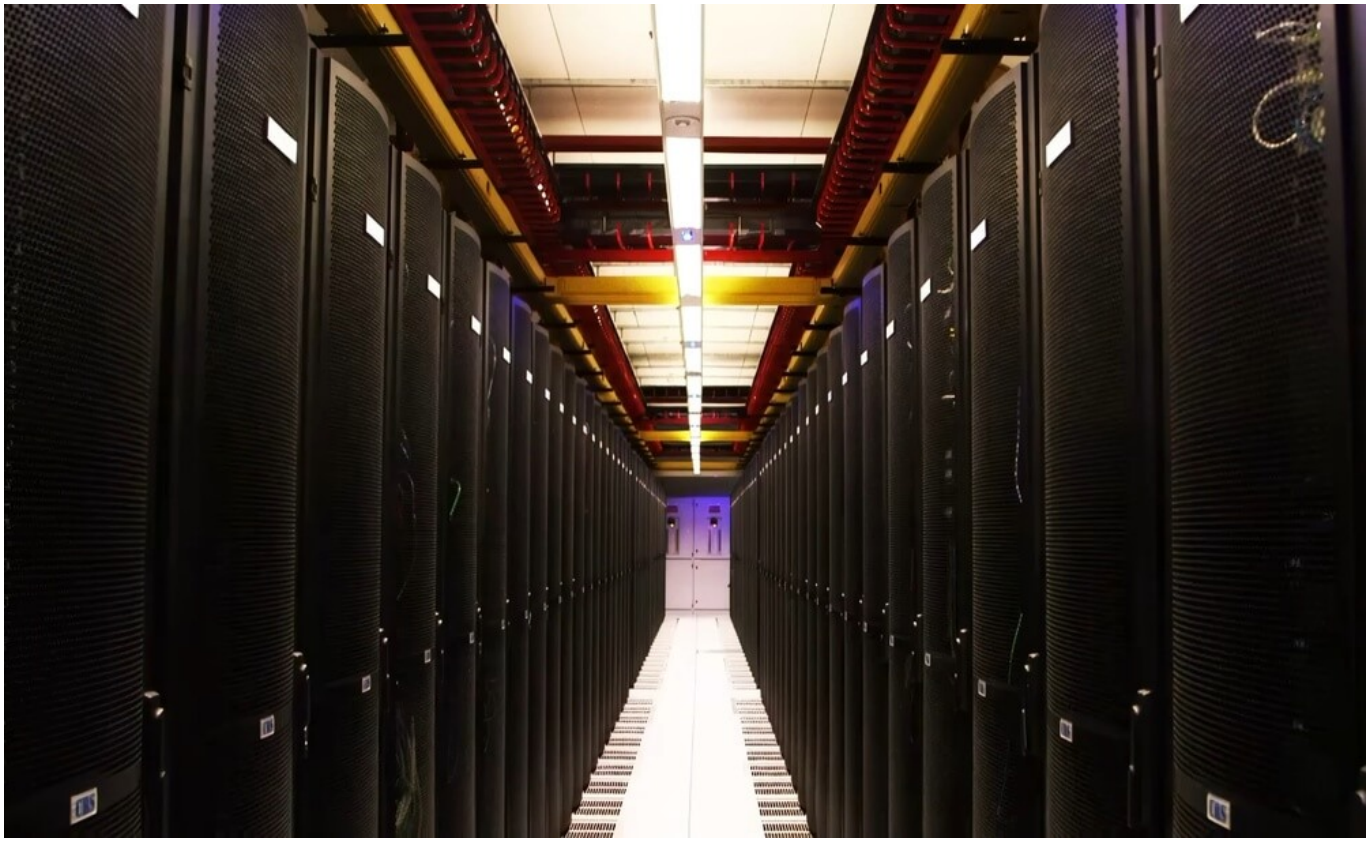
Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

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UK promises to tame AI even as it seeks to extend its national footprint



In a little remarked on adjunct to the recent UK budget, Chancellor John Healey offered data centre developers guaranteed access to electricity supplies in exchange for investment in local jobs and environmental protection.

Addressing such public concerns about the expansion of domestic artificial intelligence capacity looked positively prescient in light of the subsequent US mid-term elections in which a voter backlash against unrestrained data centre growth played a significant role.

Healey's British Data Centre Covenant was the latest initiative to accommodate developers within a more regulated environment than the Trump administration's now discredited free-for-all.

While there has been localised resistance to data centre construction, past polling has indicated the wider UK public is generally supportive or uncommitted about further expanding the sector, with a marked preference for British data being stored in the UK.

The third largest AI market

The government is nevertheless aware of the risk of anti-tech sentiment crossing the Atlantic at a time when it is seeking to convince the public of the advantages of domestic AI growth.

The minister for growth, Dan Tomlinson, this week expressed confidence that the UK could avoid a polarising debate on data centres, having already incorporated some of the oversight measures now being sought by US Democrats.

In remarks to the Financial Times, he cited Healey's data base covenant, while stressing the government's commitment to forge ahead with the construction of what he called essential infrastructure.

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"As AI becomes more widely used across our economy, Britain will need more of the data centres that support it," he said. "But we won't allow that growth to come at any cost."

The government boasts that the UK is the third largest AI market in the world after the US and China and hosts more AI start-ups than any other country in Europe.

One challenge to its ambitions to turn the UK into an AI superpower, albeit a secondary one, is that the promised benefits have yet to be seen to have filtered down to average voters, fixated as they are on such mundane issues as their declining purchasing power.

Popular responses to the proliferation of AI tend to focus on the potential for job losses, particularly white-collar ones, rather on the techno-promises of a future of ease and plenty.

Modest signs

There are modest signs, however, that the government's AI bet is paying off.

The professional services provider KPMG forecast the economy would grow by 1.5 per cent in 2026, as against 1.2 per cent last year, thanks to AI investment coupled with increased defence spending.

The Bank of England upgraded its own growth forecast for the year to 1.6 per cent, from 1.1 per cent projected in July, reflecting stronger than expected economic activity. Bank governor Andrew Bailey said the extra growth was not expected and appeared at least partly driven by AI investment.

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US investment bank Morgan Stanley, meanwhile, published research this week showing UK companies were registering productivity gains from AI at a faster rate than their European peers.

A potential downside for the workforce was that the same companies were banking much of the gain by hiring fewer people.

Overall, though, the economic verdict from the number counters was broadly positive. It appeared to support the policy of the current government to build yet more data centres.

Promoting international supervision

But infrastructure is just one element, and arguably a relatively mundane one, in a wider ongoing debate about the potentially catastrophic impact of uncontrolled AI technology.

The UK government put itself at the centre of that debate three years ago when the then Conservative prime minister, Rishi Sunak, hosted tech bosses and others at the first international summit on AI safety.

In those innocent, far-off days (OpenAI's ChatGPT was yet to mark its first anniversary), Sunak himself expressed fears that humanity could lose control of AI completely, through the creation of non-human super intelligence.

It was a time when even some US tech bosses were acknowledging the need for regulation, or even a pause in development, in the face of such existential threats.



Andy Burnham highlighted AI's potential to transform cancer and dementia treatment, while stressing the need to remain alert to its dangers

Now that the US mid-terms appear to have stymied their subsequent embrace of a more laissez-faire approach under the watch of a sympathetic president, does the UK have a renewed role in promoting AI regulation?

The government had already made some progress ahead of last week's Republican losses.

The UK's AI minister, Kanishka Narayan, said last month the UK's AI Security Institute, the global leader in the testing of frontier AI models, was to regain pre-release access to AI models developed by US companies.

Such access was blocked after the Trump administration ordered Anthropic to limit foreign access to its latest AI models, citing national security concerns.

Narayan called for frontier AI companies not to release models if they could not adequately control the risks and said the UK needed its own sovereign infrastructure to give the state control over emerging technology.

Government strategy has been based on highlighting the benefits of AI, for instance in the fields of science and medicine, while talking up the economic benefits of a well-regulated sector.

Prime Minister Andy Burnham, in a call chaired this week by France's President Emmanuel Macron, highlighted AI's potential to transform cancer and dementia treatment, while

stressing the need to remain alert to its dangers.

He pointed to the expertise the UK could contribute through its AI Security Institute.

If the Wild West days of America's AI development are truly over, the UK may hope to lead the way towards promoting international supervision while fostering its own stake in a technology that still leaves many feeling uneasy about its negative impact on humanity.