# North East named as UK’s second AI growth zone



The UK government has confirmed that two sites in the North East of England will host the nation’s second designated artificial intelligence (AI) growth zone, advancing efforts to position the country as a global leader in AI infrastructure and innovation. The zone will be based at Cobalt Park, near Newcastle, and at Cambois in Blyth.

This move follows a competitive process that drew over 200 expressions of interest earlier this year. The Department for Science, Innovation and Technology said the zone would harness the region’s industrial legacy, abundant low-carbon energy, world-class universities and emerging technology sectors.

AI growth zones are designed to support datacentres requiring at least 500MW of reliable power, with accelerated planning approvals to overcome development delays. Cobalt Park already hosts three colocation datacentres connected to the National Grid, providing a ready foundation.

OpenAI will be a key partner at the Cobalt site through its Stargate UK initiative with NVIDIA and Nscale, aimed at building sovereign AI compute capacity in the UK. Launched in July 2025 following a memorandum of understanding with the government, the project will enable local deployment of AI models for sensitive or jurisdiction-specific tasks. “The UK has long been a pioneer in AI,” said Sam Altman, CEO of OpenAI.

In Blyth, Blackstone has committed £10 billion to develop one of Europe’s largest AI datacentres, with an additional £20 billion expected from partners following the site’s designation. The development is forecast to create around 4,000 jobs and expand the site's energy capacity to 1.1GW within six years. Prime Minister Sir Keir Starmer called the investment a “huge vote of confidence” in the UK’s global AI standing.

The announcement comes as tech firms scale up UK operations. Nvidia recently unveiled plans for an £11 billion GPU hub by 2026. Alongside partners Nscale and CoreWeave, the project will deploy over 120,000 GPUs to support AI workloads.

The growth zone also aligns with the government’s regional development goals. Technology secretary Liz Kendall said it would create thousands of high-quality jobs and unlock £30 billion in regional value, calling it a catalyst for a new industrial revolution.

This forms part of the broader AI Growth Zones programme launched in 2025, aimed at accelerating national AI capabilities by targeting de-industrialised areas with high energy capacity and simplified planning routes. The North East’s selection, backed by major private investment and international partners, marks a pivotal moment in the UK’s AI strategy—centred on infrastructure, skills and inclusive regional growth.

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## Bibliography

1. <https://www.computerweekly.com/news/366631325/Government-confirms-North-East-as-location-of-second-AI-Growth-Zone> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/openai-to-expand-uk-office-and-work-with-government-departments-to-turbocharge-the-uks-ai-infrastructure-and-transform-public-services> - In July 2025, OpenAI and the UK government signed a strategic partnership to enhance the nation's AI infrastructure and public services. The agreement includes OpenAI's commitment to invest in UK AI infrastructure and regional growth zones, aiming to revitalise communities with jobs and growth. Additionally, OpenAI will collaborate with the UK's AI Security Institute to deepen government knowledge of AI capabilities and security risks, supporting the government's mission to transform taxpayer-funded services through AI.
3. <https://www.bbc.co.uk/news/articles/c3e957k9d1yo> - In September 2024, Blackstone confirmed a £10 billion investment in a new AI data centre in Cambois, near Blyth, Northumberland. The facility is expected to become one of Europe's largest AI data centres, creating approximately 4,000 jobs. The investment follows the collapse of Britishvolt's plans for an electric vehicle battery factory on the same site. Prime Minister Sir Keir Starmer described the investment as a 'huge vote of confidence in the UK' and a demonstration that Britain is 'back as a major player on the global stage'.
4. <https://www.itpro.com/infrastructure/uk-to-host-largest-european-gpu-cluster-under-gbp11-billion-nvidia-investment-plans> - Nvidia announced a £11 billion investment to establish the UK's largest GPU hub by the end of 2026. The plan includes deploying 120,000 Blackwell GPUs, enhancing the country's sovereign compute capacity and supporting its AI infrastructure. The investment comes primarily from Nvidia partners Nscale and CoreWeave, with Nscale alone pledging 60,000 GPUs locally and 300,000 globally. This GPU deployment will support enterprise, research, and consumer needs, marking a substantial leap from Nscale's previously announced 10,000 GPUs.
5. <https://www.gov.uk/government/publications/ai-growth-zones/ai-growth-zones-open-for-applications> - The UK government has opened applications for AI Growth Zones, inviting local authorities and related parties to bid for designation. Successful bidders will be notified by the summer of 2025. AI Growth Zones are designated sites well-suited to housing AI-enabled data centres and their supporting infrastructure, with enhanced access to power supplies of at least 500MW and sympathetic planning support. The initiative aims to build AI growth zones in de-industrialised parts of the country that can be readily redeveloped to speed up the time it takes to bring them online.
6. <https://openai.com/index/introducing-stargate-uk/> - OpenAI announced Stargate UK, an AI infrastructure partnership with NVIDIA and Nscale, to strengthen the UK's sovereign compute capabilities. Stargate UK ensures OpenAI's AI models can run on local computing power in the UK, particularly for specialist use cases where jurisdiction matters. This initiative follows a memorandum of understanding signed with the UK government in July 2025, focused on exploring the UK's infrastructure priorities and accelerating the adoption of AI.
7. <https://www.northeast-ca.gov.uk/news/finance-and-investment/north-east-england-set-for-billions-in-investment-and-thousands-of-jobs-through-new-ai-growth-zone> - The North East of England is set to become an AI powerhouse with the establishment of a new AI Growth Zone. The initiative aims to generate growth opportunities across the region, capitalising on access to the UK's largest source of low carbon and renewable energy, world-class universities, and the region's emerging tech ecosystem in areas including advanced manufacturing, robotics, and space. Blackstone has already committed £10 billion into the Blyth site at Cambois, with the potential for an additional £20 billion in investment from future partners. The data centre is expected to increase its energy capacity to 1.1GW in the next six years, making it one of the biggest data centres in Europe and creating thousands of new jobs.