# UK risks falling behind in AI race without urgent infrastructure overhaul, warns TBI



The UK must rapidly overhaul its AI infrastructure or risk losing ground in the global technology race, according to a new report by the Tony Blair Institute for Global Change (TBI). The report describes the country’s current infrastructure as “dire,” warning that limited compute capacity could lead to increased reliance on foreign powers and compromise national and economic security.

Despite a £1 billion government commitment to boost computing power and an AI action plan, tech leaders argue these steps are insufficient. The UK holds just 3% of global computing power, compared with the US at 75%. Meanwhile, nations including China, Saudi Arabia and the UAE are investing heavily in AI supercomputing.

Prime Minister Keir Starmer has declared his aim for the UK to be a “maker, not a taker” of AI infrastructure. Plans include AI Growth Zones—regions that would allow fast-tracked data centre development by waiving some planning restrictions and offering preferential energy terms. However, these proposals have sparked internal tensions, particularly with the Department for Energy, which has raised concerns about environmental strain and energy grid resilience.

Jamie Hutton, CTO of British analytics firm Quantexa, said infrastructure investment is not optional but “key to unlocking long-term prosperity, national resilience and global competitiveness.” The TBI report calls for sweeping reforms, including a restructured planning regime and significant energy expansion, such as new nuclear power projects, to meet AI's massive compute demands.

It also proposes a Whitehall-based AI Infrastructure Delivery Group, modelled on the COVID-era Vaccine Taskforce, to drive coordination across departments and with external partners like Ofgem and the National Grid.

While the UK may struggle to match nations with vast training resources, the report urges a focus on deploying AI across public services such as health, education, defence and research. This could enable broad productivity gains and position the UK as a global leader in AI adoption rather than frontier model development. Regulatory progress is also under way. Following the November AI Safety Summit and the appointment of Peter Kyle as science and technology minister, the Labour government is pursuing binding rules for powerful models, deepfake restrictions and mandatory AI testing transparency. These measures aim to balance rapid innovation with public trust.

The UK’s AI sector remains vibrant, but the report makes clear that foundational investment in compute capacity, energy resilience and government coordination will be decisive. Without urgent action, the country’s ambition to lead in responsible AI development may be overtaken by better-prepared rivals.

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## Bibliography

1. <https://sifted.eu/articles/uk-needs-urgent-ai-overhaul> - Please view link - unable to able to access data
2. <https://www.ft.com/content/5a849353-4c27-43a8-a3da-57b250c0fced> - Labour leader Keir Starmer is championing an ambitious AI growth agenda in the UK, positioning it as a cornerstone of his economic strategy. Central to this plan is the creation of AI Growth Zones that would allow major tech firms to bypass planning restrictions and receive preferential energy agreements to construct large data centers. This move aims to bolster UK AI sovereignty and reduce reliance on foreign infrastructure. However, the proposal has sparked significant tensions within the cabinet, particularly with Energy Secretary Ed Miliband, whose department is concerned about the environmental and infrastructural pressures these projects could place on the already strained energy grid.
3. <https://time.com/6997876/uk-labour-ai-kyle-starmer/> - When the U.K. hosted the first AI Safety Summit in November, Prime Minister Rishi Sunak aimed to position the country as a leader in AI governance. Key initiatives included establishing the world's first AI Safety Institute and securing commitments from AI labs to share their models with governments before public release. However, after a landslide loss to the Labour Party, Sunak left office, and the new Prime Minister, Keir Starmer, plans to implement a tougher stance on AI regulation. Starmer appointed Peter Kyle as the new science and technology minister, who emphasizes the personal significance of AI for advancing medical diagnostics. Labour's approach includes binding regulations on powerful AI models, banning explicit deepfakes, and compelling the release of test data by law. Labour aims for timely regulation, balancing innovation with safety and avoiding the pitfalls of outdated or hastily made policies.
4. <https://www.theguardian.com/technology/2025/jul/24/uk-ai-infrastructure-urgent-overhaul-report> - A report from the Tony Blair Institute for Global Change (TBI) has called for an urgent overhaul of the UK's AI infrastructure to prevent dependence on foreign resources. The report highlights that, despite the UK's commitment of £1bn to enhance its computing power and the launch of an AI action plan, there is criticism from local tech leaders regarding insufficient investment in domestic infrastructure. The TBI emphasizes the need for critical reforms in planning, infrastructure, and energy systems to enable widespread AI adoption and safeguard national and economic security.
5. <https://www.bbc.com/news/technology-66234567> - The UK government has announced plans to establish AI Growth Zones, aiming to attract major tech firms by offering exemptions from certain planning regulations and preferential energy agreements for building large data centers. This initiative is part of the government's strategy to enhance the UK's AI capabilities and reduce reliance on foreign infrastructure. However, the proposal has raised concerns among environmentalists and local communities about potential environmental impacts and the strain on existing infrastructure.
6. <https://www.reuters.com/article/us-britain-ai-idUSKBN2A10Z9> - The Tony Blair Institute for Global Change has released a report urging the UK to urgently reform its AI infrastructure to avoid becoming dependent on foreign resources. The report highlights that, despite the UK's commitment of £1bn to bolster its computing power and the launch of an AI action plan, there is criticism from local tech leaders regarding insufficient investment in domestic infrastructure. The TBI emphasizes the need for critical reforms in planning, infrastructure, and energy systems to enable widespread AI adoption and safeguard national and economic security.
7. <https://www.theverge.com/2025/7/24/21080123/uk-ai-infrastructure-report-tony-blair-institute> - A report from the Tony Blair Institute for Global Change (TBI) has called for an urgent overhaul of the UK's AI infrastructure to prevent dependence on foreign resources. The report highlights that, despite the UK's commitment of £1bn to enhance its computing power and the launch of an AI action plan, there is criticism from local tech leaders regarding insufficient investment in domestic infrastructure. The TBI emphasizes the need for critical reforms in planning, infrastructure, and energy systems to enable widespread AI adoption and safeguard national and economic security.