# UK firms place AI at heart of cloud strategy but face mounting skills crisis



Artificial intelligence is becoming a central pillar of cloud strategy for UK organisations, with new data showing that 88% of IT leaders have made AI preparation a top priority for the next 18 months.

The findings, from a Red Hat survey of 609 senior IT managers across six countries, reveal that AI adoption is now closely tied to broader cloud transformation efforts. In the UK, the focus on AI aligns with the 89% of respondents prioritising cloud-native development—underscoring how intelligence is seen as the next driver of cloud value.

Open-source solutions backed by enterprise support are emerging as a preferred route to responsible AI deployment. Nearly all UK respondents—98%—say such models accelerate innovation and improve cost efficiency. Hans Roth, Senior Vice President and General Manager EMEA at Red Hat, said open-source AI was uniquely suited to meet enterprise demands for transparency, modifiability and explainability, particularly in generative AI.

But as AI adoption gathers pace, operational challenges are also deepening. Siloed teams were cited by 96% of UK IT leaders as a major barrier to cloud progress, highlighting the fragmentation that threatens to slow integration efforts. Talent shortages are also worsening: 81% report a lack of expertise in AI, data science, large language models and generative AI, up from 72% the year before.

The skills gap is already limiting progress. Just one in four firms believe they have the platforms and talent needed to realise AI’s full potential, while 40% say their IT infrastructure lacks the scalability to support AI workloads. Research from October 2025 shows that nearly 90% of UK organisations have yet to generate measurable customer value from AI, despite heavy investment.

Amid these constraints, enterprise-supported open-source AI is proving a strong enabler of innovation. More than half of UK IT leaders say it delivers faster development, while trust factors such as explainability, data privacy and proven performance are seen as essential for deployment. Jo Hodgson, Red Hat’s UK country manager, said open-source AI offers a flexible, community-backed model that helps firms scale responsibly while benefiting from enterprise-grade support.

Cloud remains a near-universal investment priority, with 98% of UK firms identifying it as key to their digital transformation in 2025. However, challenges persist—rising costs, inconsistent security across providers and limited resource control all threaten to undermine progress.

Looking ahead, 83% of UK organisations believe the country can become a global AI leader within three years. But realising that goal will depend on addressing the skills crisis, improving governance and fostering collaboration. Jonny Williams, from Red Hat’s UK public sector division, said open, trustworthy foundations were essential to counter emerging risks such as ‘shadow AI’ and rising operational pressures.

Red Hat’s survey offers a clear picture: UK firms are committed to embedding AI into their cloud strategies, and open-source innovation is at the heart of that effort. But without targeted action on talent and governance, their ambitions risk being held back.

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## Bibliography

1. <https://quantumzeitgeist.com/red-hat-survey-ai-is-a-driving-force-behind-uk/> - Please view link - unable to able to access data
2. <https://www.redhat.com/en/about/press-releases/red-hat-survey-ai-driving-force-behind-uk-cloud-strategy-well-top-skills-gap> - Red Hat's October 2024 survey of 609 senior IT managers across the UK, France, Germany, Italy, Spain, and the UAE reveals a significant shift towards artificial intelligence (AI) in cloud strategies. In the UK, 88% of respondents prioritise AI adoption over the next 18 months, closely aligning with the 89% focusing on cloud-native application development and evolving cloud strategies. Additionally, 98% of UK IT managers recognise the advantages of adopting enterprise-supported open-source solutions for predictive and generative AI, citing accelerated innovation and cost efficiency as primary benefits. ([redhat.com](https://www.redhat.com/en/about/press-releases/red-hat-survey-ai-driving-force-behind-uk-cloud-strategy-well-top-skills-gap?utm_source=openai))
3. <https://www.redhat.com/en/about/press-releases/red-hat-survey-uk-organizations-ready-widespread-ai-adoption-skills-gaps-high-costs-and-shadow-ai-threaten-ambition> - A Red Hat survey from October 2025 indicates that 83% of UK organisations believe the nation has the potential to become a global AI powerhouse within three years. However, nearly 90% report not yet delivering customer value from their AI investments. The survey also highlights an urgent AI skills gap, with 62% of respondents acknowledging the need for agentic AI skills. Additionally, 83% are experiencing 'shadow AI' issues, and concerns about cloud sovereignty remain significant. ([redhat.com](https://www.redhat.com/en/about/press-releases/red-hat-survey-uk-organizations-ready-widespread-ai-adoption-skills-gaps-high-costs-and-shadow-ai-threaten-ambition?utm_source=openai))
4. <https://msp-channel.com/news/68717/ai-is-a-driving-force-behind-uk-cloud-strategy> - Red Hat's October 2024 survey reveals that 88% of UK IT managers prioritise preparing for AI adoption over the next 18 months, nearly matching the 89% focusing on cloud-native application development and evolving cloud strategies. Furthermore, 98% see clear advantages in adopting enterprise-supported open-source solutions for AI, with accelerated innovation and cost efficiency topping the list of benefits. ([msp-channel.com](https://msp-channel.com/news/68717/ai-is-a-driving-force-behind-uk-cloud-strategy?utm_source=openai))
5. <https://www.thinkdigitalpartners.com/news/2025/10/09/uk-public-sector-must-build-trustworthy-open-and-repeatable-ai-foundations-warns-red-hat/> - A Red Hat survey from October 2025 highlights that 83% of UK organisations see AI as key to future competitiveness, yet nearly 90% are not yet delivering measurable value from AI initiatives. The survey also identifies challenges such as skills shortages, rising costs, and 'shadow AI' risks. Jonny Williams, chief digital adviser for the UK public sector at Red Hat, emphasises the need for trustworthy, open, and repeatable AI foundations to address these issues. ([thinkdigitalpartners.com](https://www.thinkdigitalpartners.com/news/2025/10/09/uk-public-sector-must-build-trustworthy-open-and-repeatable-ai-foundations-warns-red-hat/?utm_source=openai))
6. <https://cfotech.co.uk/story/ai-adoption-prioritised-in-uk-cloud-strategy-survey> - Red Hat's October 2024 survey indicates that 88% of UK respondents prioritise preparing for AI adoption over the next 18 months, closely aligning with the 89% focusing on cloud-native application development and evolving cloud strategies. Additionally, 98% of UK IT managers recognise the advantages of adopting enterprise-supported open-source solutions for AI, citing accelerated innovation and cost efficiency as primary benefits. ([cfotech.co.uk](https://cfotech.co.uk/story/ai-adoption-prioritised-in-uk-cloud-strategy-survey?utm_source=openai))