

Independent report

AI Champions' AI Adoption Plans

Independent AI adoption plans setting out recommendations from the AI Champions, to accelerate AI adoption across key UK sectors, with a pro-worker approach.

From: **Department for Science, Innovation and Technology**

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Published 8 June 2026

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Details

Independent AI Champions have developed adoption plans to accelerate AI use across key sectors of the UK economy. Each plan identifies barriers to adoption and sets out practical recommendations for government, industry, and workers.

The plans cover advanced manufacturing, clean energy, creative industries, digital and technologies, life sciences, and professional and business services. Together they address common challenges including skills gaps, governance uncertainty, data access, and the difficulty of scaling from pilot projects to sustained deployment.

The Champions take a pro-worker approach throughout, recognising that successful AI adoption depends on workforce capability, trust, and organisational readiness as much as technology access.

The plans were developed by the following AI champions:

- Chris Dungey — Advanced Manufacturing
- Lucy Yu — Clean Energy
- Sally Davies — Creative Industries

- Katie Gallagher OBE — Digital and Technologies
- Dave Hallett — Life Sciences
- Shaheen Sayed — Professional and Business Services

The Financial Services sector adoption plan will be published this summer.

The government has published its response to the plans. [Read the government response](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans-interim-government-response) (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans-interim-government-response>).

Published 8 June 2026



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AI Champion Adoption Plan: Advanced Manufacturing

The UK has a major opportunity to turn its strengths in advanced manufacturing, engineering and artificial intelligence into higher productivity, stronger resilience and better-quality jobs. But while AI capability is progressing quickly, deployment across manufacturing remains patchy, especially in operational environments where systems are complex, safety-critical and capital-intensive. Too many firms, particularly SMEs, still struggle to move from promising pilots to confident, sustained adoption at scale. This paper argues that the challenge is no longer invention but deployment. Competitor countries are moving rapidly to embed AI across factories and supply chains, and the UK risks falling behind unless it creates a clearer, practical route from innovation to widespread industrial use.

This plan proposes a simple national pathway – Scan, Pilot, Scale – to help manufacturers identify opportunities, test solutions in realistic settings and expand proven applications across production systems and supply chains. The plan builds on existing strengths and delivery infrastructure, including Made Smarter, Innovate UK, BridgeAI, HVM Catapult and regional innovation networks, rather than creating new institutions. It also takes a strongly pro-worker approach, recognising that successful adoption depends on leadership, workforce capability, trust and organisational readiness as much as on technology. With phased co-investment, practical support and a focus on repeatable deployment, the UK can convert industrial AI from isolated experimentation into a broad-based source of competitiveness, resilience and long-term industrial advantage.

Find out more about the [Advanced Manufacturing Adoption Plan](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans) (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).

AI Champion Adoption Plan: Clean Energy

The energy system is undergoing a structural shift. The growing penetration of weather dependent generation, electrification of transport and heating, and the rise of distributed assets are increasing the complexity of system

operation. Artificial intelligence has the potential to play a significant role in addressing this challenge and, over time, to fundamentally reshape how the energy system functions.

AI is already being deployed across the electricity system to improve forecasting, optimise asset performance, and support system planning. Emerging capabilities including probabilistic network management, greater decentralisation, and autonomous operation could deliver a more efficient system, lower costs, reduce emissions and cut bills for households and businesses.

However, a consistent set of challenges is constraining adoption: gaps in data quality and observability; difficulties scaling from pilot to operational deployment; uncertainty around governance, assurance and trust; and limitations in workforce capability and institutional readiness.

In December 2025, the government commissioned an independent AI Champion for Clean Energy to review opportunities for AI deployment in the electricity networks. The review is primarily focused on the potential to realise a long term system transformation. Drawing on over 80 survey responses, four multi stakeholder roundtables and more than 40 expert interviews, the Champion's review, due to report in Summer 2026, will set out recommendations to government, regulators and industry on safe and effective pathways to scale. Government intends to respond to these recommendations as part of a broader strategy for AI in Clean Energy, to be published before the end of the year.

Find out more about the [interim Clean Energy Adoption Plan](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans) (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).

AI Champion Adoption Plan: Creative Industries

This plan sets out an augmentation-first approach to AI adoption to ensure AI enhances human creativity and productivity, rather than displacing it. The creative industries are already ahead of the national average in adopting AI, with 51% of businesses using AI technologies, but adoption remains uneven, with smaller businesses often facing greater barriers than larger organisations.

The main challenges to wider and more responsible adoption include skills, confidence and access to the right infrastructure, alongside concerns around intellectual property, data security, cost and the impact on the future

skills pipeline. The plan sets out eight recommendations to help address these challenges and support the sector in adopting AI with confidence.

The UK's creative industries are already embracing AI, so the focus must be on ensuring adoption happens responsibly. We must listen to the sector, build confidence and champion approaches that support both innovation and creativity. By doing so, the UK can become a global leader and trusted hub for AI and createch for the creative industries.

AI adoption in the creative industries should not be something that happens to the sector. It should be something the sector shapes.

Find out more about the [Creative Industries Adoption Plan](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans) (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).

AI Champion Adoption Plan: Digital and Technologies

The Digital and Technologies sector has a dual role to play in ensuring the benefits of AI are captured across the economy. It is both the producer of many of the tools the wider economy will adopt and a leading adopter in its own right.

AI adoption in the sector is already ahead of the national average, with 39% of firms using at least one AI technology compared with 25% across the economy. The challenge now is less about adoption than integration: embedding AI into workflows, products and services in ways that raise productivity, support innovation and help create good jobs in all parts of the UK.

Businesses consistently highlight barriers around skills and management capability, identifying high-value use cases, trust, governance, security and the pace of technological change. In response, the plan sets out three practical actions: establishing an Early Careers Jobs Alliance to reimagine routes into the sector for the AI era; creating a sector-led programme to identify and spread the AI use cases with the greatest productivity potential; and developing a practical AI Adoption Framework to help firms deploy AI confidently and responsibly.

The plan is designed to build on the expertise that already exists across leading businesses in the Digital and Technologies sector and to share that learning with firms that are earlier in their adoption journey in the sector and

across the economy. Businesses and workers across the sector are invited to help shape and support this work.

Find out more about the [Digital and Technologies Adoption Plan](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans) (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).

AI Champion Adoption Plan: Life Sciences

AI is set to transform life sciences by making it easier and safer to discover new medicines and run clinical trials, helping life-changing treatments to reach patients faster. AI has the potential to help us to diagnose diseases earlier and reduce the admin burdens on healthcare staff, giving them more time to spend with patients.

AI is already being used in areas like medicine discovery, but progress is limited by poor access to high-quality health data, shortages in the computing power needed to run AI, and a lack of AI training amongst the workforce. Public trust is also vital, and there is ongoing concern about AI use within healthcare. It's essential that patients remain at the heart of decision making, ensuring that the AI used in healthcare brings the greatest benefits to patients, the workforce, and the public, whilst maintaining the highest standards of safety, honesty and openness.

This plan aims to provide solutions to some of these barriers, complimenting existing work that is taking place within this area. This includes proposals to improve:

- the use of AI within the Life Sciences:
 - giving researchers increased access to the high-performance computers needed to run AI models
 - encouraging organisations to increase their use of simpler AI tools to reduce time lost to administrative tasks
- how the workforce interacts with AI:
 - championing frameworks that protect workers
 - creating a framework that ensures that the final decision in important processes will always be made by a human
- the benefits for the public, patients and the UK:
 - utilising AI to support reducing the use of animal testing in research

- using NHS-linked secure data environments to allow trusted and verified researchers to run models on NHS data without the data ever leaving the secure environment - these tools could unlock huge discoveries in our understanding of diseases and treatments, whilst maintaining the highest level of data security.

Find out more about the Life Sciences Adoption Plan

(<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).

AI Champion Adoption Plan: Professional and Business Services

Artificial intelligence and digital technologies are fundamentally reshaping how businesses operate, transforming business models, workforce dynamics and the delivery of professional services. These changes have particularly significant implications for the UK's Professional and Business Services (PBS) sector, where economic value is built on expertise, judgement and trust.

As a major contributor to the UK economy and a critical enabler of activity across all sectors, PBS is central to future productivity, competitiveness and growth. Its position at the heart of the economy means that accelerating innovation and digital adoption within the sector has a multiplier effect, driving improvements across the wider business base.

This Professional and Business Services AI Champion Workplan sets out the case for accelerating AI adoption across PBS. It highlights the opportunity to augment professional expertise, improve service quality, reduce low-value activity and enable new advisory models, supporting a shift towards higher-value, more productive work.

The workplan assesses the current landscape of adoption, recognising that progress remains uneven and fragmented. Firms continue to face barriers including limited in-house capability, investment constraints, concerns around safety and transparency, and challenges in scaling high-impact use cases. It also identifies a disconnect gap between bottom-up experimentation and slower firm-wide transformation. While employees are rapidly adopting AI tools, organisational change led by senior management has not kept pace.

Against this backdrop, the workplan defines the role of the PBS AI Champion and sets out four priorities to accelerate adoption, strengthen

capability, and support sustained productivity growth and long-term economic value.

Find out more about the Professional and Business Services Adoption Plan (<https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans>).



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AI Adoption Plan: Advanced Manufacturing

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Department for Science, Innovation and Technology

June 8, 2026

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A report by Chris Dungey, AI Champion for the Advanced Manufacturing sector.

From Pilot to Production

A practical UK plan to scale industrial AI deployment in advanced manufacturing

The UK has world-class strengths in manufacturing, engineering and artificial intelligence (AI). Manufacturing contributes around £234 billion annually to the UK economy, supports 2.5 million jobs and drives almost half of private sector R&D investment. Industrial AI can raise productivity, strengthen resilience, improve quality and cut energy use. It can help firms predict equipment failures, improve quality control, optimise supply chains and run production systems more responsively, while enhancing safety and skills. There is also a clear link between use of AI and the adoption of robotics and automation.

Yet while AI capability is advancing rapidly, adoption across UK manufacturing remains uneven and slow, particularly in high value application areas such as operation technology. Too many businesses still struggle to move from experimentation to sustained, operational deployment.

Our international competitors are moving quickly. Countries including Germany, the United States, Japan and China are focusing not just on AI innovation, but on deployment at scale across businesses and supply chains. The question for the UK is no longer whether the technology exists, but whether it can be adopted confidently, safely and at pace.

This is now a competitiveness challenge. If the UK moves too slowly, it risks weaker productivity growth, slower adoption by SMEs and supply chains and falling behind countries that are already converting AI capability into industrial advantage.

The challenge: moving from AI innovation to industrial deployment

The UK does not lack AI capability. It lacks a clear pathway to deploy and scale industrial AI across manufacturing

Many manufacturers, particularly SMEs, face common barriers to deploying AI including:

- legacy and often capital-intensive operational systems and fragmented industrial data
- uncertainty and delay around return on investment
- limited access to trusted test environments
- workforce capability and confidence gaps
- difficulty navigating support and funding routes
- concerns around integration, safety, assurance and operational risk.

As a result, too many promising AI projects remain trapped in pilot phases rather than delivering sustained impact across factories and supply chains.

Industrial AI is harder to roll out than many other forms of AI. Manufacturing environments are complex, highly engineered and often safety-critical. AI must work in real factories, alongside machines, people and live production processes. Systems must operate reliably day after day, integrate with existing equipment, deliver clear value for money, and earn the confidence of manufacturers and workers. It is not enough to perform well in a lab or a one-off demonstration.

Because failures can affect product quality, productivity and safety, firms require stronger evidence before scaling. This helps explain why adoption has so often stalled at the pilot stage, and why the UK must address these practical barriers if it is to keep pace with its competitors.

Done well, this creates a clear pro-worker opportunity. Industrial AI can make work safer, reduce routine problems, support better decisions and strengthen higher-value roles across manufacturing.

The UK already has many of the necessary ingredients – strong manufacturing sectors, world-class AI research and established innovation infrastructure. It lacks a clearer national pathway that connects innovation, workforce capability and deployment at scale. This is not a technology issue, it is an industrial transformation challenge that requires rapid action.

A practical pathway for industrial AI adoption at scale

This plan proposes a simple, phased approach to help manufacturers move from interest to industrial AI deployments at scale. At its core is a simple national pathway i.e., “Scan-Pilot-Scale”, to help manufacturers adopt AI with greater confidence and at greater pace, underpinned by workforce skills, leadership and a culture of practical adoption.

Programmes such as Made Smarter have already shown that practical support for industrial technology adoption can deliver measurable gains in productivity, quality and energy efficiency. This plan builds on those foundations to enable industrial AI adoption at scale. It draws on existing UK strengths and delivery infrastructure, including Made

Smarter, Innovate UK, BridgeAI, Make UK, HVM Catapult capability and regional innovation networks, rather than creating new institutions:

Scan

A national AI “front door” helping manufacturers identify high-value opportunities, assess readiness and access practical support, peer learning and adoption guidance. It also begins to build leadership confidence, workforce understanding and organisational readiness for deployment.

Pilot

Regional industrial AI co-creation testbeds and co-funded programmes enable businesses to trial and de-risk AI in realistic operational environments. This stage develops practical workforce skills, leadership capability and a culture of continuous learning.

Scale

Wider deployment across factories and supply chains is supported by 2 key interventions. These are SME fast-track programmes, aimed at accelerating AI adoption for operational technology applications via trusted, standards compliant solutions, to boost productivity and efficiency. The second intervention uses AI lighthouse sites, which are designated manufacturing sites that demonstrate real-world, factory-validated industrial AI deployments at enterprise scale across production operations, supported by stronger workforce capability and proven delivery. This approach would create repeatable pathways and models of good practice that other SMEs and supply chains could follow. It would also embed the leadership and organisational culture needed to sustain adoption at scale and turn isolated AI innovation into repeatable industrial capability at a national level.

Five priority interventions

The proposed plan focuses on a small number of practical, scalable interventions. Each is designed to tackle the barriers set out above, including routes to support, uncertain returns on investment, access to test environments, workforce capability gaps and trusted deployment.

1. AI front door

A clear national entry point helping manufacturers identify high-value opportunities, assess AI readiness, build an initial business case and access practical industrial AI support, funding routes and peer learning.

2. AI workforce capability and adoption

Supporting leaders, engineers, operators and managers to adopt AI confidently and effectively within day-to-day industrial operations, building the skills, leadership and workplace confidence needed for sustained deployment.

3. Industrial AI validation and trusted data

Strengthening confidence in industrial AI deployment through testing, assurance and trusted operational data environments, helping firms de-risk adoption in safety-critical and data-fragmented manufacturing settings.

4. SME fast-track industrial AI adoption

Helping SMEs adopt proven industrial AI solutions more quickly, safely and affordably through standardised pathways, practical deployment support and reusable models that reduce cost, complexity and risk.

5. AI lighthouse manufacturing deployments

Working with leading manufacturers and their supply chains to demonstrate industrial AI deployment at scale in live production environments, generating robust shareable evidence of value, practical lessons and repeatable models that can accelerate wider diffusion across sectors.

Together, these interventions would create a clearer national pathway from exploration to adoption by addressing the main barriers to industrial AI deployment: access, capability, confidence, validation, value for money and diffusion at scale.

A pro-worker approach to industrial AI

Successful adoption depends as much on people as on technology. The goal is not simply to introduce new tools, but to help manufacturers redesign workflows alongside AI to improve performance and build long-term capability. The plan will provide a coherent pathway to help manufacturers to access the best support available to upskill its workforce.

It takes a clear pro-worker approach by:

- building workforce confidence and practical skills
- helping people work more safely and productively alongside AI
- embedding learning in day-to-day operations
- strengthening leadership capability and organisational readiness
- enabling inclusive adoption across the workforce
- supporting high-quality, high-value industrial jobs.

Skills are key. We will focus on mobilising and coordinating existing AI support from HMG, education providers, and specialist organisations such as HVM Catapult and Made Smarter. This should include AI Skills Boost, foundation benchmarks, Levy flexibilities, and new apprenticeships, alongside Innovate UK's BridgeAI and AI Skills Hub, with a particular emphasis in advanced manufacturing on aligning these national programmes to sector-specific needs.

A phased, co-investment approach

The approach is designed to be phased, practical and evidence led, so that the **UK** can move quickly while building confidence in what works.

An initial pilot phase co-funded by government and industry would establish and test the core foundations for industrial **AI** adoption rather than attempt full national rollout from the outset. It would support the early build-out of the **AI** front door, a limited number of regional and sector-based deployment pilots, targeted workforce capability activity and a small number of lighthouse and validation projects in real manufacturing environments. The aim of this first phase would be to generate robust evidence on demand, delivery models, return on investment, workforce impact and operational benefit, while refining approaches that can later be replicated across sectors and regions.

Subject to clear evidence of success, industry demand and measurable operational impact, the programme could progress into a second scale-up phase. This would expand the most effective deployment pathways, extend lighthouse manufacturing activity, broaden **SME**/supply chain adoption support across frontier industries and strengthen the regional delivery network needed to move from isolated pilots to repeatable deployment.

A third phase would focus on embedding industrial **AI** adoption at national scale, including stronger validation capability, more developed trusted industrial data environments and wider deployment across **UK** manufacturing ecosystems. By this stage, the emphasis would shift from proving the model to making industrial **AI** adoption more systematic, accessible and durable across sectors, regions and supply chains.

The approach emphasises co-investment between industry and government throughout, so that public funding acts as a catalyst rather than a substitute for business commitment. Progression between phases should be stage-gated and informed by clear evidence of productivity gains, workforce impact, operational value, industry co-investment and the ability to replicate successful models more widely. This would create a practical pathway to scale, grounded in measurable outcomes.

A window for **UK** industrial leadership

The **UK** has the ingredients required to lead in industrial **AI**:

- advanced manufacturing capability
- world-class **AI** research and engineering
- strong regional innovation infrastructure
- emerging industrial **AI** strengths
- and a globally competitive manufacturing sector.

This plan is not about inventing new AI. It is about helping British manufacturers use proven AI at scale.

Government and industry should act swiftly to build confidence in the benefits of industrial AI as part of the modern industrial strategy. With co-ordinated action, the UK can accelerate adoption across factories, supply chains and regions in ways that strengthen productivity, resilience and long-term competitiveness.

Interim AI Adoption Plan: Clean Energy

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Department for Science, Innovation and Technology

June 8, 2026

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A report by Lucy Yu, AI Champion for the Clean Energy sector.

Introduction

This short note provides an update on the work currently being undertaken by the AI Champion for Clean Energy. It summarises the emerging picture of AI deployment across the energy system and draws on over 80 survey responses, 4 multi-stakeholder roundtables and more than 40 expert interviews conducted as part of the Champion's independent review of AI deployment in electricity networks, which will report later this Summer.

The opportunity for AI in the energy system

The pace of change in both the energy system and AI means that decisions taken over the next few years are likely to shape how the system operates for decades to come. The energy system is undergoing a structural shift. Increasing penetration of weather-dependent generation, the electrification of transport and heating, and the growing role of distributed assets are increasing both the complexity and uncertainty of system operation.

Artificial intelligence has the potential to play a significant role in addressing this challenge. Across the electricity system, AI is already being applied to improve forecasting, optimise asset performance, and support system planning. It can help operators respond more effectively to increasingly complex conditions, allowing decisions to be made with greater precision, speed and confidence.

But there is much more to do. The opportunity is not limited to improving existing processes: AI could fundamentally re-shape how the energy system functions. We could create the 'world's most experienced control room operator' by training AI models using data from real world grid operations and physics-based simulations including edge case scenarios, such as the Iberian Peninsula power outage. By creating digital representations of energy supply chains, we could use highly trained AI agents that can execute expert near real time decisions to turn our sometimes-fragile supply chains into always-aware, reactive and self-healing systems. With ever more homes being equipped with batteries, rooftop and plug-in solar, electric heating and electric vehicles, AI could manage every

neighbourhood as a virtual power plant, predicting when consumers need heat and power while managing volatile weather patterns, all at lower cost and with lower effort.

Over time, AI could enable significant transformations in how the energy system is operated including:

- **True probabilistic management:** allowing the system to operate based on risk-aware optimisation and planning, rather than deterministic rules
- **Greater decentralisation:** enabling more flexible and localised decision-making
- **Autonomy:** allowing certain grid operations or functions to be executed automatically within defined parameters and safety frameworks.

These capabilities depend on a further critical enabler: observability. This is not simply about increasing the volume of data, but about ensuring that data is available in a form that is timely, actionable and aligned to operational decision-making.

While each of these are already of interest to system operators globally; they are neither mature nor commonplace anywhere in the world today.

Getting this right and realising these new capabilities in the energy system should bring huge benefits to the UK. A more efficiently operated energy system means better utilising the assets we have and building fewer new assets. That will lower the system cost, reduce emissions, and ultimately cut bills for households and businesses. And if the UK moves quickly, there is a genuine opportunity for global leadership. The UK could aim to be the best place in the world to develop, test and deploy AI and frontier technologies in the future grid. Setting such an ambition and promoting and supporting UK based companies that develop next generation AI technologies for the energy system would crowd in investment and create exportable technologies, both benefits not only to the energy system but also to UK plc.

There are many important underpinning digitalisation initiatives and relevant AI activities already underway which we should continue to support and develop. From the National Energy System Operator's work on AI in the control room (Project Volta) to innovation funding for AI deployment in the energy networks. However, these initiatives alone will not be enough. Additional tools and approaches that unlock new possibilities across network management, business models, markets, and governance and regulatory frameworks are needed to support new operational paradigms.

Progress to realise these opportunities will require significant action over the coming years, not just in technical innovation but in creating the conditions for deployment and scaling. The Champion's review of AI deployment in the electricity networks, to be published later this summer, will set out a comprehensive set of recommendations for how this can be achieved (discussed further below).

Insights from engagement with the sector

As part of the review, the AI Champion has undertaken a programme of engagement across the sector, including:

- two national surveys on AI use cases as well as in-depth interviews and roundtables with different stakeholders, with the first survey focusing exclusively on technology providers and research organisations and the second working with utilities and network organisations. Around 80 unique submissions were received across both surveys.
- four multi-stakeholder roundtable discussions focused on issues including incentives for AI deployment, agentic grid management and other topics.
- over 40 bilateral discussions with expert stakeholders

The UK's position is generally viewed favourably. There are already examples of exportable AI-enabled capability in the sector (such as products from Open Climate Fix or Kraken) and a range of digitalisation and innovation initiatives are underway, including open data platforms, innovation funding mechanisms and regulatory sandboxes.

Responses to the AI Champion's survey highlight that AI is already being deployed across the energy system in several high-impact areas. These findings reflect current usage rather than an exhaustive list of future applications. The most prominent use cases areas include:

- **The use of AI tools to control and operate the grid in a smarter and more efficient way**, enabling a more decentralised approach and supporting increasingly complex power flows from the growing plurality of electric vehicles (EVs), batteries and renewable energy sources.
- **The application of AI to intelligently maintain grid infrastructure**, helping to extend the operational lifetime and resilience of critical energy assets through more proactive and predictive approaches.
- **The role of AI in supporting more effective grid planning and optimisation**, with the potential to accelerate the integration and upgrading of infrastructure required to unlock the UK's renewable energy ambitions at pace.
- **The use of AI to support effective market mechanisms** that help address affordability and equity challenges within the energy system, particularly in the context of ongoing cost-of-living pressures, while improving overall system efficiency and responsiveness.

Taken together, these uses suggest that AI is already beginning to shift how the system is planned and operated, but that its application remains partial rather than systemic.

These findings are consistent with wider analysis under the AI for Decarbonisation Virtual Centre of Excellence (ADVICE). The State of AI for Decarbonisation 2025 report shows

that AI is already beginning to deliver measurable impact across the UK economy, including in energy networks, where applications such as AI-enabled forecasting and flexibility management are supporting system operation at scale. At the same time, the report highlights that progress remains uneven, with many promising applications still at an early stage and further work required to move from innovation to widespread deployment.

Across this engagement, a consistent set of issues has emerged as the most immediate constraints on adoption today. These reflect the challenges the sector is facing now and are likely similar to the challenges faced across other sectors seeking to adopt existing AI technologies into ongoing operations:

- **Data and observability.** Access to high-quality, timely and interoperable data is a consistent constraint. In many areas, data exists but is not available in a form that supports operational use. Issues include fragmented ownership, inconsistent standards and challenges in accessing data at the speed and granularity required for system operation. As a result, many AI applications remain limited by the ability to observe and understand system conditions in real time. This challenge is also driving increasing interest in synthetic data as a potential enabler of AI adoption. Synthetic data offers a way to overcome data access issues by generating realistic datasets for training and testing, particularly in areas where real-world data is limited, sensitive or difficult to access. However, this is an emerging area, and unlocking its value will require clear standards for quality, validation and governance. The Department for Energy Security and Net Zero recently launched a Call for Evidence, supported by the AI Champion, on this topic and, following the closure of the Call, is looking to unlock high value data sets.
- **Routes to adoption and scale.** The UK has relatively strong mechanisms for supporting innovation and early-stage deployment. However, the transition from pilot to scaled, operational deployment remains a key challenge. In many cases, the benefits of AI are system-wide, while costs and risks are borne by individual organisations. This can limit incentives to invest. As a result, promising applications often remain in trial phases rather than becoming embedded in business-as-usual operations.
- **Governance, assurance and trust.** AI deployment in the electricity system raises important questions around safety, accountability and risk. The sector requires clear and proportionate approaches to assurance, including how AI systems are tested, validated and monitored over time. Uncertainty in these areas can slow adoption, particularly in safety-critical environments where reliability is essential. Without clear frameworks, organisations may default to risk-averse positions even where technologies are technically mature.

- **Capability, skills, institutions and system readiness.** The electricity system is not only a technical system. It also includes markets, institutions and governance structures. Current arrangements were designed for a more centralised and deterministic system. As a result, there are challenges around capability, organisational readiness and institutional alignment. Skills, leadership, and the ability to integrate AI into existing systems all play a role in determining whether adoption can scale. Taken together, these issues explain why adoption remains uneven and why there is still a gap between innovation and operational deployment. The challenge is not only technical, but systemic.

The Champion's review of AI opportunities in the electricity networks

In December 2025, the government commissioned the AI Champion to undertake a review of opportunities for AI in the electricity networks, due to report in Summer 2026. The objectives of the review are to:

- map current and emerging applications of AI across electricity networks
- identify barriers and enablers to deployment
- assess the potential system benefits and associated risks
- and provide recommendations to government, regulators and industry on safe and effective pathways to scale

The review is primarily focused on the potential to realise a system transformation, rather than solely near-term barriers facing the sector today. The electricity system is already operating in a new paradigm, shaped by increased complexity and uncertainty. However, many of the tools, institutions and frameworks used to operate the system were designed for a different set of conditions.

The review therefore considers how the system can evolve to support new operational capabilities over time. This includes the conditions required to enable probabilistic operation, more decentralised system management and, in some cases, increased levels of autonomy.

Critically, these capabilities cannot be developed in isolation. Progress in one area is dependent on progress in others. For example:

- improved forecasting without the ability to act on it will not deliver system value;
- decentralised control without sufficient observability can lead to suboptimal outcomes;
- and autonomy without appropriate safety and assurance frameworks introduces new risks

For this reason, the review will focus on how these capabilities interact and the conditions required to unlock them together.

Over the coming months the AI Champion will publish the review with a set of clear recommendations. Government intends to respond to this as part of a strategy for AI in Clean Energy, to be published before the end of the year, and continue working with the AI Champion to deliver the recommendations.

AI Adoption Plan: Creative Industries

 gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-creative-industries

Department for Science, Innovation and Technology

June 8, 2026

[Department for
Science, Innovation
& Technology](#)

A report by Sally Davies, AI Champion for the Creative Industries sector.

Summary

The UK's creative industries are one of our greatest national strengths. They are world-leading, economically significant and central to the government's [Industrial Strategy](#) as a growth-driving sector.

In 2024, the creative industries contributed nearly £146 billion in gross value added (GVA), [almost 6% of the UK total](#). Between 2010 and 2024 their GVA grew at [more than twice the rate of the wider economy](#). In 2023 they accounted for [nearly 13% of all UK services exports](#). This is a world-class national asset, with significant potential to drive growth, exports, innovation and high-quality employment.

The sector has always been quick to explore new technologies. That is reflected in current levels of artificial intelligence (AI) adoption. AI use is higher in the creative industries than across the economy as a whole: [51% of creative businesses report using AI, compared with 33% of all businesses](#). As global markets and technologies adjust at an unprecedented pace, acting now is vital. By confidently adopting these tools, we can ensure our sector remains globally competitive.

Across the sector, businesses and creators are experimenting with AI tools and processes. However, adoption is uneven. Larger businesses are moving faster than smaller firms, and most organisations are [using AI first for operational tasks before applying to creative workflows](#). This is understandable. AI presents real opportunities, but it also raises particular questions for a sector where trust, rights, reputation and creative integrity are central to value.

I have prepared this plan as the AI Champion for the Creative Industries. Its purpose is to support a practical, trusted and sector-specific approach to AI adoption.

The approach I propose is **augmentation first**. AI should support human creativity, not displace it. It should help creative workers spend more time on the creative aspects of their jobs and roles. It should help businesses compete, innovate and grow. It should give

smaller firms and independent creators access to new tools and It should be adopted in ways that maintain trust, respect creative labour and support high quality jobs.

This plan does not promote AI for its own sake, nor does it seek to replace human creativity, craft and judgement that makes the UK's creative industries world-leading. Its purpose is to help creative businesses, freelancers and institutions use AI responsibly where it strengthens their work, improves productivity, supports growth and creates new opportunities.

Taken together, the recommendations in this plan can help make the UK the global home of trusted createch and reinforce our leadership in creative innovation. Used ethically, AI can help grow a dynamic creative economy in which technology strengthens human creativity, more firms scale into createch businesses, and the next generation of high quality creative jobs is created in the UK.

This plan proposes 8 practical steps:

1. Establish an augmentation first approach to AI adoption
2. Continue to develop a responsible AI framework for the creative industries
3. Raise practical AI knowledge and confidence
4. Develop trusted guidance, standards and tools for AI adoption
5. Support skills, leadership and workforce transition
6. Reduce cost barriers to responsible adoption
7. Expand nationwide AI infrastructure through testbeds, anchor institutions and regional support
8. Review, evaluate and update the plan as technologies evolve

Existing adoption landscape

The creative industries have always embraced new technologies. Music, film, design, games and the wider creative economy were early adopters of digital tools, using them to reach new audiences, improve production and develop new business models.

The sector has also driven innovation beyond its own boundaries. [Games technologies, simulation, virtual production and immersive tools are now used in aerospace, healthcare, education and other sectors](#). This shows the creative industries long standing ability to act as both early adopters and practical innovators.

AI is the next wave of this change. It is increasingly embedded across creative industries and is reshaping how content is developed, produced, distributed and experienced. In games, AI has been a part of development for decades, including through [symbolic AI and machine learning for non-player character behaviour and procedural generation](#).

Across the wider sector, businesses are engaging carefully with emerging AI technologies. Many recognise that [AI may shape the medium-term viability of their business models, while also being alert to the risks of adopting tools too quickly, or without enough confidence.](#)

Adoption varies across subsectors. The IT, software and computer services sub-sector is a major with 60% of businesses using AI. This compares with [53% in design and designer fashion, 44% in film, TV, video and photography, and 22% in music, performing and visual arts.](#)

Most firms begin by using AI in non-core functions before moving into creative workflows. This includes routine office automation, cost forecasting, pricing, information synthesis and strategic decision support. For micro-businesses and small and medium-sized enterprises (SMEs), this back office experimentation often acts as an informal form of risk management where formal governance is not yet in place. [\[footnote 1\]](#)

Decision-making becomes more complex when AI use is visible to clients or the public. Client facing and public facing uses require stronger quality assurance, legitimacy and reputational trust. [Commissioned work may also be subject to restrictions or prohibitions.](#) Some clients encourage AI enabled efficiency, while others restrict or prohibit AI use altogether.

This means adoption is not simply a question of whether a tool works. It is also a question of whether its use is contractually permitted, ethically acceptable and commercially safe.

Adoption is more constrained in subsectors where generative AI is seen as overlapping with core creative tasks. In animation for example, AI is often used for generating early-stage visual concepts, but newer tools support processes such as upscaling of images and textures. However, many firms maintain a clear boundary against using experimental outputs in final, client facing work because of [intellectual property \(IP\) and ethical concerns.](#)

Case study - [Revolution Software](#)

For the 2024 remaster of Revolution Software's 1996 game Broken Sword, studio co-founder Charles Cecil explained that AI could help make the graphics work for modern audiences.

To update the visuals from 480p to 4k resolution, the studio used AI to upscale existing data, including character sprites. The main character alone had several thousand sprites, giving the generative adversarial network enough training data to build on.

The tool was not successful in generating heads or hands correctly, so the developers used AI only where it worked well and then manually refined the frames. This is a useful

example of AI supporting, rather than replacing, skilled creative judgement.

Adoption by business size

Adoption varies significantly by business size. Larger businesses adopt AI at much higher rates. Enterprises with 250 or more employees have adoption rates of 44%, while micro-businesses sit around 24%. Evidence suggests [micro-businesses are approximately 18 months behind large firms in terms of AI adoption](#).

SMEs often struggle to dedicate time and resources to market scanning, tool evaluation, workflow redesign and oversight. [Larger organisations are more likely to have internal governance frameworks, phased implementation processes, approval mechanisms and explicit risk categories](#).

The result is an uneven landscape. Some parts of the sector are integrating AI as a practical production tool. Others experience AI mainly as an [external market force that is reshaping commissioning, pricing and bargaining power across creative labour markets](#).

There is also a [risk unequal access to finance could worsen existing disparities, including firms led by women and ethnic minority founders](#). The evidence base on this specific link is still limited but the risk is significant enough to require further investigation.

Key challenges

Barriers to adoption

The main barrier to AI in the creative industries is not lack of interest. It is a lack of capacity, confidence and infrastructure, particularly among microbusinesses, small firms and freelancers.

Concerns around IP, data security, client acceptability and reputational risk are still [slowing wider deployment, especially in client facing creative work](#).

Client expectations are a major factor. Some clients actively encourage AI use to improve efficiency. Others prohibit or tightly restrict it. This often confines AI adoption to lower-visibility functions. In the screen sector, UK adoption can therefore be understood as an iceberg, [much of the activity is experimental or behind-the-scenes, rather than visible to the public](#).

Case study - [Aardman Animation](#)

Aardman Animation has been researching AI and generative technology for several years. The studio uses directed AI tools such as Copycat to automate standardised post-production processes. This helps identify and fix problematic frames across sequences, rather than requiring animation to be reshot.

Generative AI is also being explored, but only by specific teams with the necessary expertise.

Aardman's approach is guided by a simple question: does this give the creative parts of our jobs more time? The studio uses AI cautiously and in a way it considers creatively safe. It is also aware of the financial pressures facing the industry and sees AI as one way to improve efficiency and reduce production costs without replacing jobs.

The reception among staff has been mixed. Aardman has responded by encouraging open conversation and feedback. By appointing internal AI champions and promoting debate, the studio is building confidence organically.

Copycat now completes 70 to 80% of work in its target process, reducing repetitive manual work for VFX staff and creating significant time savings in post-production. The company also sees AI literacy as increasingly important, as clients expect studios to understand and engage with the technology while maintaining their values.

Recent ['Business Insights and Conditions Survey'](#) data shows that the most commonly cited factor preventing or delaying adoption is lack of trust in AI product safety or transparency, This is reported by 10.1% of creative industry businesses, compared with 5.7% of all businesses.

Other barriers include skills, expertise and knowledge; integration and scalability challenges; lack of identified use cases; concerns about job security; and uncertainty about government regulation. This is reflective across the economy.

Cost is another barrier. Enterprise-grade tools can carry high subscription and integration costs, there are a [significant barrier for independent creators](#). Microbusinesses and SMEs also face high opportunity costs: to research the market, test tools and assess risks all this can outweigh their available capacity.

There is also a mismatch between expectations and reality on productivity. Some AI use cases deliver clear gains. In many workflows, however, the benefits are harder to prove. [Prompting, iteration, error correction and quality control can absorb significant time](#). Organisations may struggle to distinguish genuine efficiency from displaced effort.

Sustainability should also form part of responsible adoption. The growing use energy-intensive AI models creates [challenges for sectors that are also trying to make production more sustainable](#). Responsible adoption should encourage proportionate tool use and better understanding of environmental impacts, particularly where high compute models are involved.

Skills and the labour market

Skills are one of the most important conditions for responsible AI adoption. The sector does not only need technical specialists. It needs practical AI capability across leadership, production, creative, commercial and operational roles.

A lack of training and investment remains a major barrier to innovation. There is a recognised funding gap, especially during early ideation and exploratory stages.

Employers identify [machine learning and AI as important digital skills gaps](#). The sector also needs more people who can [combine technical knowledge with other creative, commercial and strategic expertise](#).

At present, [many organisations rely on informal learning](#). This is understandable given the pace of change, but it is not enough for long-term responsible adoption. Informal learning can support experimentation, but it cannot provide the consistent understanding needed to manage workforce risks. More formal, practical and sector-specific training is needed, including provision designed for freelancers, microbusinesses and SMEs.

Case study - [Framestore](#)

Framestore is a visual effects and animation studio working across film, TV, advertising and immersive media. It is led by a chief technology officer with experience in emerging technologies and AI, and employs creative technologists who are used to experimentation and research and development (R&D).

Framestore focuses on using directed AI. This means using machine learning systems to solve specific and predictable workflow problems. Its directed AI focuses on repetitive tasks, such as rotoscoping, so that workers can spend more time on creative and higher-value work.

To address skills gaps, Framestore has introduced targeted training and resources built internally by AI experts. These include video courses and self-service modules designed to embed practical AI knowledge across teams.

Framestore reports that this approach has delivered:

- seven-figure cumulative value per project for directed AI initiatives that have reached full-scale deployment
- break-even within 2 months for early adoption projects
- more workforce time shifted from repetitive tasks to higher-value creative work across multiple departments

Workforce impacts

The labour market impacts of AI need careful attention. Many creative workers are [concerned that generative AI may overlap with human tasks](#). Even where full worker replacement is not expected, there is [uncertainty regarding career pathways and the future value of existing skills](#).

AI implementation often follows a staged path, [starting with back-end and operational tasks before moving into outward-facing creative workflows](#). This can be sensible, however it should not obscure the potential impacts of AI on the skills pipeline.

Some generative AI tools can perform [tasks traditionally assigned to junior or entry-level workers](#). If those tasks are automated without a plan for training and progression, established routes into the creative industries could be weakened.

As AI Champion, my objective is to promote trust in augmentative tools that support human creativity. That means encouraging adoption where AI helps creative workers spend more time on higher-value activity, while ensuring that skills, job quality and entry routes are built into responsible adoption.

Opportunities

If shaped responsibly, AI adoption can support 5 major opportunities for the creative industries.

First, AI can improve productivity and competitiveness. It can reduce repetitive tasks, support production planning, improve post-production, assist with localisation, accelerate research and help firms respond to tighter budgets and delivery timelines. Used well, it can reduce the risk of ambitious creative projects, free up more time for creative development and support investment in new creative IP.

Second, AI can support the growth of createch businesses. Createch being a business focused on delivering new creative technologies. The UK has existing strengths in creative content, games, design, software, visual effects, immersive technology and cultural assets. Responsible AI adoption can help more firms combine these strengths, develop new products and services and scale internationally.

Third, AI can improve access to capability for smaller firms. Shared tools, testbeds, guidance, training and anchor institution models can help SMEs, microbusinesses and freelancers access capabilities that would otherwise sit mainly inside larger organisations. If designed well, this can spread opportunity across the UK, including through regional creative clusters.

Fourth, AI can support higher-quality creative work by removing avoidable manual burdens and creating more time for creative judgement, iteration and audience engagement. The

value of AI should not be measured only in speed or cost reduction. It should also be judged by whether it helps creative workers produce better work, reach audiences more effectively and expand consumer choice.

Fifth, the UK can build international leadership in trusted creative AI. A distinctive UK approach could combine innovation with creative protections and public confidence. This would strengthen the UK's reputation as a world leader in the creative industries, attract investment and support long-term economic growth.

By accelerating our adoption of these tools, there is the potential to unlock an inspiring future for the sector. We can look towards a landscape where independent creatives have the ability to match production capabilities of global studios. We can give our workforces the freedom to focus entirely on what they do best. It's about giving our creators the time, bandwidth and backing to thrive.

Recommendations

AI gives the industries a major opportunity to benefit from emerging technologies. But adoption will only succeed if it is trusted, practical and grounded in the realities of creative work.

The recommendations below set out a roadmap for a creative sector that can use AI responsibly and confidently. They put creative businesses, freelancers, workers and rightsholders at the centre. They are designed to support growth, strengthen human creativity, widen access to new tools and ensure that the UK remains a world leader in the creative industries.

Recommendation 1: establish an augmentation-first approach to AI adoption

Action: government and industry should establish an augmentation-first approach to AI adoption in the creative industries.

Many creatives are concerned that AI may replace their craft. That concern must be taken seriously. The value of the UK's creative industries comes from human creativity, judgement and originality. AI should therefore be adopted to enhance human creativity, productivity and opportunity, not to displace the people and creative content that make the sector world-leading.

As AI Champion, I would encourage government and industry to publish an **augmentation-first statement** for the creative industries and use it as the foundation for my engagement and advocacy. This should support human creative control, encourage best practice before major AI deployment, and link adoption to skills and transition support.

To ensure it reflects the realities on the ground, this must be designed with creative workers and trade unions to ensure it acts as a clear pro-worker statement.

Recommendation 2: continue to develop a responsible AI framework for the creative industries

Action: government should continue to develop the responsible AI framework needed to give creative businesses, creators, rightsholders, clients and audiences confidence in AI.

Responsible adoption depends on trust. Businesses will not adopt AI at scale if they cannot understand how tools have been trained, whether rights have been respected, whether outputs can be used commercially, whether likenesses are protected, and when audiences or clients should be told AI has been used.

The creative industries are particularly exposed to unresolved questions around copyright and AI. These issues do not need to be fully resolved before adoption can happen, but the direction of travel must be clear enough to support confidence.

Government should therefore continue to create conditions for long-term adoption by progressing its work on copyright and AI. This includes the measures announced in its 18 March 2026 Report and Impact Assessment on Copyright and AI:

- launching a consultation on **digital replicas** to address harms where a person's likeness is replicated without permission, while protecting legitimate innovation.
- establishing a **taskforce on AI labelling** to propose best practice so consumers understand whether content has been made using AI.
- publishing a review of **mechanisms available for creators** to control their works online, including standards, technical solutions and best practice on input transparency.
- launching a **working group on independent and smaller creative organisations** to explore whether government should support their ability to license content.

The Creative Content Exchange could also support responsible AI adoption if it develops as a trusted marketplace for digitised cultural and creative assets. It could help content owners commercialise their assets while giving data users easier access to high quality, lawful and trusted material. This could support the next wave of creative innovation and help develop high-value AI models.

As AI Champion, I would use my engagement with the sector to ensure that the practical concerns of creators, freelancers, SMEs and creative businesses are fed into this wider responsible AI framework.

Recommendation 3: raise practical AI knowledge and confidence

Action: government and industry should celebrate responsible AI use, raise practical AI knowledge and support peer learning.

Creative businesses should not be expected to adopt tools they do not trust or understand. Equally, responsible AI use should not be treated as anti-creative. The sector needs a more mature conversation, one that recognises risks, shows practical benefits, and makes responsible adoption visible.

As AI Champion, I will support this through 3 practical initiatives:

- **Abbey Road AI salons:** I will host breakfast roundtables with leaders and practitioners from the UK creative sector to share examples of AI use, including tools, impacts and lessons learned. These will be practical discussions focused on real adoption journeys.
- **Roadshows:** I will run quarterly showcases on how AI is reshaping the creative industries ethically and augmenting human creativity. These should take place across the UK and be linked to regional creative clusters, universities, cultural institutions and local businesses.
- **Inside the Creative Stack:** I will develop a short-form film series showing how leading creatives use technology in their creative process. This will help demystify AI and show that responsible technology use can sit within authentic creative practice.

I will share learning from these activities with government and industry to build the evidence base and support practical case studies for the AI Toolkit.

Government and industry should support a national programme of knowledge building, including:

- **AI demonstrators:** curated examples of safe and effective AI adoption that reduce perceived risk of AI across the sector and support knowledge-sharing.
- **Peer learning networks:** forums for organisations to exchange lessons, show what works, and collaborate.

As AI Champion, I would promote these examples through my salons and roadshows, and help ensure that learning reaches smaller firms, freelancers and regional hubs.

Recommendation 4: develop trusted guidance, standards and tools for AI adoption

Action: government and industry should develop business friendly guidance, standards and tools to help creative organisations adopt AI responsibly and confidently

AI adoption is currently fragmented. Many creative businesses do not know which tools to trust, what questions to ask suppliers, how to assess productivity gains, how to manage client expectations or how to put proportionate safeguards in place.

The sector needs clear, practical and trusted guidance that helps organisations make decisions about real creative and commercial workflows. Creators should be able to adopt AI with confidence where they choose to do so. There should also be a more consistent approach to implementation, while recognising that requirements differ by subsector, business size and use case.

Guidance and tools should help businesses and freelancers answer practical questions, including:

- Is this tool appropriate for this use case?
- What rights, data, confidentiality or sustainability issues arise?
- What questions should we ask suppliers?
- How do we assess whether AI is delivering genuine productivity or quality gains?
- How should we manage client expectations and disclosure?
- What level of human oversight is needed?
- When should AI not be used?

I recommend government and industry consider the following:

- **AI toolkit:** government and industry should develop a single, practical AI toolkit for freelancers, SMEs, microbusinesses and larger organisations. It should include guidance on AI use, procurement, template policies and case studies. The toolkit should reduce search costs, improve confidence and help businesses avoid unsafe or inefficient experimentation.
- **Practical adoption standards:** government and industry should explore light touch adoption standards or good practice principles for responsible AI use in the creative industries. This could form part of the augmentation-first approach and create a shared baseline for responsible practice.
- **Trusted tool and support directories:** government and industry should consider a trusted directory or signposting service to help businesses find relevant tools, guidance, training, testbeds, R&D labs, funding and support. In my role as AI Champion, I will consider what role Abbey Road Studios can play in convening such a list.

Recommendation 5: support skills, leadership and workforce transition

Action: government and industry should create practical AI capability programmes for creative leaders, workers and freelancers

A lack of skills and internal capacity is one of the main barriers to AI adoption. The creative sector needs to build the right capabilities for long term adoption and growth. This means upskilling both leaders and workers so businesses can adapt to emerging AI workflows.

Government and industry should support the sector to identify, develop and embed the skills needed to use AI responsibly. Future workers should also enter the sector with the practical AI literacy they need. Working in lockstep with trade unions and guilds to ensure that workers are given a formal seat when designing training and upskilling programmes, we can ensure that AI adoption elevates job quality and protects established entry routes into the sector.

I recommend that government and industry should:

- **Make creative businesses visible in AI skills programmes:** the creative industries should be properly represented in national AI skills initiatives like the [AI Skills Boost Programme](#). Training and upskilling in AI technologies should reflect the needs of the sector from independent creators to larger firms.
- **Create practical AI learning:** government and industry should create and promote courses designed around real creative use cases and teach businesses how to use AI effectively and responsibly. The industry should [make use of existing units which seek to boost AI literacy for individuals working in leadership roles](#).
- **Support leaders to manage change:** AI upskilling and strategy must be implemented across the career ladder. Creative leaders need help to understand how AI may affect teams, skills, workflows and business models, so they can introduce it in a way that builds trust. [The Help to Grow: Management Scheme](#) is an example of an existing initiative for small business leaders wanting to grow AI in their business.
- **Develop hybrid creative-technical roles:** the sector should invest in people who can bridge creative practice and technology. This could mean supporting the development of pathways for these hybrid roles and industry exchange programmes to upskill teaching professionals.

Recommendation 6: reduce cost barriers to responsible adoption

Action: government should explore targeted financial support to help smaller creative businesses and freelancers adopt AI responsibly.

Access to finance is a material barrier. Current funding often focuses on R&D and new technology creation rather than adoption and transition costs. SMEs, microbusinesses and freelancers are less able to experiment with AI or implement tools after initial testing because adoption carries real costs.

These costs include subscriptions, compute, cloud access, AI tokens, integration, legal advice, staff training, workflow redesign, quality assurance, cyber security and the

opportunity cost of time spent evaluating tools. Without support, responsible AI adoption may become a privilege mainly available to larger businesses.

I therefore support financial assistance that goes beyond the traditional innovation funding and helps smaller businesses explore and adopt AI responsibly. Support should be visible, transparent, targeted, evidence-led and evaluated for value for money.

Government should consider:

- **Pilot funding or pilot access:** funding should help SMEs and freelancers test new technologies, build capacity and increase confidence. It could also support AI developers by creating opportunities to test models and ideas with creative businesses.
- **Adoption grants:** government should consider grants for businesses and individuals that want to adopt AI but lack the financial resources to do so. Applicants should be able to explain the need, intended use and expected benefits,
- **Support for experimentation and transition costs:** funding should cover not only tools, but also the wider transition costs of responsible adoption. This would be especially valuable to freelancers, SMEs and microbusinesses.
- **Advice vouchers:** government should consider smaller vouchers for legal, technical or commercial advice. Many businesses need help understanding contracts, IP, data protection, procurement and workflow change, not just money for software.

Recommendation 7: expand nationwide AI infrastructure, through testbeds, anchor institutions and regional support

Action: government and industry should develop nationwide support infrastructure that gives SMEs and freelancers safe access to AI resources, expertise and adoption support

For many businesses, the challenge is not simply finding an AI tool. It is safely testing whether that tool works in a specific creative workflow. This requires infrastructure, technical expertise, data, legal advice, time and evaluation support.

AI infrastructure costs, including cloud access, compute, data access, AI tokens, specialist software, and technical support, can be prohibitive for smaller creative businesses. The goal should be to reduce adoption risk and help smaller firms access expertise that would otherwise be out of reach.

AI adoption should not be concentrated among larger firms or in a small number of locations. The creative industries are shaped by place, identity, networks, talent and cultural context. Adoption support must therefore be locally accessible and connected to existing creative clusters.

As AI Champion, I support the distribution of growth and innovation across the UK so that regional creative economies can participate in, and shape AI adoption. I encourage government and large firms at the intersection of creativity and technology to identify existing offers, improve signposting, develop partnerships and ensure private infrastructure complements public infrastructure.

This requires action across 3 key areas:

1. **Practical testbeds:** government and industry should move beyond theoretical R&D and support practical, everyday AI adoption.
 - Existing programmes should explicitly support AI adoption in creative workflows, not only R&D and new technology development.
 - Subsector-specific test environments should support use cases across film, music, fashion, games and other creative industries.
 - Testbeds should generate case studies and learning resources that show what works, what does not, and what safeguards are needed.
2. **Anchor institutions:** large creative firms, studios, broadcasters, universities, and technology companies can help smaller firms access expertise and infrastructure.
 - Anchor institutions should provide practical access to compute, software tools, technical environments, mentoring and workshops.
 - Private and public infrastructure should be better aligned so existing offers are easier to find and use.
3. **Regional growth and distributed innovation:** regional creative economies must be able to participate in and shape AI adoption.
 - Regional hubs should host hands-on demonstrations and training designed around local business needs and subsector strengths.
 - Support should build on existing creative clusters, universities, local authorities and industry networks.
 - Local hubs should connect to national testbeds, R&D programmes and peer learning networks.
 - Evidence from across the UK should inform national policy, so policy reflects regional realities as well as the experiences of larger, better-connected firms.

Recommendation 8: review, evaluate and update the plan as technologies evolve

Action: government and industry should treat the AI adoption plan as a live programme that is updated as technology, evidence and market practice evolve.

AI technologies are changing quickly. Tools that are experimental today may become standard within a year. Risks, legal frameworks and client expectations may change. Creative practice will continue to adapt alongside emerging technology.

This plan should therefore be reviewed and updated regularly. This should include:

- **Continuous evidence gathering:** government and industry should continue to build evidence on adoption by subsector, firm size, region and workforce type. Evidence should also cover productivity gains, implementation costs, workforce impacts, client expectations, public confidence, sustainability impacts and barriers faced by underrepresented founders and workers.
- **Evaluation of interventions:** toolkits, training, grants, testbeds and other interventions should be evaluated. Evaluation should assess whether support reaches SMEs, freelancers and microbusinesses; improves confidence and capability; changes adoption behaviour; produces measurable benefits; and represents value for money.
- **Regular updates to guidance:** the AI toolkit and associated case studies should be updated regularly. Outdated AI guidance can quickly become misleading.

As AI Champion for the Creative Industries, I will use salons, roadshows and sector engagement to gather feedback and feed it back into government. This will help ensure the plan remains practical, current and grounded in the needs of creative businesses, freelancers, workers and rightsholders.

Conclusion

The UK creative industries are already adopting AI. The question is no longer whether AI will affect the sector, but how adoption is shaped.

The opportunity is significant. AI can help creative businesses reduce repetitive work, improve workflows, reach audiences, develop new products and compete internationally. It can support the growth of creative businesses and strengthen the UK's global leadership in creativity and technology. By accelerating our AI adoption with the right frameworks and support, our creators can secure a lasting international advantage.

But if adoption is opaque, extractive, poorly governed or concentrated among larger firms, it could undermine trust, disrupt entry routes and widen existing inequalities across the creative industries.

That is why the UK needs a practical, trusted and augmentation-first adoption plan for the creative industries.

As AI Champion, my role is to convene, listen, challenge, champion responsible use and build confidence across the sector. I want to support a creative economy where technology strengthens human creativity, more firms can scale, freelancers and small businesses are not left behind, and the UK becomes the global home of trusted createch.

AI adoption in the creative industries should not be something that happens to the sector. It should be something the sector shapes.

AI Adoption Plan: Digital and Technologies

 gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-digital-and-technologies

Department for Science, Innovation and Technology

June 8, 2026

[Department for
Science, Innovation
& Technology](#)

A report by Katie Gallagher [OBE](#), [AI](#) Champion for the Digital and Technologies sector.

Vision

The [UK](#)'s Digital and Technologies sector is one of the jewels in the crown of the British economy. The sector plays a central role in driving growth, innovation and productivity across the [UK](#), and for our growing [AI](#) sector the wider adoption of [AI](#) presents a major opportunity in its own right.

As more firms across the economy adopt [AI](#), [UK](#) [AI](#) companies will be well placed to supply the tools, services and expertise that make that possible. Stronger [AI](#) adoption is therefore not only a route to higher productivity across the economy, but also a source of demand, growth and global opportunity for the [UK](#)'s own digital and technology businesses.

I also want this plan to recognise the role the Digital and Technologies sector has as a leading adopter of the technology it produces. In many cases, firms in this sector are ahead of the curve, and their experience - from high-value use cases to strong data deployment - can shape adoption across the wider economy.

But digital and technology firms are also grappling with the same practical questions as others about skills, the impact of [AI](#) on jobs, data, cyber security and how to deploy [AI](#) well at scale. My ambition is therefore not only to capture learnings from firms operating at the cutting edge, but to ensure that the Digital and Technologies sector's adoption of [AI](#) raises productivity, supports the creation of good jobs and career opportunities. I am keen to ensure this benefits the sector in all corners of the [UK](#), including where technology adoption has historically been slower, rather than only being concentrated in major urban hubs and the South East.

This plan will focus on integration as well as adoption. The [UK](#) already has one of the highest [AI](#) adoption rates in Europe, but data suggests that firms are using it less intensively than their US counterparts. The evidence from previous general-purpose technologies is clear; depth of integration, not headline adoption, drives productivity.

Adoption across the sector is hugely varied, with firms at very different stages and clear outliers in both directions. I have tried to focus this plan on the barriers that businesses

themselves raised with me most often, so that firms at every stage stand to benefit. I am also conscious that the technology is moving quickly: the specific tools, use cases and recommendations set out here will need to flex as capabilities advance. But the fundamentals - getting data, skills, governance and culture right - will carry the majority of businesses, whatever comes next.

Katie Gallagher OBE, AI Champion for the Digital and Technologies sector

Context

The UK Digital and Technologies sector is a major part of the economy. In 2024, it generated £158 billion in gross value added (GVA), [equivalent to around 6% of overall UK GVA, and employed 1.33 million people](#). Its performance therefore matters both for the sector itself and for the wider economy, given the role digital products, services and infrastructure play across other industries.

What do we mean by the Digital and Technologies sector?

The Digital and Technologies sector develops and applies advanced technologies and digital tools to drive transformative changes in our economy and society. These technologies are foundational, enabling other innovations and transformation across other sectors. Many are emerging, novel, and untested, and will therefore take some time to be fully developed and realise their potential for high economic growth.

The Digital and Technologies sector is structured around 2 components:

1. Frontier technologies – 6 priority technology areas identified in the Digital and Technologies Sector Plan: - Advanced Connectivity Technologies (ACT) - Artificial Intelligence (AI) - Cyber Security - Engineering Biology - Quantum Technologies - Semiconductors

2. Digital – a set of companies comprising the wider digital component of the Digital and Technologies sector.

DSIT has recently developed a new, dynamic company-level definition of the sector, which substantially improves measurements compared to proxy approaches based on Standard Industrial Classification (SIC) codes (see [DSIT \(2026\) Digital and Technologies Sector statistics](#)).

The potential upside of AI adoption for our sector is substantial. The OECD identified IT and Information Services as the single most exposed sector to AI, with approximately 50% of tasks exposed to AI, and almost 80% of tasks exposed in an “expanded capabilities” scenario. [\[footnote 1\]](#) The same paper suggests that this wide range of potential applications means that, over the next decade, high levels of AI adoption could lead to total factor

productivity gains exceeding 10% in this sector – almost double the median sector.^{[footnote 2\]](#)}

High exposure to AI does not mean jobs will simply be replaced, but it does mean AI will reshape how work is organised and where productivity gains can be realised. Adoption is already ahead of the national average: in December 2025, 39% of firms identified through a proxy for the Digital and Technologies sector reported adopting AI, compared with 25% of firms across the economy (see Figure 1). That combination of high exposure and above-average adoption means the sector is well placed to capture early gains, but it also raises the importance of accelerating effective deployment.

Figure 1: Percent of Business using at least one AI technology - D&T SIC Proxy vs All Sampled Businesses (ONS, 2026)^{[footnote 3\]](#)}

How the sector is approaching adoption

My engagement with businesses revealed significant variation in how far adoption has progressed. Some firms are embedding AI deeply across multiple functions, products and services; others are at a much earlier stage, working with individual tools and discrete use cases. For most, the question is no longer whether AI matters but how far and how fast to take it. Understanding where firms sit on that spectrum, and what helps them progress, is what shapes the rest of this plan.

These are some of the most exciting applications that I heard about in my conversations with businesses about how they are using AI today:

- **AI-native engineering** - AI coding tools are supporting engineers across the software development lifecycle, from coding and testing to documentation and code review. Used well, they can reduce repetitive engineering tasks, improve product iteration and free teams to focus on architecture, quality, security and user needs. For example, Arm has focused on providing employees with access to high-value use cases across hardware and software engineering, including AI-assisted code review, debugging, workflow optimisation, optimisation regression and vulnerability identification. See the case study below for more detail on how Arm are deeply integrating AI across their organisation.

- **AI-powered cyber security** - AI is helping firms move from reactive to more preventative cyber defence by identifying unusual activity, prioritising vulnerabilities and responding to threats faster than traditional rule-based systems. This is particularly important for digital and technology firms whose products, platforms and supply chains depend on trust and resilience. For example, Darktrace uses self-learning AI to understand normal behaviour across an organisation's digital estate and detect activity that could cause disruption. Its platform can contextualise connections and respond to known and novel threats in real time, including those targeting networks, email, and AI systems and agents
- **AI-enabled telecoms fraud prevention** - AI can help telecoms providers detect suspicious calling patterns and protect customers from scam and spam calls at network scale. Virgin Media O2 is using a call defence system to analyse calling patterns in real time and flag suspicious numbers directly on users' screens. Since launch, the system has identified over one billion suspected scam and spam calls, showing how AI can act as a high-volume, real-time decision layer within telecoms infrastructure and help reduce customer exposure to fraud.
- **AI scientific tools for engineering biology** – AI is accelerating biological discovery by helping researchers design, test and scale new biological solutions more quickly, supporting renewed progress in decarbonisation, pandemic preparedness, food security, the eradication of preventable illness, and more. The potential for AI scientific tools to accelerate biological discovery, reduce the number of physical experiments required, and help researchers analyse large datasets across different scientific fields is vast. For example, Epoch Biodesign is tackling plastic waste by engineering enzymes that can break down hard-to-recycle plastics at low temperatures. AI can address scale-up bottlenecks in engineering biology by accelerating bioprocess optimisation. New Wave Biotech is doing just this - supporting biotechnologies to scale more quickly and cheaply with AI-powered process simulation and optimisation, supporting targeted decision making and fewer costly R&D runs.

Case study: How Arm is building an AI-native organisation

Arm is building an AI-native workplace by enabling employees - particularly engineers - to use AI in their day-to-day work so they can drive organisation-wide transformation via AI adoption.

The company has focused on high-value use cases across hardware and software engineering, including AI-assisted code review, debugging, workflow optimisation, optimisation regression and vulnerability identification. It is also using AI to support code optimization for the Arm ecosystem and deploying knowledge assistants to help employees rapidly retrieve information from extensive internal documentation.

Adoption has been supported through broad access to tools, with approximately 70% of Arm's engineering population using a coding assistant on a regular basis. Arm views this tool not only as a coding aid, but as a broader productivity assistant connected to wider data and knowledge systems. To drive uptake, the company is also running hackathons and bootcamps across its sites.

Arm's strategy combines innovation with governance. It is exploring new AI-enabled ways of working while introducing guardrails around responsible use, sustainability and quality assurance. Its solution development kit and "develop faster, share faster, scale faster" model are designed to help teams build, reuse and scale AI solutions more effectively.

This approach is delivering clear productivity gains across key workflows. At the heart of these improvements is Arm's AI-native strategy - empowering everyone at Arm to drive productivity by giving them access to AI-enabled tools, use cases and workflows. Arm's experience shows how AI can be embedded at scale to augment expertise, improve ways of working and equip a highly skilled workforce for the AI era.

Barriers to AI adoption and integration

Across the Digital and Technologies sector, firms are often able to stand up initial AI use cases relatively quickly - for example internal chatbots, coding assistants, content generation tools and data analysis. The harder challenge is scaling these into production environments and embedding them into day-to-day workflows so that they drive transformation. My engagement with businesses suggests that the following barriers are the most important in preventing firms from moving from experimentation to integration.

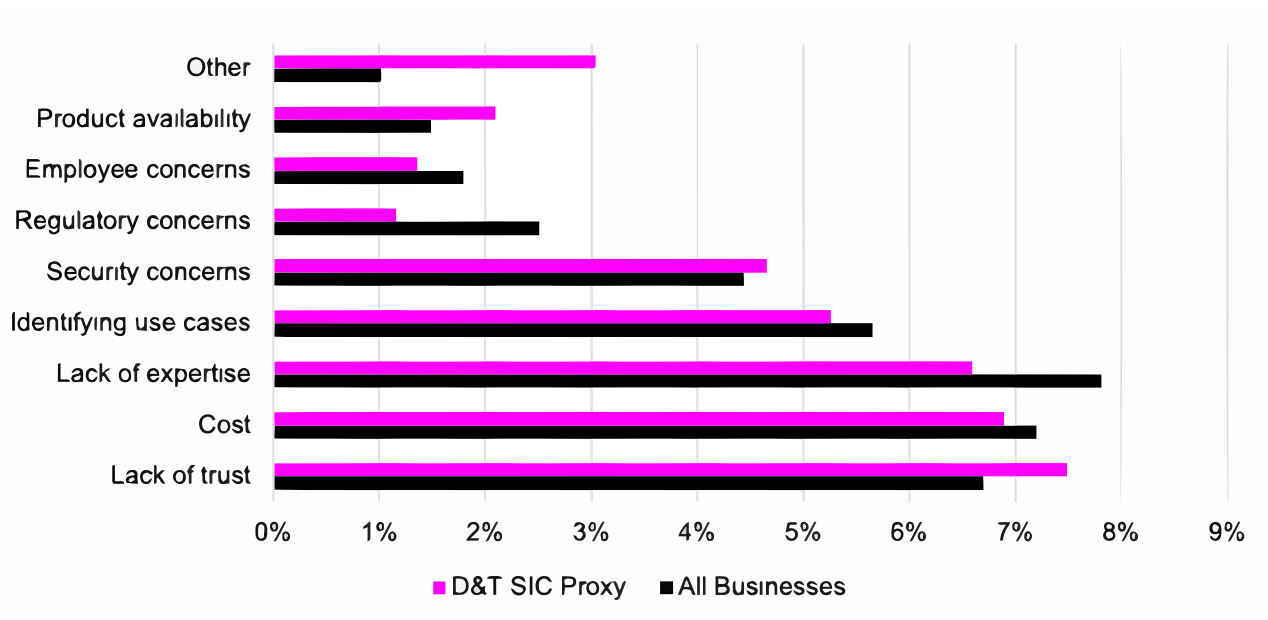
- **Skills and management capability:** Skills were one of the most commonly cited barriers to adoption. For frontier technologies such as quantum and engineering biology, bilingual AI talent is a scarce but highly valuable resource. However, the issue is broader than technical expertise. Firms need leaders and managers who can identify good use cases, manage change, evaluate outputs and redesign workflows. Management capability can matter as much as technical skill. Wider research suggests that better-managed firms are significantly more likely to adopt AI successfully, which reflects what I heard directly from businesses: where leadership is engaged and ownership is clear, adoption moves faster and delivers more value.

- **Use-cases and integration:** For many firms, the issue is not whether AI matters, but where it can create the most value and how it should be integrated into real business processes. Many businesses are experimenting with multiple tools, but relatively few feel they have embedded AI across core workflows. The challenge is often moving from a promising demo to a reliable production use case with clear success metrics, process changes and human oversight. As with previous general-purpose technologies, the biggest productivity gains come not from adoption alone, but from integration and organisational change.
- **Cultural, behavioural and workforce challenges:** AI adoption is being shaped as much by people and organisational culture as by the technology itself. Businesses described poor early experiences reducing trust, overhyped expectations leading to disappointment, and uneven confidence across teams. Technical staff are often more comfortable experimenting, while non-technical teams need clearer guidance and support. Firms also stressed the importance of psychological safety: people need to feel able to test tools, challenge outputs and learn from mistakes if adoption is to spread more widely. These challenges are closely linked to workforce impacts. With a substantial proportion of work exposed to AI, firms are beginning to rethink hiring, job design and progression routes. Some are slowing recruitment, while others are redesigning entry-level roles around judgement, critical thinking and adaptability. [\[footnote 4\]](#) But there is real concern that, without deliberate action, AI could reduce entry-level opportunities and weaken the routes through which junior workers build foundational skills.
- **Data readiness:** This is cited by some businesses as a barrier, but it is generally less of a constraint in this sector than across the wider economy. Many Digital and Technology firms are further ahead, with stronger data foundations, clearer ownership and more mature governance. Where data is fragmented or hard to access it can still slow the move from pilots to deployment, but for most firms here it is no longer the main thing holding adoption back. That relative strength is an opportunity in its own right, with the sector well placed to set an example on data readiness and to help businesses across the wider economy prepare their data for AI.

- **Governance, trust and security:** Uncertainty around governance is a major barrier to scaling AI adoption, particularly in core operations or customer-facing processes. Businesses raised concerns about privacy, cyber security, use of proprietary or sensitive data, and the reliability and accountability of AI outputs. In many cases, firms are less worried about whether AI can perform a task than whether it can do so safely, consistently and in a way that can be audited. This is compounded by uncertainty about how existing rules - including on data protection, consumer rights, intellectual property and sector-specific compliance - should be applied to rapidly evolving AI tools and use cases. Where that clarity is missing, businesses often restrict AI to low risk use cases and delay wider deployment, underscoring the need for clearer, practical guidance and adaptable guardrails.
- **Pace of change and product uncertainty:** A final barrier is the sheer pace of change in AI tooling. Model capabilities are advancing rapidly, platforms are evolving quickly, and the range of available technology stacks continues to grow. For businesses, this creates real uncertainty about which tools to back, particularly where adoption requires significant time, cost and organisational change. As a result, some firms are hesitant to make larger-scale investments or embed tools more deeply, for fear of committing too early to an approach that may soon be overtaken. This is helping to sustain a pattern of ongoing experimentation rather than confident, long-term integration. Businesses also highlighted the lack of shared standards and straightforward ways for buyers to identify trusted suppliers, which can further slow procurement, reduce confidence and make it harder for adoption to spread beyond the firms and places already ahead.

Businesses described a range of ways to overcome these barriers, but the clearest theme was the importance of experimentation and rapid learning. Businesses consistently told me that they learn best from peers, and some are engaging in AI guilds and communities of practice - often among developers - to share lessons, identify where AI tools add most value, and clarify where human judgement remains essential. However, there is still no consistent structure for capturing and spreading practical lessons across the sector. As a result, smaller firms and those outside the strongest clusters often have less access to trusted guidance, specialist support and credible case studies.

Figure 2: Percent of Firms Reporting Factors that have Prevented or Delayed AI Adoption - D&T SIC Proxy vs All Sampled Businesses (ONS BICS, DSIT Analysis)



In the March 2026 Business, Insights and Conditions Survey (BICS), the most frequently cited barriers to AI adoption reported by Digital and Technology firms were lack of trust, cost, and lack of expertise (Figure 2). This broadly fits the pattern observed in the rest of the economy, although regulatory concerns and expertise are relatively less prevalent in the Digital and Technologies sector than the rest of the economy, and trust, availability, and firms responding with “other” barriers are more represented in the sector. [\[footnote 5\]](#)

Case study: Fuzzy Labs

Fuzzy Labs is a Manchester-based AI consultancy specialising in machine learning - showing that even AI-native companies benefit from a deliberate, culture-first approach to internal adoption.

Last year, Fuzzy Labs recognised that AI tools were not being used as widely or effectively as they could be. Rather than treating this as a training gap, leadership saw it as a cultural challenge. Capable engineers were cautious about quality, over-reliance and skill erosion - concerns the company acknowledged rather than dismissed.

Its response focused on trust and experimentation. Fuzzy Labs introduced internal hackathons, giving staff protected time to explore AI tools in a low-pressure setting and identify where they could support real engineering workflows. This helped shift norms. AI coding assistants are now a routine part of work but remain subject to human judgement and review. Teams continue to experiment with proprietary and open models, with peer-led knowledge sharing helping spread effective practice.

Recommendations to accelerate adoption

I have structured the recommendations in this plan into three sections. First, I set out the actions I will take forward in my role as AI Champion, working in partnership with

businesses across the sector, government and trade unions. Second, I highlight areas where government can build on its existing approach to better address the barriers and opportunities facing Digital and Technology companies. Finally, I set out the role that businesses and workers in the sector can play in helping to make this plan a success.

In my role as AI Champion:

Action 1: Establish an Early Careers Jobs Alliance for the AI era

Problem statement:

AI is beginning to change the nature of entry-level work in the sector. Tasks that have traditionally helped junior workers build foundational skills are increasingly being supported by AI, and firms are responding in different ways - from reassessing hiring to redesigning roles around judgement and problem-solving. While recent falls in employment among 16 to 24 year-olds cannot directly be attributed to AI, they are a warning sign that entry-level routes into the sector may already be under pressure. The challenge for the sector is to redesign, not reduce, early-career opportunities and act as an example to other sectors across the economy that are facing similar challenges. There is an opportunity for us to lead by example in how we create rewarding entry-level pathways for our young people in the AI era.

Proposed action:

That is why I want to establish an industry-led Early Careers Jobs Alliance for the Digital and Technologies sector, bringing together young people, employers, sector bodies and trade unions to set out a positive vision for how entry-level roles and pathways should evolve as AI becomes embedded in the workplace. This would be based on a simple proposition: firms should redesign, not retreat from, early-career opportunities. The Alliance would ask employers to commit to practical action, including reviewing how AI is changing work; protecting structured learning opportunities; defining the skills new entrants now today and in the future; and piloting redesigned entry-level roles, apprenticeships or graduate pathways. It should produce reusable materials for the sector, such as job descriptions which reflect the need for relevant AI skills, entry-level skills frameworks, and case studies from participating firms, and create a feedback loop between industry and government to enable policy changes in skills development to better align with the needs of the sector.

Intended impact:

The Alliance would help ensure that AI adoption supports, rather than undermines, a strong talent pipeline for the Digital and Technologies sector. It would give employers a clearer model for designing junior roles in AI-enabled teams, while helping early-career workers build the foundational technical skills, judgement and AI capability they need to progress. It

would also provide a positive, pro-worker vision for AI adoption in the sector. I want to show that productivity gains need not come at the expense of opportunity. Done well, the Alliance would help modernise routes into tech careers, improve alignment between training and employer demand, and support better-designed junior roles across firms of different sizes and sub-sectors.

Case study: Autotrader: protecting entry-level tech roles in the age of AI

Autotrader demonstrates how firms can adopt AI while retaining a strong drive to create entry-level opportunities and nurture junior talent. As generative AI increasingly automates routine coding and data tasks, Autotrader has focused on developing engineers through graduate programmes, apprenticeships and T-Levels who can use AI as part of their roles, rather than being replaced by it.

It has created a two-year graduate programme in which new hires are trained on the foundational engineering skills needed to use AI tools effectively, alongside non-technical human skills including communication, teamwork and adaptability. Meanwhile, those on apprenticeships now spend longer in a structured, classroom-based environment, working through challenging tasks in controlled settings. This helps them build confidence in using AI tools and bridges the gap between education and the workplace. As a result, when trainees move into live engineering environments, they are better prepared and able to have greater impact. In addition, Autotrader provides work experience schemes for T-Level students to help the next generation of workers to develop both technical and softer skills by placing them in project teams in which they gain real-world experience of a professional work environment.

In 2026, trainees joining Autotrader through graduate programmes, apprenticeships and T-levels accounted for around 10% of its engineering team - its largest cohort to date.

Next steps:

I plan to convene a group of employers, sector bodies and trade unions to shape the Alliance, agree its core commitments, and identify practical areas for early action. Firms that want to help shape the future of entry-level tech roles are encouraged to get in touch and support this important work.

Action 2: establish a sector-led programme that identifies, captures and diffuses the AI use cases with the greatest potential to improve productivity, growth and competitiveness in the Digital and Technologies sector

Problem statement

AI adoption is already widespread in the sector, but this adoption is often fragmented and uneven. Many firms are experimenting with multiple tools across different teams, but only a minority feel they have reached meaningful, embedded use across core workflows.

Businesses told me there is a clear gap between what AI tools are capable of and how confidently firms can apply them to real business problems.

The challenge is not simply that firms lack interest in AI. Many are already trying things, but without clear use-case prioritisation, defined success metrics or standardised ways to assess productivity, efficiency and risk. In the absence of formal playbooks, firms are relying heavily on peer-to-peer learning to build capability. The opportunity is therefore to identify the highest-value use cases, capture what works, and diffuse practical learning across the sector so more firms can move from pilots to productive adoption.

Firms would also like more structured opportunities to learn from each other when approaching AI adoption. In a recent paper, the [OECD](#) also identified peer to peer learning, including network events, case-sharing platforms and practitioner forums as an effective way of helping businesses within the same sector or network to learn from each other about successful digital adoption pathways. Meanwhile, a recent [randomised control trial across 515 start-ups](#) found that firms who received structured case studies on how other firms have adopted AI reported 44% more AI use cases and generated 1.9× higher revenue than the control group

Proposed action

I would like to work in partnership with techUK, the [UK Tech Cluster Group](#) and its regional cluster member organisations to establish a sector-led programme that identifies, captures and diffuses the AI use cases with the greatest potential to improve productivity, growth and competitiveness in the Digital and Technologies sector. The programme should build on existing regional AI adoption programmes such as techSPARK in Bristol, Sheffield Digital's Pathways off the Plateau, Tramshed Tech's AI-Enable programme in South Wales, and Scotland IS's AI skilling mission, and use existing cluster networks to reach SMEs. Delivery mechanisms should be informed by evidence on what works, and could include structured case-study libraries, peer-to-peer networks of exemplar firms, SME demonstrator programmes and bundled diagnostic-plus-integration support.

Intended impact

This action would give firms clearer direction on where AI can deliver the greatest business value and reduce uncertainty about where to start. It would help businesses move beyond scattered experimentation by showing which use cases are working in practice, what conditions enable them, and how they can be adapted by firms of different sizes, sub-sectors and levels of maturity.

It would also create a shared knowledge base of how to integrate AI effectively across the [UK](#), supporting wider diffusion of AI adoption beyond the firms and places already ahead. Done well, the network would strengthen peer learning, improve confidence in adoption,

increase take-up of proven use cases and help the sector shift from pilots to embedded productivity gains.

Autotrader: protecting entry-level tech roles in the age of AI

Autotrader demonstrates how firms can adopt AI while retaining a strong drive to create entry-level opportunities and nurture junior talent. As generative AI increasingly automates routine coding and data tasks, Autotrader has focused on developing engineers through graduate programmes, apprenticeships and T-Levels who can use AI as part of their roles, rather than being replaced by it.

It has created a two-year graduate programme in which new hires are trained on the foundational engineering skills needed to use AI tools effectively, alongside non-technical human skills including communication, teamwork and adaptability. Meanwhile, those on apprenticeships now spend longer in a structured, classroom-based environment, working through challenging tasks in controlled settings. This helps them build confidence in using AI tools and bridges the gap between education and the workplace. As a result, when trainees move into live engineering environments, they are better prepared and able to have greater impact. In addition, Autotrader provides work experience schemes for T-Level students to help the next generation of workers to develop both technical and softer skills by placing them in project teams in which they gain real-world experience of a professional work environment.

In 2026, trainees joining Autotrader through graduate programmes, apprenticeships and T-levels accounted for around 10% of its engineering team - its largest cohort to date.

Next steps:

I will work with techUK, the UK Tech Cluster Group, regional clusters and a group of exemplar firms to scope the programme.

Action 3: Develop an AI Adoption Framework for the Digital and Technologies sector

Problem Statement

The adoption challenge isn't access to the technology - firms are already experimenting with and deploying AI tools - it's how to actually operationalise at scale and integrate properly across workflows, systems and products.

A consistent message is that governance, risk, integration and moving from experimentation to production are the real sticking points. There is a broad spectrum of data maturity across the sector, and while data readiness still matters, it's not the thing holding most businesses back day today. The more immediate need is practical support on how to operate AI in real business environments.

Firms are looking for clearer ways to:

- establish internal guardrails for safe and responsible use
- understand data sovereignty, including what data is being shared, when and with whom
- give teams clear guidance on which tools can be used, how they should be used, and what data can and cannot be input
- navigate external risks, particularly around vendor practices, data handling and liability
- integrate AI across workflows, systems and products, rather than leaving it in isolated use cases
- move from experimentation into something that is embedded and scalable

Proposed Action

To address this, I recommend the development of an AI Adoption Framework for the Digital and Technologies sector. This needs to be practical and usable, not another static document. It should be flexible, regularly updated and reflect how quickly this space is moving, as well as the different levels of maturity across businesses.

The framework should:

- set out clear guidance on governance, guardrails and responsible use, both internally and in relation to external partners and vendors
- help businesses make informed decisions about tools and vendors, with much clearer expectations on data sovereignty and what providers are doing with business data
- provide practical guidance that can be used internally to brief and manage teams, reducing the risk of inconsistent or informal use of AI tools
- include real implementation pathways, grounded in business use cases rather than theory
- be modular, so businesses can engage with it at the right level for where they are
- be shaped with industry and updated as practice evolves, not designed once and left

In parallel, I also recognise the opportunity to strengthen data readiness and data exploitation across the wider economy. The sector has a clear role to play here. I therefore also recommend developing a data readiness playbook for wider sector use, helping businesses across the economy to better prepare, manage and unlock the value of their data as a foundation for AI adoption.

Intended Impact

This framework will support firms to adopt by helping them make better use of existing datasets, strengthen governance and security, and reduce uncertainty around responsible deployment. By providing practical, tested approaches rather than abstract principles, it

should help firms move more confidently and quickly from experimentation into deployment.

Over time, this should accelerate productivity and innovation gains from AI across sectors, reduce implementation risk, and support more consistent, responsible adoption - particularly among SMEs that lack internal specialist capacity but are keen to adopt AI effectively.

This also needs to be built with an eye on what's coming next. AI and cyber are already embedded across much of the sector, but emerging technologies such as quantum will introduce new considerations, particularly around data security and how AI systems are developed and deployed. If this framework is going to be useful, it has to be able to adapt as that landscape shifts.

Case study: Quantexa and Vodafone - using better data to support AI adoption

Vodafone Business faced a challenge familiar to many large firms: years of growth, mergers and new systems had left its customer data spread across different platforms. This made it harder for teams to get a clear view of customers, understand their needs, and use data confidently to make decisions.

Vodafone worked with Quantexa to bring this information together and make it easier for teams to use. The first step was creating a single view of each customer, drawing together using Quantexa's dynamic entity resolution technology to unify data from across products, services and systems. This helped sales, customer care and service teams find the information they needed more quickly, rather than relying on multiple systems or waiting for separate data requests.

The work then expanded into new tools to help Vodafone identify potential customers, improve the quality and governance of its data, and make data easier for non-technical teams to search and use. This meant more people across the business could use trusted information in their day-to-day work, without needing specialist data skills.

The impact was practical and immediate. Sales teams could prepare for customer conversations faster, service teams could resolve issues more quickly, and data teams could spend more time producing useful insights rather than responding to basic information requests. Vodafone also supported adoption by building a network of internal champions, improving the user experience, and providing guidance and training.

This case study shows that successful AI adoption often starts with getting the basics right. By working with Quantexa to clean, connect and make better use of its data, Vodafone created a stronger foundation for AI - helping teams make faster decisions, improve customer service and identify new opportunities for growth.

Next Steps:

I will work with a group of leading Digital and Technology firms to co-design the framework, drawing on their experience of governance, data readiness and deployment in practice.

For government:

In this section, I offer my reflections for government on how it can strengthen its existing policy programme to help the Digital and Technologies sector make the most of the opportunities presented by AI adoption. This is not about starting from scratch, but about moving further and faster on measures already under way. I believe progress in the areas set out below will be particularly important over the next 18 months, as AI capabilities continue to advance rapidly and the need for clear, practical government support becomes more pressing.

- **AI Assurance:** My engagement with the sector has made clear that concerns around trust are causing some businesses to hesitate before adopting AI at scale. This is particularly true where AI is being integrated into core business operations or into customer- and client-facing processes, where reliability, transparency and accountability are especially important. The UK already has a world-leading AI assurance sector, and this is a clear strength that government should build on. A stronger assurance market would not only support the growth of an important UK capability in its own right but also help give businesses the confidence to adopt AI more widely and responsibly. In turn, that would support the development and diffusion of trusted AI products and services across the economy. I therefore encourage government to continue strengthening the UK's AI assurance market, building on the commitments set out in last year's AI Assurance Roadmap, and to ensure that businesses of all sizes can more easily access the tools, standards and services they need to adopt AI with confidence.
- **Regional adoption and local growth:** I welcome the government's commitment to ensuring that AI adoption is a UK-wide opportunity, rather than one concentrated in a small number of clusters. The announcement of Barnsley as the UK's first Tech Town is a positive signal of intent and an important step in recognising the role that towns across the UK can play in driving innovation-led growth. However, one Tech Town alone will not be enough if we want the benefits of AI to be felt in all parts of the country. This ambition should be scaled up significantly so that more communities, and the many Digital and Technology sector businesses within them, can benefit from AI-driven growth. And, just as government is convening an AI Adoption Summit for the Industrial Strategy sectors in London this Summer, future summits should be held in the UK's industrial heartlands. That would send a strong signal that AI-enabled growth is a national priority, with opportunities for every region and nation of the UK.

- **Regulatory clarity:** When I speak to the sector – and its customers across the economy – many aspects of regulation work effectively to safeguard the public and encourage responsible AI adoption. There are, however, areas where regulation makes adoption challenging, or where uncertainty in how existing regulation should be interpreted for a new technology slows AI adoption. For example, the application of GDPR and specific elements of sectoral regulation to new AI products or services. I encourage regulators to continue to navigate this uncertainty with companies to support the safe and responsible adoption of AI. The government also recognises that regulation needs to keep pace with technological change and have announced their intention to legislate to establish an AI Growth Lab. This is a good step in the right direction.
- **Data:** Business leaders repeatedly raise the need for greater clarity and modernisation of the rules and regulations that govern how data can be accessed, shared, and used. It is clear that this continues to affect firms' appetite to integrate AI into their workflows and risks impeding adoption at scale. While some positive steps have already been taken, I am calling for a renewed ambition in Government to reduce unnecessary barriers to the responsible use of data for AI adoption, actively incentivising this for economic growth, and building in safeguards that are proportionate to any associated risks. If the UK gets this right, there is an opportunity to build strategic advantage in AI adoption. Smart regulatory policies and interventions that help create the conditions for businesses to do more with data will help unlock the full potential of our Digital and Technologies sector and economy as a whole.
- **The convergence of AI with other frontier technologies:** The AI for Science strategy is a significant step towards supporting AI's convergence with frontier technologies. As this is taken forwards, I would like to underscore the importance of training and upskilling in AI methods to support development of leading research and entrepreneurial talent, curating and making available AI-ready datasets in biology, energy, quantum technologies and beyond and developing pathways for UK businesses to access the compute resource which is now so vital in modern R&D.

Concluding remarks

Alongside the actions set out in this plan, I want to conclude by addressing the businesses and workers from the Digital and Technologies sector.

As suppliers to the wider economy, Digital and Technology companies should ensure that the products and services they develop are as easy to adopt as possible. Businesses consistently tell me that the challenge is not just access to AI, but understanding where it can add value, how to implement it, and what it will cost over time. I therefore encourage technology suppliers - both UK firms and international companies with a strong UK

presence - to do more to demonstrate high-value use cases, provide practical adoption support, and improve pricing transparency.

Our sector also has an important role to play in showing the wider economy how to adopt our technology well. I encourage firms that are already integrating AI successfully to share practical lessons on deployment, productivity gains, workforce impacts and governance. The actions in this plan are designed to build on expertise that already exists within the sector, and their success will depend on businesses being willing to contribute case studies, participate in peer-learning networks, and support collective initiatives such as the Early Careers Jobs Alliance and the AI Adoption Framework. If you are a business in the sector and would like to support this work, I would welcome your involvement.

AI Adoption Plan: Life Sciences

 gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-life-sciences

Department for Science, Innovation and Technology

June 8, 2026

[Department for
Science, Innovation
& Technology](#)

A report by Dave Hallett, AI Champion for the Life Sciences sector.

Opening Statement

The window for the UK to be a leading light in the AI-driven life sciences revolution is not closing in 10 years - it is closing right now.

The global race is fierce. The US is pouring hundreds of billions into frontier tech, and European neighbours are rapidly building state-backed compute hubs. The UK cannot rely on the reputation of the “Golden Triangle” or our historic legacy from Turing to Crick and Watson. If we do not accelerate our adoption of AI across drug discovery, clinical trials, and diagnostics, the UK will be relegated from a global powerhouse to a secondary consumer of foreign technology.

The consequences of delayed adoption? Sit back and watch China (and a few other places) eat our lunch. Seriously. Every month we hesitate is a month where global venture capital redirects to Boston or Singapore. Every delay in adopting AI in our laboratories means a patient waiting longer for a life-saving therapy. The West will never compete on cost any time soon. But through continued innovation we can compete in both productivity and real world impact. We have the science, we have the data, and we have the sovereign compute. Now, we need the urgency. Let’s build the future of medicine right here in the UK, and let’s do it today.

Our opportunity

I think it is fair to state that the hype surrounding AI’s transformational potential in modern life sciences is still to be fully realised: for example, the end-to-end delivery of marketed, transformational drugs whose mechanisms were first suggested by AI, whose modality was designed by AI (and whose manufacture and clinical development were optimised using AI) all with minimal use of animals. However, many individual (and transformational) components do exist today and are in routine use by research teams (e.g. AlphaFold). It is our task to improve, integrate and exploit these. But productivity benefits don’t just come from Nobel Prize winning advances in protein structure determination. When prompted well, large language models such as Claude, Gemini etc are fantastic research assistants.

Integrating a Google workspace with the many AI-enabled tools now available and utilising agents to drive orchestration and support decision making truly multiplies and enables humans by removing toil. Real world applications at my company range from routine IT support, to coaching tools to hypothesis generation in drug design. Ignore at your peril. Embrace and see the benefits. The transformational unlocks will follow.

Dave Hallett, Life Sciences AI Champion

AI and the Future of UK Life Sciences: From Opportunity to Transformation

How accelerated AI adoption could transform drug discovery, clinical research, and healthcare delivery

The integration of AI within the Life Science sector is being heavily explored, due to its potential to revolutionise the way in which therapeutic products are developed, manufactured and tested. We are at the precipice of a period of significant change, and it is essential that we are seizing the opportunities that come with this and adapting our Life Science infrastructure and talent pool to meet these opportunities head on.

A number of barriers prevent us from reaching our full potential within this space. This includes:

- limited existence and fragmented access to AI ready- health datasets
- a compute bottleneck, with demand for AI compute resource and storage currently outstripping supply
- an interdisciplinary talent shortage - the UK has world-class biologists and world-class AI engineers but need 'bilingual' researchers who can navigate both worlds

A significant barrier around lack of public trust could also emerge. This has been highlighted by recent events such as the UK Biobank data leak and the ongoing controversy regarding Palantir's contract with the NHS.

However, the rewards from AI use within the Life Sciences could be great. The [AI for Science Strategy](#) outlines the significant opportunities AI use presents for health, from tackling chronic disease, responding to antimicrobial resistance (AMR), and developing breakthroughs in rare and new diseases.

R&D: “Discovery by Design”

The traditional drug discovery process is artisanal, slow, expensive, and the default setting is failure. Accelerated AI adoption will flip this script entirely. Instead of spending years identifying a single disease-causing protein, researchers will use predictive AI models to evaluate millions of cellular targets in minutes. The end of the “trial and error” lab,

Generative AI is designing entirely novel, optimized molecules from scratch - predicting their efficacy and toxicity before they are ever synthesised in a physical lab. The UK (not just the Golden Triangle) will evolve into an automated hub where AI-driven biotech startups spin out with regular cadence, attracting global venture capital.

Clinical Trials: Faster, Safer, and More Diverse

The UK should be pioneering a clinical trial revolution, making the evaluation of life saving medicines radically more efficient.

- **Synthetic control arms:** By utilizing historical patient data and advanced machine learning, we can create “digital twins” of patients. This reduces the number of human participants needed for a control group, slashing trial costs and moving therapies to patients faster.
- **Intelligent Recruitment:** AI algorithms can (and will) seamlessly scan NHS databases (with strict privacy and consent frameworks) to instantly match eligible patients with cutting-edge clinical trials, ensuring diverse and representative cohorts.

Proactive Healthcare

Early diagnosis to drive better outcomes. In the NHS of the future, AI acts as the ultimate force multiplier for our world-class healthcare professionals, shifting the focus from treating illness to extending health span. AI-powered diagnostics will become the standard of care. Radiologists and pathologists will be supported by co-pilots that flag anomalies (like early-stage tumours or cardiovascular risks) with near-perfect accuracy years before symptoms appear.

Hyper-Personalized Medicine

The phrase “one size fits all” already belongs to history. A patient’s treatment plan will be uniquely tailored to their genomic profile, lifestyle, and environmental factors, calculated by AI to ensure maximum efficacy and zero side effects.

Curing the Administrative Burden

By automating documentation and clinical coding, AI will give doctors and nurses their most valuable asset back: time to spend with patients.

Economic Growth and Global Leadership

Accelerating AI adoption is an economic engine for the UK. Global pharmaceutical and tech giants will return to the UK as major R&D hubs because our AI-integrated NHS offers the cleanest, most secure, and most actionable health data insights in the world. In addition, the Medicines and Healthcare products Regulatory Agency (MHRA) will be

recognized globally as the smartest, most agile regulator of AI-driven medical devices, setting the benchmarks that the rest of the world copies.

A review of AI Adoption in UK Life Sciences

Adoption is accelerating but remains fragmented across firms, regions, and use cases—highlighting critical barriers in data access, compute, talent, and capability.

Adoption rates – how widely AI is currently used across the sector

AI is revolutionising the Life Sciences sector across research, diagnostics, treatment, and manufacturing, reshaping how we prevent, treat, and manage disease. [ONS data from a December 2025 survey found that 48.4% of sector respondents used AI technologies.](#) [\[footnote 1\]](#)

Patterns of adoption – how this varies by firm size, sub-sector, region, or maturity.

According to the Wellcome [‘Unlocking the potential of AI in drug discovery’](#) report, AI is increasingly used to:

- accelerate drug discovery
- automate genomic analysis
- improve diagnostic accuracy
- streamline production processes in pharmaceutical and biotech environments

Regarding AI use in drug discovery, [research by the Wellcome Trust](#) found that:

- despite the increasing investment and research activity in developing AI tools, research by Wellcome found that adoption lagged, with less than a third of industry survey respondents using AI routinely
- overall, industry drug discovery efforts are more likely to be systematically deploying AI approaches today versus academia where adoption varies widely and is typically focused on open-source tools
- even within industry, there is a wide spectrum with adoption led by ‘AI-first’ biotech who have built their R&D workflow and value proposition around AI tools, and some pharmaceutical companies who are pioneering AI in drug discovery

Barriers to adoption – e.g. data, cost, regulation, procurement, risk, skills, culture etc.

- **Data challenges** - science remains hindered by fragmented, 'non-AI-ready' data. High-quality biological data lacks the standardized metadata required for machine learning. Historical data, whilst plentiful is either not fit for model building or requires extensive (and expensive) data wrangling. Health data is also fragmented and hard to access. The Health Data Research Service has been set up to address this but will take considerable time to make a significant impact. Toxicological data (and other data on drug candidate performance) is also held by private entities and constitutes significant intellectual property. As a result, sharing is limited, even within companies. There is also the problem of 'dark data'. The scientific data landscape is characterised by enormous quantities of unpublished experimental results, details of experimental setups, non-machine-readable data or negative experimental results and it is vital that we unlock the potential of this data for machine learning.
- **Public trust** – There are particularly issues around public trust with respect to life sciences and health data. Common themes include the perceived lack of value proofs in drug discovery and overall uncertainty about AI in general, and what rapid advances in AI could mean for science and wider society. UK citizens are also wary of how their health data is used and public engagement is essential in any health data project.
- **Application** – challenges are particularly acute for those applying AI to commercially less attractive therapeutic areas and for LMIC researchers looking to harness AI. Lack for commercial potential can limit data generation and the application of key tools – with the potential for AI to amplify disparities in health research.
- **The Compute Gap** - Despite the launch of Isambard-AI and Dawn, a compute shortage persists. Demand for AI compute resource and storage currently outstrips supply. Frontier AI models require specialized 'AI Supercomputing' (GPUs). The innovator route for compute access is highly competitive, leading to significant waiting times for access amongst researchers and SMEs. In addition, there are more complex questions around the best access models, the best way to utilise compute downtime, and what architecture of compute we need for different types of challenges.
- **The Interdisciplinary Talent Shortage** – the UK has world-class biologists and world-class AI engineers but need 'bilingual' researchers who can navigate both worlds, and there is a missing middle of machine learning engineers and data stewards – people who can build and maintain rather than just design new foundation models.

Capabilities and skills – workforce readiness, skills gaps, management capability etc

- The sector has an urgent need for technical [AI](#) skills in areas such as:
 - computational biology
 - bioinformatics
 - robotic process automation
 - [AI-supported diagnostics](#)
- Alongside these, there is growing demand for non-technical [AI](#) skills, including:
 - the ability to interpret [AI](#) model outputs
 - communicating findings across interdisciplinary teams
 - embedding [AI insights into strategic decisions](#)
- Responsible and ethical [AI](#) skills are becoming increasingly important. These include:
 - transparency in data use
 - understanding algorithmic bias
 - [compliance with regulatory frameworks](#)
- These are particularly important for patient data, clinical trials, and personalised medicine.
- Life Sciences employers face persistent skills mismatches and workforce gaps. Smaller firms, which make up the majority of UK Life Sciences sites, often struggle to access training that is tailored to their specific roles and operational models. Existing provision is often designed around long-form degree qualifications, which are poorly suited to technicians, mid-career professionals, and time-constrained [SMEs](#). This is compounded by barriers such as limited access to specialist [AI](#) trainers and unclear guidance on emerging standards.
- In order to support [AI](#) adoption across the Life Sciences sector, there is a need for more flexible and accessible professional development pathways, while targeting modular training that aligns with evolving job roles. Scalable apprenticeships and short courses covering [AI](#) applications in research, Advanced Manufacturing, and regulatory settings would support both new entrants and existing staff. Industry collaboration, including coordinated efforts between employers, training providers, and public agencies, will be essential to build capacity and promote inclusive growth.

Where adoption is patchy – groups or use cases where uptake is notably low.

- Private funding is skewed towards the most commercially tractable therapeutic areas with ~70% of [AI](#)-related investments in the last five years being made in oncology, neurology, and COVID-19, suggesting that uptake is low amongst less commercially tractable therapeutic areas.
- While large firms and research centres are embedding [AI](#), smaller companies and regional clusters often struggle to access the skills, infrastructure, and training required to benefit.

- [Private sector funding for AI-related drug discovery](#) efforts is almost exclusively flowing to high-income countries (HICs) and China.

Workforce impacts – how AI adoption is affecting workforce size, job roles, skills requirements, productivity, displacement and any implications for future workforce.

Workforce size

- [Wellcome reports](#) that experts believe AI will not replace the role of experienced drug discovery scientists but rather enhance it by allowing scientists to focus on higher-value and more varied tasks – however, this remains hypothetical whilst AI uptake grows and develops. [The OECD estimated](#) that approximately 45% of the tasks in the pharmaceutical sector are exposed in an “expanded capabilities” scenario - the twelfth highest of the 45 sectors estimated. [\[footnote 2\]](#)
- Within this space, there is the need for radical candour: we cannot and should not say that “AI won’t take any jobs.”
- We need to be completely honest about what is disappearing: routine, transactional, and highly repetitive data tasks will fade away. The days of manually cross-referencing massive spreadsheets of clinical trial data, logging routine lab samples, or manually drafting standard regulatory compliance forms are numbered. AI can do this faster and should reduce administrative burden freeing the workforce from the soul-crushing part of their workload
- The reality is that we are facing a workforce shortage in the UK life sciences. The [Life Sciences 2030 Skills Strategy](#) showed the sector needs >100,000 new and replacement workers. AI is not replacing our workforce; it is a pressure valve that will prevent our existing workforce from burning out while scaling up our capacity to save lives.

Skills requirements

- AI adoption is likely to increase demand for interdisciplinary talent that combines life sciences expertise with data, computational, and AI capabilities. This includes computational biologists, bioinformaticians, machine learning engineers, data stewards, and regulatory specialists able to work across scientific and digital disciplines.
- Smaller firms may face particular challenges adapting to these changes due to more limited access to specialist AI skills, training provision, and compute infrastructure.
- As AI adoption grows, there may be increasing demand for modular and mid-career training pathways that enable existing workers to develop AI literacy and applied technical skills alongside domain expertise.

- AI could reduce the reliance on lengthy and expensive experiments and direct experimental efforts to areas with greatest impact (e.g., focusing target validation efforts on predicted disease relevant targets), or in other cases replacing experiments entirely (e.g., virtual compound screening). These approaches can help researchers to “fail faster” and evaluate a broader range of targets or therapeutic compounds before progressing to experimental testing. Additionally, AI could improve the likelihood of discovering a successful therapeutic.
- AI could also adjust the drug discovery workflow. Traditionally, different teams have been responsible for each of the steps across the value chain. AI provides the opportunity to amalgamate these steps into one, streamlined – and potentially fully automated – process, reducing the need for in process decision making.
- Early modelling suggests that AI driven R&D efforts from discovery up to pre-clinical could deliver time and cost savings of at least 25-50%.

Economic potential of AI

[The OECD identified](#) that over the next decade, high levels of AI adoption could lead to total factor productivity gains exceeding 6% in the pharmaceuticals sector. [\[footnote 3\]](#)

The Direction of Travel: How AI Adoption is Evolving

AI is moving beyond basic applications into advanced drug discovery, diagnostics, and automated research, though evidence of widespread clinical impact is still emerging.

[ONS surveys](#) found that, of life science sector respondents that use AI technologies, ‘text generation using large language models’ was highest use (28.4%) followed by ‘data processing using machine learning’ (19.7%). [\[footnote 4\]](#)

Within the life sciences, AI has particularly profound implications within its potential to accelerate drug discovery and the development of medical diagnostics. AI is presenting opportunities to solve challenges at many stages of the drug discovery process, drastically shortening timelines to developing new treatments. These opportunities range from using foundation models to search enormous spaces of drug-like chemicals to identify drug candidates, to performing ‘in silico’ clinical trials that anticipate human responses earlier and compress development timelines.

Novel developments in AI, such as the development of Google’s Alpha-Genome model, offer further hope that genomic medicine will advance as our ability to understand genetic effects on health improves and the data analysis for personalised medicines becomes possible to automate. There are broad ambitions to use AI more widely to advance medical science; for example, the government’s [AI for Science strategy](#) has a target to “Use AI to accelerate drug discovery to develop trial-ready drugs within 100 days by 2030 and

contribute to deploying new treatments faster.” But translating the cutting edge of medical science into routine patient delivery in the NHS remains a challenge.

We are also moving towards what is referred to as ‘closed loop’ discovery, in which heavily automated and integrated laboratories - like those already pioneered in Liverpool - conduct hundreds of experiments autonomously, generating data, learning from each failure in real-time without human intervention.

Although there are significant opportunities, more innovative AI activity is still largely still in early diffusion, but this varies across the sector.

In tandem, simple implementations of “tools” are being utilised to improve employee wellbeing within life science companies. For example, internal corporate processes like employee check-ins and reviews can be streamlined and improved using AI products such as Slack and Nadia, providing employees with more time to carry out key tasks rather than administrative processes.

Frontier use cases

The life sciences sector is large, so it is difficult to identify the highest impact use cases reliably. However, there is significant interest in using AI combined with genomics and healthcare data to identify potential druggable targets causally related to disease. In addition, AI toxicology models could significantly reduce the use of animals and minimise wastage in the drug development pathway by eliminating toxic molecules early. In both cases, this reduces the costs and time for drug development, driving growth and, in principle, reducing healthcare costs to the NHS.

Evidence gaps and priorities

Drugs developed through AI approaches are only now entering the clinic – this will be a critical test of whether these drugs can improve on standards of care. In addition, it will also indicate whether these drugs have a higher probability of clinical success – it is this improvement that will deliver the biggest impact and step change in the economics of R&D.

Existing policies

This section highlights current initiatives enabling AI adoption across the life sciences sector.

Genomics

- AI is already accelerating the interpretation of genomic data and revealing insights otherwise impossible through manual analysis, in areas such as variant interpretation and identifying patterns in complex datasets. The high quality, well governed datasets established through Genomics England, Our Future Health and UK Biobank provide a strong basis for exploring these tools responsibly.
- The National Genomic Research Library (NGRL), run by Genomics England, already supports work with advanced analytical tools and AI-driven pipelines as part of ongoing cancer and rare condition research. For example, Google DeepMind developed **AlphaMissense**, an AI tool that predicts whether specific genetic variations are likely to cause disease, and Genomics England tested and validated these predictions against variants with known disease classifications, confirming that it offers a powerful new way to interpret genomic data for NHS patients. The model provides clinical scientists with an additional layer of evidence, to interpret clinically relevant genetic variants and will enable faster, more accurate diagnosis and treatment insights within the health service.
- Genomics England have also established a collaboration combining the NGRL with InstaDeep's AI models and bringing together multi-disciplinary experts to explore high-impact applications. This includes using AI to help identify what type of cancer an individual has where its original location is unknown, as well as assessing treatment responses through multimodal approaches by integrating genomic sequences with histopathology.
- **UK Biobank** is the largest biomedical database and research resource of its kind in the world, containing anonymised genomic and health information from 500,000 participants. It is accessible to researchers around the world, supporting research into common and life-threatening diseases. It is increasingly being used to develop innovative AI methods, such as Moorfields Eye Hospital using AI applied to eye measures to detect early signs of systemic diseases like Parkinson's, Alzheimer's and heart disease.

Life Sciences Sector Plan

The Life Sciences Sector Plan (LSSP) recognises the value of AI within the Life Sciences sector and commits to support Techbio companies across its three core pillars.

- **Enabling World Class R&D** – significant R&D investment across UKRI and NIHR in AI and related areas, while the HDRS will make the UK's health data safely and securely available at unprecedented scale.
- **Making the UK an Outstanding Place in which to Start, Grow, Scale, and Invest** – the Government will invest in bespoke Life Sciences AI skills programmes and explore opportunities for strategic partnerships with TechBio firms.

- **Driving Health Innovation and NHS Reform in England** – extensive work to [improve the regulatory environment and speed of uptake of TechBio](#), including MHRA capitalising on its thought leadership and reputation in AI and Software as a Medical Device to be the fastest, safest, and quickest place to regulate AI and Software.

[AI for Science Strategy](#)

Mission 1 within the strategy focuses on accelerating drug discovery to develop trial-ready drugs within 100 days by 2030 and contribute to deploying new treatments faster. Actions as part of this Mission:

- The Regulatory Innovation Office is working with the MHRA to ensure that regulators have the capabilities to safely evaluate proposals to use AI-derived evidence of drug interactions with the body within the regulatory pathway.
- Make binding affinity far more predictable, to help scientists choose and design drugs that work better with fewer off target effects. [DSIT has invested £8 million in the 'OpenBind' consortium, based at Diamond Light Source](#), that is using breakthrough experimental technology to generate the world's largest collection of metadata-rich data on how drugs interact with proteins.
- Explore ways to improve models of developability, including immunogenicity and ADMET (absorption, distribution, metabolism, excretion and toxicity), to accelerate lead optimisation and preclinical testing - including a £30 million investment in a new preclinical translational research hub to bring together data, cell engineering, genomic technology, and expertise to develop new in vitro and in vivo models.
- Look to provide scientific teams with funding and largescale compute access via AIRR to conduct AI R&D across these opportunities. This will seek opportunities to close critical data gaps that will enable breakthrough progress in these opportunity spaces.
- The new Health Data Research Service (HDRS) will support these interventions and other mission-critical advancements in drug discovery. Backed by up to £600m of investment from HMG and The Wellcome Trust, HDRS will provide a single access point to large-scale health data assets from multiple sources. It is for the newly appointed HDRS leadership to define the exact scope and direction of HDRS, however as per the Life Sciences Sector Plan, HDRS should aim to unite genomic, diagnostic, and clinical data at population scale - turning the NHS and wider healthcare data into a magnet for global trials and AI investment.

Six interventions to support AI adoption within the Life Sciences

Intervention 1: Potentially significant reductions in the use of animals in preclinical toxicology within 5 years

Background: There are many efforts to expedite pre-clinical drug discovery, for example Mission 1 of the AI for Science Strategy: we will accelerate drug discovery to develop trial-ready drugs within 100 days by 2030 and contribute to deploying new treatments faster. If we achieve this, we will create a bottleneck as we drive into the wall of necessary regulatory testing which today requires extensive use of rodent and non-rodent species to assess safety before human testing. Human-focused non-animal methods (including AI and machine learning approaches) offer exciting opportunities to replace animal tests with more-physiologically relevant approaches making pre-clinical development more effective and efficient. These methods need to be scientifically validated and robust and then accepted by regulators.

This work should be aligned and complimentary to the [‘Replacing animals in science strategy’](#)

Recommended policies:

- Launch a competition to lead formation of a new research programme committed to delivering on the first AI for Science Mission. The successful team will be supported by substantial DSIT funding and compute access via the AI Research Resource. Successful applicants will also be expected to attract additional investment from industry or the third sector.
- Further leveraging the Translational Medical Research Hub (commitment in the Life Sciences Sector Plan) and the UK Centre for the Validation of Alternative Methods (commitment in Replacing animals in science strategy) to establish a “Human-Centric Research Hub”
- Unite the top-tier scientific institutes (e.g. The Francis Crick Institute, the Wellcome Sanger Institute, and the Ellison Institute of Technology) under a single mandate. Create a national consortium that pools data from Organ-on-a Chip (OOC) technologies, induced pluripotent stem cells (iPSCs), and complex 3D organoids. The Alan Turing Institute would lead the “Virtual Human” project—using AI to integrate data from these physical human models into a predictive digital twin for drug testing.
- Arrive at a point where the MHRA officially accepts human-centric data as a stand-alone justification for Phase I clinical trials, removing the requirement for “two species” testing (noting that this currently descends from international regulations).
- Financial Re-Engineering – consider the financial levers to drive testing away from animal methods and towards alternative methods.

Intervention 2: Ensure delivery of NHS “Data-to-Discovery” Trusted Research Environments (TREs).

- **Background:** Health and omics data is increasingly fundamental to the development of new medicines, medical technologies, and diagnostics. The UK is uniquely positioned in its health data assets (tens of millions of detailed records from an ethnically diverse population) and national whole genome sequencing service unique in scale. The recent government decision to enable consented cohorts (such as GEL, OFH and UK Biobank) access to GP records is a breakthrough, but we need to industrialize this for the broader sector.
- **Proposal:** Deploying a national network of Federated AI TREs would allow researchers to run models on NHS data without the data ever leaving the secure environment. This could unlock the UK’s unique longitudinal health records—the “holy grail” for AI drug discovery—while maintaining the highest level of patient trust. It would allow for the creation of Digital Twins for clinical trials at a national scale, potentially cutting Phase II trial durations by 30%.

Health Data Research Service – commitment in the Life Sciences Sector Plan

- The above proposal should be aligned with the Health Data Research Service (HDRS), which will build on the NHS Research Secure Data Environment Network, enabling safe and secure access to health and care data for research. HDRS will act as a single point of access to health data from multiple sources.
- There has been a wide programme of engagement with health data stakeholders to inform the development and delivery of HDRS, this has utilised existing Government led Public and Patient Involvement and Engagement (PPIE), and sector specific fora and engagement with partners from across the devolved administrations.
- It is for the newly appointed HDRS leadership to define the exact scope and direction of HDRS, however as per the Life Sciences Sector Plan, HDRS should aim to unite genomic, diagnostic, and clinical data at population scale - turning the NHS and wider healthcare data into a magnet for global trials and AI investment

Intervention 3: Ensure the Sovereign Compute infrastructure delivers.

- **Background:** This focuses on growing access to high-performance computing (HPC) and treating HPC like we would a public utility. While the 2026 upgrades to the DAWN supercomputer are a start, SMEs still struggle with the “compute tax” that stifles innovation.

- **Proposal:** Complete the creation a dedicated AI infrastructure specifically optimized for biological large language models (bLLMs). By providing subsidised, “ready-to-code” compute environments for UK-based startups, we ensure that the next Isomorphic Labs or Exscientia stays and scales in the UK rather than migrating to US-based hyperscalers. It turns the “AI for Science” strategy into a tangible competitive advantage.

Intervention 4: Protect and support the workforce

- **Background:** there is widespread and understandable concern regarding the protection of jobs in the face of AI development and adoption. Unions are rightly concerned by “algorithmic management” - systems that monitor, judge, or terminate workers without human intervention. We need to ensure that the workforce is protected through frameworks and educated sufficiently to engage with and benefit from the adoption of AI within their workplace.
- **Proposal:**
 - Worker protections: we should champion frameworks - like those proposed in the TUC’s AI initiative – to ensure that no workers face automated redundancy or disciplinary action derived solely from a “black-box” algorithm.
 - The “Human-in-the-Loop”: We need a pro-workforce plan that establishes a national “Human-in-the-Loop” Framework for UK life sciences. Whether it’s selecting a drug candidate, flagging a quality control issue in manufacturing, or evaluating worker performance, the final accountability, ethical judgment, and execution will always rest with a human professional.
- More radically, we could actively encourage all life sciences employers - from major pharma to NHS linked research labs - to sign formal Workplace Technology Agreements with their unions before scaling AI systems. Such an agreement could include the following:
 - **Early Consultation:** Unions must be brought to the table during the pilot phase of an AI tool, not after it’s bought and deployed.
 - **Algorithmic Transparency:** Employers must explicitly disclose what data the AI is using, how it monitors workflows, and ensure it complies fully with UK GDPR and human rights standards.
 - **Redeployment Over Redundancy:** If an AI tool reduces the need for manual data entry by a percentage, that employee’s remaining time must be structurally allocated to higher value research, patient care, or internal upskilling - not redundancy.
- This should shift the sector view to see AI as a tool. We need to work together to ensure AI handles the grunt work, while AI-multiplied humans handle the science, the ethics, and the care.

Intervention 5: Lead a national ‘Upskills’ pact

- **Background:** The UK has an excellent talent pool in both bio-medical sciences and AI sciences – however, these 2 areas of studies are often siloed, despite the need for interdisciplinary talent as AI use in the Life Sciences grows. Instead of companies laying off workers and hiring expensive external data scientists, we should invest in our people. We already have the domain expertise. If we teach a lab technician how to prompt and manage an AI-driven robot, they become an amplified researcher.
- **Proposal:** We could (should) establish 3 tiers of funded, union-approved training:
 - AI Literacy. For all staff to understand what AI tools are doing in their workspace
 - Intermediate Deployment. For workers directly collaborating with AI platforms in clinical trials or manufacturing.
 - Advanced Oversight. For workers transitioning into governance, compliance, and data-auditing roles.
- In tandem, we should build awareness across universities, industry, and skills bodies to encourage the integration of AI skills into Life Science degrees and training pathways. Industry leaders could support through internships, and collaborative training programs providing students with the exposure to AI use in drug development and professional development.
- This proposal would support development of the interdisciplinary “hybrid” workforce increasingly required across the Life Sciences sector and aligns with Jobs Plans being developed across each of the JS-X sectors and construction, where AI adoption, workforce transition, and future skills requirements are being explored as important themes.

Intervention 6: Encourage the implementation of simple AI tools with Life Science companies, with the intention of improving day-to-day working

- **Background:** Like every industry, Life Science companies can benefit not just from innovative AI use, but also from the implementation of simple workplace tools. For example, tools like Slack and Glean can auto-generate employee quarterly check-ins and search and summarise what is internally known about a topic, boosting productivity and providing employees with more time to focus on their tasks.
- **Proposal:** Continue to keep these simple tools in conversations with Life Science sector companies, highlighting their role in increasing productivity and streamlining processes alongside the more innovative models that (fairly) take up a lot of the conversation.

AI Adoption Plan: Professional and Business Services

 [gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-professional-and-business-services](https://www.gov.uk/government/publications/ai-champions-ai-adoption-plans/ai-adoption-plan-professional-and-business-services)

Department for Science, Innovation and Technology

June 8, 2026

[Department for
Science, Innovation
& Technology](#)

A report by Shaheen Sayed, [AI](#) Champion for the Professional and Business Services sector.

Introduction

In my global role advising management consultancy clients across sectors, I see first-hand that the Professional and Business Services ([PBS](#)) sector is being reshaped by artificial intelligence and digital technologies. These developments are changing how firms deliver services, organise work, and compete.

For the [UK](#) to remain a global leader in professional services, firms will need to adopt these technologies more quickly while managing risks for businesses, workers, and clients.

[PBS](#) is expected to be one of the [UK](#) sectors most affected by automation which will no doubt create new jobs, while around 13.7% of roles are at risk of substitution and a further 52.8% are likely to be significantly augmented. This underlines both the scale of the opportunity and the importance of active transition.

[AI](#) is now an important driver of productivity and competitiveness across professional services. International competitors are moving from pilots to scaled deployment across legal, consulting, advisory, and accounting services, so the [UK](#) will need faster and more coordinated adoption to maintain its competitive position.

Adoption is increasing, in December 2025, 43.4% of [PBS](#) firms reported using [AI](#), up from 31.4% in December 2024. However, significant barriers remain, including limited in-house expertise, concerns around safety and transparency, and the cost of implementation. Addressing these constraints will be critical to unlocking the full benefits of [AI](#) across the sector.

The Professional and Business Services ([PBS](#)) sector is a central driver of [UK](#) economic growth, accounting for around 12% of economic activity. It has a deeply symbiotic relationship with the wider economy, generating £328 in gross value added and supporting around 5 million jobs - equivalent to 14% of total employment. Beyond its direct

contribution, the sector underpins productivity across all industries by providing the expertise, advice and services that enable businesses to scale and innovate.

With a projected £320 billion growth opportunity by 2035, government is taking steps to strengthen the sector's long-term competitiveness. This includes the appointment of a **PBS AI** Champion to drive adoption, build capability, and support the translation of AI opportunities into tangible business outcomes - an appointment I am proud to have taken up.

AI Transformation of PBS

The **PBS** sector stands at an inflection point, with AI and digital innovation enhancing customer interaction, improving employee productivity, and enabling new business models. The sector is expected to be among the most exposed to automation and digital transformation, given its continued reliance on long-established processes and ways of working in areas such as property conveyancing and commercial contract development.

AI adoption is already relatively high, with 43% of businesses using AI. However, in a sector dominated by **SMEs**, the digital adoption gap between larger firms and the wider market is widening. Notably, investment in training has declined, despite growing demand for digital and AI skills among both management and staff.

At the same time, new AI-enabled technology subsectors are emerging across **PBS** - including lawtech, accountancytech, HRtech, proptech and regtech. These have the potential to improve productivity, support cross-border trade, and drive growth - presenting a clear opportunity for the **UK** to lead globally.

For the first time, government has recognised the **PBS** sector as one of the **UK's** 8 growth-driving sectors within the Industrial Strategy. The Sector Plan, published last July, set out a partnership approach with industry focused on accelerating the growth of emerging technology sub-sectors, such as Lawtech and Proptech, supporting firms to adopt AI and digital solutions, and strengthening the leadership and workforce skills needed to manage business transformation. In December, **UK** Research and Innovation further reinforced this ambition by announcing £118 million of investment over the Spending Review period to support research and development across the professional and financial services sectors.

As **PBS AI** Champion, I look forward to working in partnership with the Professional and Business Services Sector Council, industry stakeholders and government to address these challenges, and to support the sector in harnessing AI to sustain global leadership and further strengthen the **UK's** long-established reputation in professional services.

Current rates of AI Adoption in PBS

ONS data shows that average AI usage among PBS firms was 38% across 2025, rising from 35% in March to 43% in December.

As expected, and through what I see daily, larger firms are adopting AI more rapidly than smaller firms, reflecting greater access to capital and technical capability. However, smaller firms and new market entrants are often better able to innovate and capture the benefits of AI-enabled, simplified ways of working, particularly in areas such as property conveyancing and business advisory services.

Professional services firms are among the most enthusiastic adopters of AI, but also among the most anxious. The sector reports the highest level of employer-provided AI usage (64%, compared to 38% nationally), alongside higher rates of employee training. Yet more than half of employees' fear replacement, [11 percentage points above the national average](#). This reflects not technophobia, but familiarity: a workforce that understands the capabilities of the technology because it is already using it.

We see that AI adoption in PBS firms is concentrated in 3 areas:

- improving legacy processes and systems
- developing new advisory and client-facing services
- supporting day-to-day productivity through staff use of AI tools

In practice, firms are prioritising incremental improvements to existing systems, while employees experiment with tools at the task level. As a result, AI is often helping individuals complete the same work more quickly, rather than enabling fundamentally different ways of working. Without corresponding changes to workflows, decision-making and organisational design, these gains remain localised and do not translate into firm-wide productivity improvements.

This has created a gap between bottom-up adoption and top-down transformation. Employees are using AI tools rapidly, often outside formal systems, while organisational change remains focused on pilots and experimentation. The result is uneven capability, the growth of “shadow AI”, and benefits that do not yet scale across firms.

At the same time, leadership assumptions may be constraining investment in workforce transition. While many leaders expect AI to reduce employment, they also anticipate productivity gains. This risks weakening the case for sustained investment in reskilling, redeployment, and entry-level pathways - at precisely the point where clarity and confidence are most needed.

The challenge is now less about awareness of AI's potential and more about execution at scale.

Execution within the frontier sectors

The Industrial Strategy PBS Sector Plan identifies accountancy and audit, legal services, and management consultancy as frontier sectors, reflecting both their strong growth potential and their critical role in enabling productivity across the wider UK economy.

The evidence below demonstrates that these PBS sectors are not only rapidly adopting frontier technologies, particularly AI, but are also diffusing these capabilities across client organisations, reinforcing their designation as frontier sectors within the Industrial Strategy.

- **Legal services:** Clio, the global leader in cloud-based legal technology, in the ninth edition of its annual Legal Trends Report in 2024, highlighted the rapid adoption of artificial intelligence in UK law firms. AI is rapidly transforming UK law firm operations, with 96% of firms incorporating AI, although this varies by size of firm. [Sixty-two percent of UK lawyers expect their AI usage to grow in the coming year](#). PWC segmentation of the legal services market by size shows [AI adoption to taper as firms get smaller](#).
- **Accountancy and audit:** Evidence similarly points to widespread and accelerating AI adoption. [Wolters Kluwer](#) reports that 66% of accountants are already using AI, including 63% of those in business finance functions and 69% in practice. [The Accountancy Bulletin](#) finds that 54% of UK tax firms have invested in AI tools, compared to 39% globally, suggesting the UK is ahead of international peers. [Further surveys indicate strong forward intent](#), with 91% of UK accountants planning to deploy AI by 2025.
- **Management consultancy:** [The Management Consultancies Association \(MCA\)](#) that 66% of firms are expanding AI-related services and 59% are investing in digital technologies. AI is being applied across core activities including information search (57%), model development (56%), and data analysis (54%), primarily to enhance productivity and client delivery. Adoption is already significant, with 53% of consultants using AI in their work, rising to 75% within the Big Four firms. Looking ahead, [94% of consultants expect AI and emerging technologies to be the primary growth driver for client services](#).

Future vision of AI enabled professional services

The [Thomson Reuters Future of Professionals Report 2025](#) highlights that generative AI will transform legal, compliance, tax, accounting, audit, and global trade functions. The report argues that AI will not replace professionals but instead enhance their capabilities - creating a significant competitive advantage for firms that adopt it.

It also identifies a widening divide between organisations that implement AI strategically and those that do not. Firms embracing AI are reported to be twice as likely to increase

revenues, while those that lag risk falling behind.

Barriers to adoption and delivery of business benefits

Evidence suggests that the main barrier to AI adoption in PBS is cultural rather than technical^[footnote 1]. Because PBS firms sell human expertise, adoption can feel like a challenge to professional identity as well as to established ways of working. Without addressing this, many firms are unlikely to move beyond pilots into scaled deployment.

This makes it essential to place the workforce at the centre of adoption. AI should augment professional expertise, improve job quality, and support progression, with clear principles for responsible use, workforce transition, and human oversight.

PBS firms have bought the vision but haven't built the foundations.

PBS firms are advancing AI ambition faster than they are building the capabilities required to deliver it. Three-quarters are not yet ready on core enablers such as data, orchestration, and monitoring, and 70% report limited progress on process redesign. In contrast, 69% have expanded generative AI training and nearly half of the workforce is already using AI tools.

This mismatch creates a sequencing risk: with workforce capability outpacing system and process readiness. Without addressing this imbalance, firms risk disillusionment, stalled adoption and unrealised productivity gains.

With the right enabling framework, however, AI adoption has the potential to modernise PBS - augmenting professional judgement, improving service quality, reducing low-value activity and enabling new advisory models. This would strengthen competitiveness across firms of all sizes, support a shift towards higher-value work, and reinforce the UK's position as a global leader in trusted professional and business services.

PBS AI Champion Remit

The PBS AI Champion acts as a strategic link between industry and government, supporting responsible AI adoption across the sector.

The role focuses on 4 priorities:

1. **Encourage AI adoption among PBS SMEs to drive growth** and improve productivity
2. **Advise on regulatory and policy changes** needed to safeguard the UK PBS sector's global reputation and strengthen its competitive position

3. **Promote the UK PBS sector internationally** as a leader in AI adoption
4. **Produce a roadmap for AI-enabled growth** to accelerate AI adoption, boost competitiveness, and support delivery of key strategy objectives, launched at a year-end event.

I will also support efforts to position the UK PBS sector as a trusted deployer of AI.

2026 to 2027 activities

Encouraging AI adoption to enable growth

- **Engage SMEs:** I will engage PBS SMEs across the 5 regional hub areas to identify the key barriers to AI adoption. Insights from this engagement will inform the development of 2 practical tools, co-developed with government and industry, to support uptake:
 - **AI Security Health Check:** A short, easy-to-complete diagnostic providing a rapid assessment of a firm's AI security posture. Targeted at businesses in the early stages of adoption, it offers a clear starting point, highlighting key risks and setting out practical next steps.
 - **Digital Twin Tool:** A modelling tool enabling SMEs to test the potential impact of AI adoption before committing resources. Users can model different scenarios for pace and scale of adoption and assess implications for productivity, workforce, and financial performance. The tool will be delivered through regional hubs as an accessible, low-barrier entry point.
- **Promote tools:** I will promote these tools to PBS SMEs through engagement with industry targeted communications via industry networks and social media, and coordinated dissemination through regional hubs and government channels.

Case study: [Vodafone UK](#)

Introduced generative AI into customer service in a way that improved outcomes for customers while supporting retention and development of frontline staff. Through its VOXI brand, Vodafone deployed the UK telecommunications sector's first customer-facing generative AI chatbot to handle routine enquiries. Crucially, the design assumed that not all interactions should be automated: customers could be transferred easily to human agents, and the AI was positioned as a first line of support rather than a replacement. Over time, staff benefited from reduced handling time on routine issues and greater capacity to deal with complex cases, helping normalise AI use as part of everyday service delivery.

Fostering a competitive regulatory landscape

- **Convene industry:** I will convene industry stakeholders to work with key regulators and Departments on where regulatory changes or guidance will benefit industry. This will ensure the UK maintains a safe, trusted operating environment while strengthening the global competitiveness of PBS firms.
- **Recommendations:** This engagement will underpin clear recommendations, building on the Sector Plan, to ministers on guidance required to enable innovation and responsible AI adoption across the sector, serving as purposeful advice for businesses.

Promoting a global UK PBS sector - Inspiration and lessons from overseas

- **Targeted delegations:** International experience should inform the UK's approach to innovation, capability development, and global competitiveness. Leading targeted PBS delegation would provide a valuable opportunity for direct knowledge exchange.

Given New York City's position as one of the world's leading centres for Professional and Business Services - with over 1.4 million PBS employees and a highly developed, office-based economy spanning finance, legal, and professional services - a targeted PBS delegation would provide a valuable opportunity for direct knowledge exchange.

- **Learn best practice:** Outputs from the delegation and wider international engagement will be shared with DBT, the PBS Council, and industry stakeholders to strengthen our evidence-base and consider what could be emulated or tailored to the UK, enhancing commitments in the Sector Plan.

A Sector-Informed Roadmap for AI-Enabled Growth

- **Roadmap for businesses:** As the final component of the 2026 programme, I will consolidate insights from across all workstreams into a set of sector-led recommendations for businesses, which directly address firm-level concerns, on actions to accelerate AI adoption. This will be developed in close consultation with the PBS Council.
- **Promotion:** Findings will be formally disseminated through an end-of-year event delivered in partnership with the PBS Council. This will ensure alignment between government and industry, highlight key opportunities, and build momentum behind the next phase of AI-enabled transformation across Professional and Business Services.

PBS AI Champion workplan 2026 to 2027

Role responsibility: Supporting PBS SMEs to adopt AI and digital technologies

Actions:

Sector level engagement with PBS SMEs across the 5 regional hub areas to surface the barriers preventing businesses from adopting AI to inform the development of an AI security health check and digital twin tool, designed to help SMEs model the impact of AI adoption on their firm before committing resources

Deliverables and outputs:

Develop an AI Security Health Check and a Digital Twin tool that will be made available via the regional hubs, giving businesses in each area a practical, low-barrier starting point for understanding what AI could mean for their productivity, workforce and growth.

Role responsibility: Recommend necessary regulatory changes to maintain the UK's safe operating framework for businesses and delivering a competitive advantage to UK PBS firms

Actions:

- Engage key regulators to discuss and align thinking on emerging requirements.
- Liaise with business, workforce representatives and key UK Government stakeholders on R&D needs for PBS firms.
- Make key recommendations in end of year update.

Deliverables and outputs:

- Identify obstacles to technology adoption identified in the PBS sector - such as high costs, limited digital infrastructure, or regulatory challenges.
- Deliver advice on necessary changes to ensure a safe operating landscape for businesses.
- Make recommendations to ministers on the necessary regulatory changes.
- Make recommendations to ministers on approaches to driving uptake of R&D initiatives among PBS firms.

Role responsibility: Promoting a global UK PBS sector

Actions:

- Lead PBS AI Champion Trade Mission to New York to identify and highlight the opportunity for UK PBS firms to lead in advising on AI solutions globally and share best practice.
- Identify markets of best practice and make recommendations as to how the UK can mirror success^{[\[footnote 1\]](#)}

Deliverables and outputs:

- **PBS AI** Champion Trade Mission delivered.
- Businesses more aware of where the opportunities are and how they can land them.
- **UK** is the world's most trusted adviser to global industry and continues to be the world's second largest exporter of **PBS** services.

Role responsibility: Forward recommendations

Actions:

- Consolidated insights developed into a comprehensive suite of recommendations for **DBT** policy makers and ministers.
- End of year sector event delivered with the **PBS** Council to disseminate the key insights, highlight opportunities for government and industry and facilitate discussion on the recommended next steps for driving long term, **AI** enabled transformation across Professional and Business Services.

Deliverables and outputs:

Recommendations and forward steps