lawyer, Huw also worked for the Asia Foundation, formulating and driving national reform programmes in Cambodia, as well as advising the United Nations on their efforts in Central Asia. Before this, he served with the Royal Hong Kong Police Force, latterly as a Detective Inspector.



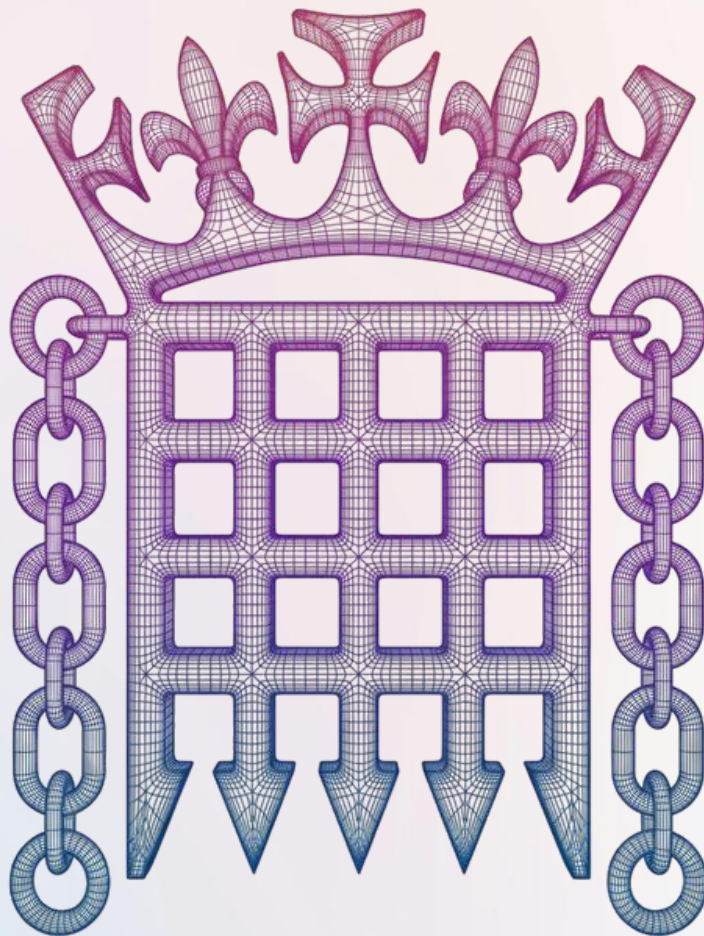
Gary Tierney

*Vice President of Sales,
Europe and Israel, Nebius*

Gary Tierney is VP of Sales for Europe and Israel at Nebius, an AI-native cloud platform providing GPU infrastructure and next-generation compute services. With over 25 years of experience in sales and business leadership across Cloud, AI/HPC, Data, and Security, Gary specialises in building and scaling high-performing go-to-market teams in hyper-growth environments.

In his current role, he leads GTM efforts enabling GenAI-native startups and large-scale enterprises to drive innovation and business transformation through cutting-edge AI cloud services.

About APPG AI



ABOUT

APPGs are informal cross-party groups in the UK Parliament. They are run by and for Members of the Commons and Lords. The All-Party Parliamentary Group on Artificial Intelligence (APPG AI) functions as the permanent, authoritative voice within the UK Parliament (House of Commons and House of Lords) on all AI-related matters, and it has also become a recognisable forum in the AI policy ecosystem both in the UK and internationally.

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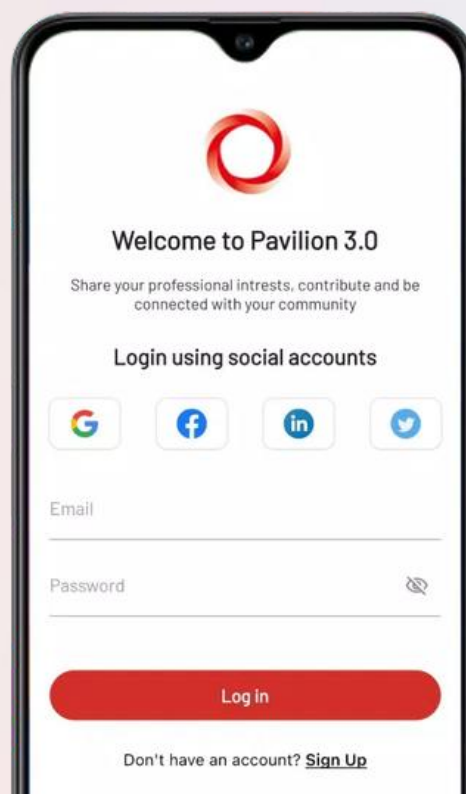
Special Policy Briefings.

Networking

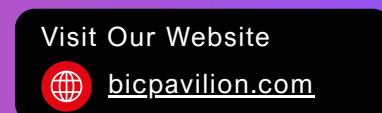
All events are held in the UK Parliament and chaired by the APPG AI Co-Chairs and the Parliamentarians.

Resources

Reports, transcripts, videos, and photo albums.



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