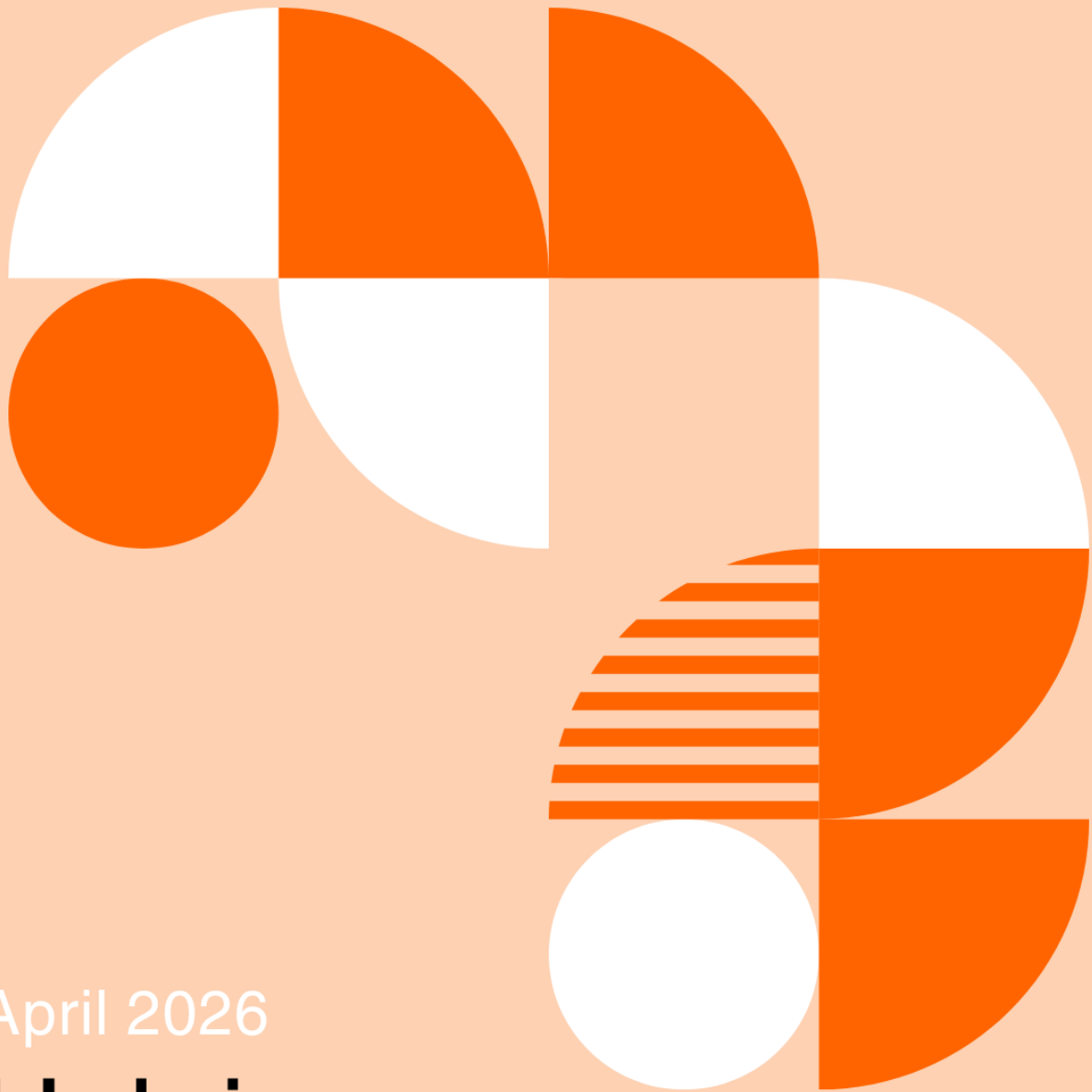


A Liberal Vision for AI

20 Calls for Government



April 2026

Helping Britain thrive in the age of AI

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Liberal
Democrats

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Foreword

From Victoria Collins MP, Liberal Democrat Spokesperson for Science, Innovation & Technology, and Lord Tim Clement-Jones, Liberal Democrat Lords Spokesperson for Science, Innovation & Technology

The United Kingdom stands at a crossroads. Artificial intelligence is already transforming how we work, learn, create, and live. The question is not whether this transformation will happen, but whether Britain will be a leader of this change, and whether its benefits will be shared fairly.

Over the past year, we brought together more than 100 voices from across British society: technology leaders, business owners, charities, think tanks, trade unions, academics and parents, investors and artists. We asked: what do people actually need to thrive in an AI world? How can we build trust and confidence in this new technology?

The answers were remarkably consistent.

Businesses and people want clarity about the rules, the risks, and the opportunities. They want infrastructure that works. They want a thriving, innovative ecosystem. They want to trust that AI will work for them, not against them. They want their children protected and their livelihoods supported through change. Many are excited about the possibilities but apprehensive about the pace.

Trust is what connects all of this. When people trust the technology and the rules around it, they adopt it. When businesses trust the regulatory environment, they invest. When the world trusts Britain's standards, we set the benchmark. Trust is the engine of everything that follows.

This Liberal Vision for AI sets out what we believe must happen next. It is an invitation to a continuing conversation. It is also a challenge to the Government, which has been long on promises and short on delivery.

Britain has the talent, the research base, and the creative industries to lead the world in responsible AI. What we lack is a government willing to make the difficult decisions and investments required.

We believe in a liberal approach: backing innovation while empowering people, trusting individuals while holding power to account, embracing change while ensuring no one is left behind. When we earn that trust – from citizens, from businesses, from the world – Britain won't just participate in the AI revolution. We'll lead it.

Victoria Collins MP and Lord Tim Clement-Jones

With special thanks to Sophie Deen, who was fundamental in establishing and driving the Everyday AI project and this paper, and Sian Aitken, who was key in bringing us and this paper all together.

Executive Summary: Britain's AI Opportunity

We have been here before. In the 1990s, Britain led the world in mobile telecommunications, then watched as Nokia and Ericsson captured the market. We pioneered graphene, then saw manufacturing move to Asia. We invented the ARM chip architecture, then sold the company to SoftBank. DeepMind started in the UK and was bought out by Google.

The pattern is familiar: British innovation, foreign acquisition.

Artificial intelligence presents the same risk and the greatest opportunity in a generation to break the cycle.

Our foundations are strong. Our universities produce research that shapes the field globally. We have world-class talent. Our creative industries understand audiences in ways algorithms cannot replicate. London is one of only two genuinely global financial centres¹. English law governs more international contracts than any other legal system,² offering a framework the world already trusts. Britain doesn't just have potential in AI— we have a head start.

But we will only get there if we are honest about what stands in the way. Regulatory confusion is stifling businesses that don't know which rules apply³. Teachers in state schools are half as likely as those in private schools to receive AI training⁴. Infrastructure investment is blocked by an unreformed power grid.⁵ World-class startups are relocating because they cannot access scale-up capital, while overseas pension funds invest sixteen times more in UK technology startups than our own do⁶.

The human costs are mounting too. Fraud accounts for 44%⁷ of all UK crime, and AI is supercharging it. Children face unprecedented online harms from systems

¹ London is ranked second behind New York in the Global Index of Financial Centres ([The Global Financial Centres Index 38, 2025](#))

² English Law is the preferred law for business transactions worldwide ([QLTS](#))

³ 71% of UK businesses cite unclear rules as a barrier to AI adoption ([NCS, 2026](#))

⁴ 45% of private school teachers vs 21% of state school teachers had received formal AI training ([Sutton Trust](#))

⁵ Data centres representing 30GW of power demand are awaiting connection to the Grid ([Wired, 2026](#))

⁶ ([Corporate Adviser, 2024](#))

⁷ ([Home Office, 2026](#))

designed without their safety in mind⁸. Workers feel unprepared for changes that are already arriving⁹. Creative industries see their work scraped without consent or compensation¹⁰.

The EU has moved ahead with far-reaching regulation, which has been criticised for stifling innovation¹¹. The US is betting on deregulated innovation¹². Britain can chart a distinctive path, not isolated from either bloc, but offering something neither has: a framework that is pro-innovation and pro-trust, built with industry, and designed to adapt as quickly as the technology itself. That is how we become the place where AI companies want to build, where talent wants to work, and where the world looks for standards worth adopting.

The Government has responded with announcements: AI growth zones, an AI opportunities action plan¹³, and a national semiconductor strategy¹⁴. These are welcome first steps. But the challenge of AI is pace and reach. Traditional legislative cycles cannot keep up with technology that transforms every quarter. Dealing with this in one department underestimates the reach AI will have. Crucially, we must think holistically about this challenge and opportunity.

That prize is worth fighting for. Britain can become the global hub for responsible AI innovation, where startups scale, talent thrives, and the benefits reach every corner of our economy and society. We have the chance to set the global standard: pro-innovation, pro-trust, built with industry, and designed to move as fast as the technology itself.

The decisions made in the next two years will shape the next twenty.

Our Response: 20 Calls for Government

Our Liberal Vision for AI sets out 20 priority actions across three areas: backing British innovation, empowering people and building trust, and building the infrastructure for long-term success. These are practical steps that could be taken within this Parliament to bring value to our economy and society, unlock investment, protect rights, and ensure the AI revolution works for everyone, not just those building it.

⁸ There has been a 300% increase in online enticement over the last 3 years ([National Centre for Missing and Exploited Children](#))

⁹ 61% of workers in the UK feel overwhelmed by AI's rapid development ([Henley Business School, 2025](#))

¹⁰ 99% of creatives say their work has been scraped by AI without their consent ([Independent Society of Musicians](#))

¹¹ The EU's AI act is the world's first comprehensive AI law ([European Parliament](#))

¹² Executive Order "Removing Barriers to American Leadership in Artificial Intelligence" ([The White House, 2025](#))

¹³ ([UK Government, 2025](#))

¹⁴ Announced on the 19th May 2023 to grow the UK's semiconductor industry and resilience ([UK Government, 2023](#))

Summary of calls

Backing British innovation

Helping British startups and innovators grow, stay, and scale here – with the financial support, talent, and regulatory framework to thrive in AI and AI-driven services

1. One strategic growth mission
2. Help startups and SMEs thrive with AI
3. Support university spin-outs
4. Close the scale-up funding gap
5. Attract and retain global talent
6. Use government procurement to support UK tech
7. Favour standards and smart regulation

Empowering people, building trust

Equipping people with skills for an AI-driven economy, keeping them safe online, and earning the trust that drives adoption

8. Establish a National People Strategy
9. Transform lifelong learning for the AI age
10. Prepare for the future of work
11. Fuel our creative industries
12. Show national and international leadership on AI
13. Establish safety-by-design for AI systems
14. Tackle AI-enabled fraud head on

Infrastructure for success

Getting the basics right: strategic, sustainable infrastructure that serves the economy and delivers for communities

15. Develop a digital sovereignty strategy
16. Build data centres with purpose
17. Prioritise basic connectivity
18. Shake up reforms to grid connections
19. Mandate community benefit standards for data centres
20. Tackle the energy question for AI

Part 1: Backing British innovation

The UK creates world-class AI companies¹⁵. The challenge is keeping them here and helping them grow. We have identified several critical barriers, including: a scale-up funding gap¹⁶, talent restraints¹⁷, regulatory confusion¹⁸, unresolved copyright questions¹⁹, and blocked infrastructure²⁰. The calls that follow address these from giving startups and SMEs the support they need, to building a regulatory environment that attracts investment rather than driving it away.

Call 1. One strategic growth mission

The government has an AI strategy. It has an industrial strategy. But the two do not talk to each other. AI investment is being planned in isolation from the sectors it could transform: energy, healthcare, agriculture, and advanced manufacturing. If we are serious about AI delivering economic value, it must be embedded in how we grow the economy, not treated as a separate bet.

We call on the government to integrate its AI and industrial strategies, ensuring that AI investment is directed toward solving real problems in priority sectors and that infrastructure decisions – from data centre locations to research funding – are aligned with long-term economic goals.

Other countries are setting the direction. France has embedded AI into sector-specific policy platforms with real-world testing sandboxes²¹. The US AI Action Plan names specific use cases in healthcare, manufacturing, and federal procurement.²² Britain has an incredibly strong research foundation²³, but without connecting AI investment to industrial priorities, we are building capability without direction.

This would be supported by a mapping of the UK's strengths and opportunities for science and technology by region. And it means establishing clear

¹⁵ The UK is the 3rd largest global AI market ([UK Government, 2025](#)).

¹⁶ The UK lacks sufficient domestic scaleup capital with international investors involved in nearly 50% of all UK deals and worth over 80% of total capital invested in the UK in 2025 ([Natwest, 2026](#))

¹⁷ 52% of global organisations struggle to hire the AI talent needed to put AI into practice ([People Management, 2026](#))

¹⁸ 72% of the UK public say that laws and regulation would increase their comfort with AI ([Ada Lovelace Institute, 2025](#))

¹⁹ On the 18th March the Government stated they “no longer had a preferred option” when it comes to copyright and AI and that it “will take time” to get this matter right ([Copyright and AI Progress Statement, 2026](#))

²⁰ [Centre for British Progress, 2025](#)

²¹ France's national AI strategy started with phase 1 in 2018 and has since developed a clear strategy adapted over time ([OECD, 2025](#))

²² ([US AI Action Plan, 2025](#))

²³ The UK is ranked first among G7 countries for field-weighted citation impact ([UK Government, 2025](#))

accountability for whether AI is actually delivering economic value, sector by sector, not just gigawatts of compute. That includes extending OBR and Treasury forecast horizons to assess long-term technology impacts. At the heart of this would be a new Department for Growth with strategic oversight.

Call 2: Help startups and SMEs thrive with AI

Britain's economy runs on small businesses.²⁴ But most SMEs have no idea where to start with AI, and those that do face a bewildering landscape of tools, vendors, and risks. SMEs' top concern are AI-enabled cyber threats, but they lack resources for basic protections. Meanwhile, AI startups face their own challenges: navigating multiple regulators, accessing early customers, and building sustainable business models.²⁵

We call on the government to help startups and SMEs thrive, not just survive, in an AI-driven economy. That means practical AI procurement guidance so firms can interrogate vendors and avoid lock-in, subsidised Cyber Essentials certification, capital expenditure reliefs for AI software subscriptions, and channels to access high-quality public data.

When it comes to upskilling their teams, we are calling for Skills Cooperatives for SMEs, which would pool resources for collective training, share facilities, and rotate apprentices between member businesses. We are also calling for Skills Tax Credits with enhanced relief for priority sectors. For startups and SMEs, skills and talent are the foundation to build on.

At the heart of it, we mustn't forget that startups and SMEs are also businesses, like any other businesses, with staffing and premises costs. As Liberal Democrats, we still stand behind reducing the cost of staff through cutting employer NICs and reforming the broken business rates system that impacts direct premises, as well as coworking spaces that are at the heart of many tech ecosystems.

Call 3: Support university spin-outs

Britain's universities produce world-leading AI research. Too often, that research stays in the lab. University spin-outs still face barriers; historically, institutions took too much equity, and while progress has been made, there is further to go.²⁶ Women also remain significantly under-represented in spin-out founding

²⁴ SME's account for 99.2% of the UK's total business population ([Federation for Small Businesses](#))

²⁵ No single determinant drives low UK SME AI uptake, with two in three businesses citing multiple barriers to adoption simultaneously ([UK Government, 2025](#))

²⁶ University equity stakes in spinouts have fallen to a 10-year low of 16% ([Financial Times, 2025](#))

teams.²⁷ We need better routes from research to commercialisation, clearer pathways, and targeted support for diverse founders, working with local authorities to bring together universities, businesses, and civic leaders.

The government must expand the British Business Bank to directly invest in SMEs, adopting technologies that tackle major societal challenges. We would also quintuple 'proof of concept' funding to de-risk early-stage research before commercial capital is available, underpinning our commitment to raise overall UK R&D spending to 3.5% of GDP by 2034. What's more, when it comes to intellectual property, we're calling for a standardised national framework for negotiating IP between universities and staff to provide clarity and fairness.

Eventually, we would move towards a system in which researchers and research teams fully own the IP rights to their research, with successful technology transfer offices instead becoming funded from university budgets with public support, rather than claiming a stake in spin-outs.

The UK's vast institutional capital should be leveraged to make it a more attractive environment for spinouts, and the government must urgently explore ways to unlock this funding to meet the needs of ambitious innovators. University Affiliated Funds, such as Northern Gritstone should be expanded as key vehicles through which institutional capital can be channelled into spin-outs.

Call 4: Close the scale-up funding gap

Britain is brilliant at starting things. We are the third-largest AI market in the world, thanks to successful tax incentives such as SEIS and EIS that have created a thriving early-stage ecosystem. But we crash at Series B and beyond²⁸. British startups raise seed funding here and then relocate for growth capital, taking jobs, tax revenue, and strategic capability with them. Overseas pension funds invest sixteen times more in UK technology companies than our own do.²⁹ The government has begun to address this through the Mansion House Accord and pension fund reforms, but funding is only part of the problem.

We call on the government to go further and faster on unlocking scale-up capital and review the SEIS investment limit, which at £250,000 barely covers early costs in today's market, to give founders room to grow before they are forced to look overseas. To improve efficiency, we propose dedicated support to help companies progress into follow-up schemes such as EIS. We also propose

²⁷ Fewer than 8 of University spinouts have all-female founding teams, compared to to 75% all male teams ([Forbes, 2026](#))

²⁸ 93% of seed-funded startups are failing to access follow-on funding in the UK with 6000 companies raising seed rounds in 2025 but only 110 raising Series B funding ([Venture Path, 2026](#))

²⁹ ([Corporate Adviser, 2024](#))

creating an expert-led pre-clearance system for R&D tax reliefs, modelled on the Dutch and South African approaches. This would see firms submitting a short technical summary of proposed innovative work for upfront assessment by scientists and engineers in an arm's-length unit linked to the Growth Department, not HMRC compliance teams. Binding advance rulings would give firms certainty before they invest and are then forced to cut costly multi-year disputes.

Following pension reforms, the Office for Investment needs to give more clarity to help incentivise superfunds to invest. Overall, the government needs to fix the whole funding cycle from seed to London Stock Exchange (LSE) Listing.

Call 5: Attract and retain global AI talent

The best AI talent is globally mobile and choosing where to go. Over half of the UK's 100 fastest-growing scale-ups were co-founded by people who have made Britain their home.³⁰ This openness is a competitive advantage, and our immigration system should reflect that, not undermine it.

We call on the government to reform visa processes to make Britain the obvious destination for AI companies, not a bureaucratic obstacle course. The government should ensure immigration rules support our AI ambitions while investing in home-grown talent through universities and skills programmes; replace the failed, arbitrary salary threshold with a flexible, merit-based system; encourage international students to study at and remain connected to UK universities; and secure full participation in Horizon Europe.

Liberal Democrats are also calling on the government to urgently change visa rules to allow PhD and MRes students to found startups during their studies, and to expand the scope of the Innovator Founder Visa to ensure no talented international student is prohibited from accessing longer-term innovator pathways. We would also ensure that PhD students studying relevant degrees receive mandatory training in commercialisation, as they receive for research skills currently. The Liberal Democrats would ensure that international talent who have their primary residence within the UK, and are able to demonstrate commitment to staying in the country, would be eligible for any expansion of proof of concept funding and seed funding schemes.

³⁰[\(Entrepreneurs Network, 2025\)](#)

Call 6: Use government procurement to support UK AI companies

The government is the UK's largest buyer of technology, and it almost never buys British.³¹

We call on the government to reform procurement to help UK AI companies win government contracts, providing the early revenue and credibility that de-risks private investment; set aside a proportion of procurement spending specifically for innovative approaches from startups, SMEs, and academia, turning the government into a catalyst for British AI rather than a customer of foreign providers; and develop procurement in collaboration with service users, not imposed from above.

We propose trialling an increase in the 'social value' for procurement contracts of up to 30%, ensuring that this metric specifically considers alignment with the UK's strategic goals on digital sovereignty and AI, while retaining UK tech export capacity as part of our Agreement on Government Procurement obligations. Just as the tech sector itself – a 'local government technology sandbox', where startups and SMEs can test new AI service models in small-scale, realistic settings – would allow for rapid experimentation and evaluation before a full national rollout.

Call 7: Favour standards and smart regulation

Multiple regulators (the ICO, Ofcom, the FCA, the CMA) are engaged in what businesses describe as a 'land grab' for AI territory. The Digital Regulation Cooperation Forum was meant to coordinate its work, but it is not functioning effectively. Large companies can navigate this complexity with teams of lawyers. Small businesses cannot. They are left confused about which regulator to approach, what rules apply, and how to comply. 57% of the UK's Banking and Finance Sector, for example, cite uncertainty over the future of AI regulation as an investment barrier.³²

The current patchwork approach is failing. We call on the government to establish a single cross-sector AI regulator, which would maintain flexible, ethical oversight and technical expertise to ensure the UK keeps pace with rapid advances in technology. This regulator would help develop standards for ethical design, risk assessment, testing, and auditing of AI systems, including strengthening public rights in the face of automated decision-making.

³¹The UK Government spends an estimated £14 billion annually on digital services. The National Audit and multiple Government committees have argued that procurement reform could better direct this spending towards UK tech companies ([House of Commons Library, 2026](#))

³² [Telehouse, 2025](#)

Where possible, standards-based approaches should be favoured over rigid regulation, allowing industry, professional bodies, and regulators to collaborate on codes of practice that can evolve as technology changes. We support an AI Kitemark scheme, comparable to fair trade or organic certification, so businesses and consumers can see at a glance whether an AI product meets recognised standards.

Standards and regulations should be underpinned by a Digital Bill of Rights, which will give all citizens essential rights to access public services, digital

education and wider entitlements as part of their digital citizenship, as well as a statutory right to an explanation and appeal where AI has a significant impact on someone's life. We must keep humans in the loop to the decisions that impact our everyday lives. All of this should be based on a regulatory roadmap for certainty.

Part 2: Empowering People, Building Trust

The promise of AI means nothing if people don't trust it, can't use it, or are harmed by it. Economic growth depends on adoption,³³ and adoption depends on people feeling confident that AI works for them. That means real skills, not just slogans. It means safety built in from the start. And it means a government willing to be honest about the changes ahead and transparent about its own use of the technology.

Call 8: Establish a National People's Strategy

AI is already transforming how people work, learn, and live. The challenge isn't just teaching people to use today's tools, it's building the foundational skills that will remain valuable, however technology evolves. It's getting the workforce ready for the jobs of tomorrow. The government's curriculum review³⁴ is a welcome step, but a 2028 implementation timeline is too slow for a technology that is reshaping the world now. And school reform alone doesn't help the 8.5 million adults already lacking essential digital skills.³⁵

Meanwhile, an AI skills divide is opening up.³⁶ Teachers in state schools are less than half as likely as those in private schools to have received formal AI training³⁷: The gap between affluent and disadvantaged areas is widening,³⁸ and across education and employment the same skills keep being renamed, creating confusion for learners and employers alike.

What endures isn't tool-specific knowledge. It's foundational skills like problem-solving, critical thinking, and learning-to-learn. These are the skills that last and help people adapt, whatever comes next.

We call on the government to establish a National People's Strategy: a single, coherent framework running from primary school through to the workplace – a national workforce planning approach. Have regions produce Workforce Development Plans aligned with the industrial strategy. Develop National

³³ AI is predicted to boost UK GDP by an estimated £550 billion by 2035 and industry experts suggest that AI adoption could propel the UK into a top 10 global manufacturing nation ([techUK, 2025](#))

³⁴ [Government National Curriculum Review, 2025](#)

³⁵ ([Good Things Foundation, 2024](#))

³⁶ Women over 55 are 4 times less likely to use AI than men under 35 ([Google and Public First, 2025](#))

³⁷ 45% of private school teachers have received formal AI training, compared to 21% of state school teachers ([Sutton Trust, "Artificial Advantage?", 2025](#))

³⁸ AI usage ranges from around two in three people in some high-income countries to as low as 5% in some low-income countries, with 70% of all AI users based in the developing world ([UNDP, 2025](#))

Colleges as centres of expertise for key sectors. Work with industry to create clear pathways for AI skills and talent, backed by an industry-wide diversity strategy. Look at a GCSE in AI to get the workforce ready for tomorrow. Reverse funding cuts to the National Centre for Computing Education. Our people will be at the heart of this transformation and must be empowered to drive it.

Call 9: Transform lifelong learning for the AI age

School is not enough. Most of the people who will be affected by AI are already in the workforce,³⁹ and the tools are changing faster than any training programme can keep up with. Short, practical, role-specific training works – research shows that even 2.5 to 5 hours of targeted support can more than double AI adoption.⁴⁰ But it must be sector-specific:⁴¹ a logistics manager needs different AI skills than a GP or a teacher. And it must be independent. Much of the AI training currently available is industry-led,⁴² raising questions about objectivity when the provider is also the vendor. Public-private partnerships in AI skills must be structured to allow competition across tools and platforms, not train people on a single company's product.

The Liberal Democrat policy of establishing a Lifelong Training Grant of £10,000 is even more important. Designed to support adults in re-skilling and career transitions, this will be even more vital given the AI-driven shift in the workplace. Dispersed in tranches, this would empower individuals to choose their own re-skilling pathways. We propose introducing skills tax credits for employers investing in upskilling, similar to R&D tax credits, and establishing regional skills hubs linked to further education colleges, delivering practical, role-specific training. As the pace of change increases, we must make it easier to upskill throughout your career.

Call 10: Prepare for the future of work

Britain has a choice to lead the transformation that AI will bring to the economy and be ready for the opportunities and challenges. We should be the country where businesses invest because the workforce is AI-ready at every level – adaptable, skilled, and supported through change. That requires a National People's Strategy – a national workforce plan if you will, not just a skills agenda – linking the Industrial Strategy to the reality of how work is changing.

³⁹ Tech workers were the first to be affected by AI changes, but many companies are now growing into AI maturity demanding new workforce strategies ([BCG, 2025](#))

⁴⁰ A few hours of AI training can increase Women's daily usage of AI from 18% to 45% ([Google and Public First, 2025](#))

⁴¹ ([Google and Public First, 2025](#))

⁴² The Government-industry partnership aims to train 10million UK workers with AI skills by 2030 ([UK Government, 2025](#))

The government has begun to address AI's workforce impact through its AI Opportunities Action Plan and new Future of Work Unit. But the focus remains on upskilling workers to use AI, not on the harder question of what happens when AI means fewer people doing the same work.

The real impact may be more subtle coming from 'job bundling': efficiencies meaning companies need fewer people for the same work. The biggest impact may be in offices, call centres, and professional services, where three jobs become one.⁴³ AI creates value through capital ownership more than through labour. If the benefits accrue primarily to those who own the technology, we face a fundamental challenge to how our economy distributes prosperity.⁴⁴

We call on the government to commission and publish research on AI's labour market impact, including job bundling, sector-specific displacement risks, and approaches to capital distribution, and develop a roadmap for how AI and automation will reshape the tax base. Evidence-based policy requires evidence first.

Call 11: Fuel our creative industries

Britain's creative industries contribute £124 billion to the economy⁴⁵ and employ over two million people.⁴⁶ They are one of our global strengths – and they are under threat. AI companies are training their models on the work of British creators without consent or compensation,⁴⁷ while the legal uncertainty means nobody is investing with confidence. AI companies have stated clearly that unclear UK copyright law means they will train their models elsewhere.⁴⁸ Creative industries see their work scraped without recourse. Both sides want clarity. The current uncertainty serves no one, and resolving it is not anti-innovation. Transparency and fair compensation build the trust that drives adoption, for creators and technology companies alike.

We call on the government to resolve copyright uncertainty. Confirm existing copyright law and mandate training transparency for AI models, so that it can be enforced and incentivises an 'opt-in' licensing model that fairly compensates creators. The government must also provide clear guidance on how creatives can challenge misuse and seek redress when their IP is used without consent.

⁴³ Up to 3 million UK jobs could disappear by 2035 in these sectors ([National Foundation for Educational Research](#))

⁴⁴ Research shows that AI acts as a capital-biased innovation and without appropriate policy, this could exacerbate existing inequalities ([CEPR, 2026](#))

⁴⁵ ([UK Government](#))

⁴⁶ ([Creative UK, 2025](#))

⁴⁷ 99% of creatives say their work has been scraped by AI without their consent ([Independent Society of Musicians](#))

⁴⁸ ([Consultation on Copyright and AI, 2026](#))

Empower independent creatives by encouraging the development of creator collectives, where they do not currently exist, allowing them to negotiate licensing agreements at scale, and ensuring fair market access for everyone, not just those with big-label backing. Introduce new image and personality rights to protect individuals from unauthorised deepfakes, ensuring that people's likeness, voice, and creative identity cannot be exploited without consent. Ratify the Beijing Treaty on audiovisual performances to protect British creators internationally.

Call 12: Show national and international leadership on AI

The government should be a national and international leader in AI usage and governance. That starts with the procurement of AI solutions, supporting British innovation where possible, as well as establishing good governance. Where AI is used to improve outcomes for better public service transparency will be vital. Where automated decision-making is used, we must ensure meaningful human involvement in outcomes to ensure accountability.

When it comes to the tech systems that are used, data privacy while ensuring interoperability will be paramount. Investing in replacing outdated public sector IT and ensuring all NHS systems can communicate with each other is essential, as good AI requires good infrastructure. At its heart will be the public workers delivering and using AI, and so we also call for an AI Training Guarantee for All Public Workers.

Britain should play a leading role in reaching an international agreement on the governance and use of AI. Supporting agreement on international principles governing AI and other emerging technologies at the OECD.

Call 13: Establish safety-by-design for AI systems

The Online Safety Act (OSA) was a significant step forward, but it was designed before the current wave of AI. It doesn't adequately address harms unique to AI: emotional dependency on AI companions, personalised manipulation at scale, algorithmic discrimination, or synthetic content indistinguishable from reality. The government has indicated it will adjust the OSA to include AI, we welcome this and will push for it to go far enough.

These harms affect everyone. Children face AI-generated abuse material (up 400%⁴⁹) and systems that perpetuate bias. Older people are targeted by voice-

⁴⁹ Confirmed reports of AI generated child sexual abuse rose 400% in 2025 ([Internet Watch Foundation, 2025](#))

cloned scam calls. Workers are managed by algorithms they can't see or challenge. Consumers interact with chatbots without knowing they're not human.

We call on the government to require safety to be built in from inception, not added as an afterthought. Implement age-appropriate design, with film-style age ratings for harmful AI and social media platforms, restricting access based on the risk they pose to young people, delivered and enforced by Ofcom with powers to fast-track fines on platforms that don't comply. Strengthen Ofcom's capacity and expertise specifically for AI-driven harms. Review the classification of harmful AI systems under the Online Safety Act to ensure new and emerging harms, including emotional manipulation and dependency, are properly addressed.

Maintain and enforce existing rights under GDPR, the Human Rights Act, and the Equalities Act. There must be no national rollout of facial recognition until the Home Office publishes full impact assessments and Parliament has put proper statutory safeguards in place through primary legislation. The government's renaming of the AI Safety Institute to the AI Security Institute narrowed the focus at precisely the moment it should have been widened. There needs to be a focus on ethics as well as purely on safety; to build public trust in AI it is essential that AI systems that are developed use data responsibly and don't entrench inequalities. We would ensure that the AI Safety Institute has a proper focus on ethics as well as safety.

Call 14: Tackle AI-enabled fraud head on

Forty-four per cent of all UK crime is fraud⁵⁰, yet less than 0.1% of cases lead to conviction. Revolut's Head of Government Affairs, Rory Tanner, has highlighted that the UK makes up 22% of the company's global customer base while accounting for 68% of all authorised fraud losses in 2024, a disparity that points to the UK being disproportionately targeted by organised criminal operations.

The sophistication of attacks, including facial recognition spoofing using advanced mathematics, suggests nation-state-level resourcing, not just opportunistic criminals. 'Fraud as a service' platforms enable industrial-scale operations. AI is eliminating the telltale signs that used to help people spot scams. SMEs are particularly vulnerable:⁵¹ 64% are concerned that AI-enabled threats are outpacing their ability to protect against them.⁵²

⁵⁰ ([Home Office, 2026](#))

⁵¹ 93% of SMEs have concerns about implementing digital change with 42% citing cyber security as the main obstacle to digitalisation ([Security Brief, 2026](#))

⁵² ([Intelligent SME, 2024](#))

We call on the government to establish an Online Crime Agency with specialists properly equipped to deal with the rise in AI-enabled fraud and escalate cases to be treated as national security threats where necessary. Target the infrastructure of scams – SIM farms, scam call centres, money mule accounts – not just educating victims who cannot spot perfect AI-generated deceptions. What’s more, we must make social media companies financially liable for fraud on their platforms.

Part 3: Infrastructure for Success

Everything in this paper – every startup we back, every person we upskill, every standard we set – depends on infrastructure that works. It is not glamorous, but it is foundational. If people cannot connect to the internet reliably, AI is irrelevant. If the National Grid cannot deliver power to data centres, investment goes elsewhere. If we depend entirely on foreign-owned systems for critical public services, we have a sovereignty problem. This section is about facing those realities head-on and fixing them.

Call 15: Develop a comprehensive digital sovereignty strategy

We need to leverage the UK's unique Sovereign Data assets to drive domestic innovation whilst ensuring that we are not wholly dependent on foreign-owned digital systems for critical functions. Around 55% of central government organisations report that over 60% of their estate is on the cloud, using one of two leading providers, both US-based.⁵³

The UK lacks a coherent strategy for maintaining economic and security autonomy where it matters most. We are not only vulnerable to foreign policy decisions and international supply chain disruptions, but also lack a procurement strategy that prioritises British tech and promotes UK innovation and businesses.

We call on the government to develop a comprehensive digital sovereignty strategy that identifies the digital capabilities essential for international security and economic resilience through a strategic sovereign procurement policy. We also call on them to build on the Cyber Security and Resilience Bill to create a coherent framework protecting British digital interests in the global world.

Call 16: Build data centres with purpose

Data centres are critical infrastructure, but where we build them and what we connect them to matters as much as how many we build.

There are different types of data centres: on-premise data centres, co-location data centres, cloud data centres, and hyperscale data centres, which are renowned for their sheer size. Hyperscale computing is critical for cloud services and big data storage. Efficiency, ultra-high speeds and high-fibre-count networks typically go hand in hand with hyperscale facilities. Whilst there has

⁵³ [State of Digital Government Review](#) and confirmed by Ian Murray MP in an [Answer to Written Question, 2026](#)

been a large increase in co-location data centres, hyperscale data centres are the fastest-growing type in the UK.

Rising demand for high-resolution content could also overwhelm existing data network infrastructure, driving the need for more localised processing and data storage capacity. This will lead to significant investment in regional data centre infrastructure, particularly in areas with robust fibre connectivity.

Many of the regional areas where co-location may be needed are often constrained by either energy or grid connections, highlighting the importance of linking national and regional/local planning.

Meanwhile, water, cooling and permitting constraints are increasingly becoming an issue, particularly where supply headroom is limited, drought resilience requirements apply, or discharge capacity is constrained. Demonstrating credible water volume availability, on-site efficiency measures, and a discharge strategy (with associated permits) is becoming as important as demonstrating electrical capacity.

Yet before 2024, there was no mention of data centres in national planning guidance. Given the exponential growth in data centres, there is a need for a purposeful approach to strategic planning for data centre location.

The government has changed planning rules to explicitly reference data centres and classify them as Nationally Significant Infrastructure Projects (to streamline the planning process). It has also announced AI Growth Zones, but the industry questions whether these were developed with adequate consultation.

Demand signals suggest businesses want hybrid, distributed infrastructure near high-quality networks, not concentrated zones in predetermined locations.⁵⁴ And for some users, latency matters: the physical distance between a data centre and the problem it serves affects performance.

We call on the government to think holistically about data centre delivery:

Location for data centres should be driven by purpose and power, including where AI can deliver the most value while balancing the pull on natural resources. This includes an overview of the entire UK data centre estate, which is currently lacking.

The forthcoming National Policy Statement for Data Centres should prioritise sites that can be connected to sources of clean energy, especially where network overload has resulted in renewable power output being curtailed. AI

⁵⁴ 98% of IT decision makers have adopted or plan to adopt a hybrid IT models ([CoreSite, 2025](#))

Growth Zones must be designed with industry input, the right energy sources and water sources, and connected to the sectors they are meant to serve.

A Purpose-Driven Location, with the development of 'regional clusters' is vital. At the heart of this is empowering local authorities to bring together businesses, universities, and civic leaders to foster research and innovation ecosystems tailored to local strengths, supported by decentralised resources and bespoke regional strategies.

Call 17: Prioritise basic connectivity

AI is useless without connectivity, and millions of people across Britain still can't reliably make a phone call,⁵⁵ let alone access AI-powered services. Rural areas are locked out, and urban areas with poor broadband face the same problem. We call on the government to unblock the connectivity rollout as a matter of urgency. Connectivity must be treated with the same seriousness as compute – without the roads, the factories are pointless. Britain should commit to gigabit broadband to every home and business, including rural and remote areas, supporting local bespoke solutions where national rollout falls short. Publish a clear roadmap of digital and scientific infrastructure investments.

Connectivity is also economic as well as social. To ensure connectivity is affordable, as well as available, we propose a more effective and generous social tariff for broadband. Upskilling and access should also be based at the heart of the community – in libraries and community centres.

Call 18: Shake up reforms to grid connections

The rapid growth in data centres – amounting to approximately just under 6% of the UK's total electricity consumption by 2030⁵⁶ – has happened outside of the ongoing reforms to the already broken system of queuing of connections to the national grid.

This is reflected by the surge in applications for connections to the national grid – and consequently, literally, gridlock. As of the end of June 2025, there had been a 460% increase in just 6 months of transmission demand queue.⁵⁷ It seems that much of this was speculative activity that materially inflated the demand pipeline and, therefore, complicated NESO's attempts to reform the queuing of connections to the grid. NESO put out a Call for Input to gain a sense of current

⁵⁵ 35% of mobile phone users in the UK report problems with signal and network connection ([Which?](#))

⁵⁶ ([Neso Energy, 2022](#))

⁵⁷ ([UK Government, 2026](#))

and future demand, identifying ~140 data centres in the queue at transmission alone, representing approximately 50 GW of capacity.

This situation means that the UK's power grid is one of the single greatest bottlenecks preventing AI infrastructure investment in Britain.⁵⁸ We heard of extreme delays in power delivery to projects that the government has declared strategic priorities. Coordination between the Grid and the National Energy System Operator is poor⁵⁹. There is no accountability mechanism when delays occur. The government can announce all the AI Growth Zones it likes, if projects cannot get power, nothing gets built.

Improving the efficiency of connections and smoothing consumption can reduce pressure on the grid, allowing data centres to expand without causing grid congestion or contributing to the risk of outages, particularly during periods of high demand.

Improved grid connections and the adoption of energy storage/backup systems can increase the resilience to fluctuations in grid supply, ensuring business continuity and reducing downtime risks. This enables data centres to become prosumers – both an energy producer and energy consumer – helping balance the grid.

We call on the government to break the coordination failure between the Grid and NESO. Create accountability mechanisms for delays. Improve the adoption of energy storage and backup systems to help balance the grid. Allow energy companies to build parallel network capacity where the monopoly is failing to deliver.

What's more, we must enable local authorities and communities to establish local energy grids and microgrids, simplifying the licensing and grid standards for small-scale networks.

Call 19: Mandate community benefit standards for data centres

AI infrastructure is expanding across Britain, consuming significant energy and water resources.⁶⁰ Too often, communities bear the costs while benefits flow elsewhere. Public perception of data centres is frequently negative, and understandably so, when the benefits are invisible and the disruption is real.

⁵⁸ The National Grid says data centres representing 30GW of power demand are awaiting connection to the Grid ([Wired, 2026](#))bottlenecks

⁵⁹ ([techUK, 2025](#))bottlenecks

⁶⁰ Large data centers can consume up to 5 million gallons per day ([EESI, 2025](#))

We call on the government to require all data centres to direct their waste heat to either a district heating network or to generate electricity, benefitting the local community in which they are situated, and connecting to local heat networks. Networks such as those in Denmark have been shown to be capable of transporting heat long distances and storing heat faster for use by consumers in the winter. We must ensure that excess energy, which would otherwise be wasted, goes back to the community.

There must be measurable local benefits, including jobs and skills. Support local authorities to build the receiving infrastructure that makes heat reuse possible. Address negative public perception through transparency and proper risk assessment about actual water and energy use, countering misconceptions with facts. Give councils greater powers and resources to negotiate community benefits directly, and pilot local government technology sandboxes to test new approaches.

Call 20: Tackle the energy question for AI

There is a tension at the heart of Britain's AI ambitions that the government has not confronted. Whilst data centres are very important to the digitisation of society and the establishment of a smart energy system, they also have significant implications for energy demand and greenhouse gas emissions in the UK.⁶¹

The exponential growth in energy demand, currently, is outstripping supply.⁶² However, in a few years, this will change: with a rise in renewable energy, the UK may face more supply than demand. As the country has deindustrialised, demand for energy has decreased. The electrification of home heating and transport, together with the growth of AI and data centres, will therefore play a huge role in balancing demand and supply and, hopefully, in stopping the current situation where people's bills pay for wind farms to be turned off when demand is low.

A strategic and purposeful approach to energy can turn a complex energy-demand problem into a potential opportunity. As the energy demands of data centres continue to rise, their relatively flexible and easier-to-manage load characteristics, compared to other industrial consumers, position them as pivotal players in power systems. With high-capacity uninterruptible power supply (UPS) battery systems, generators and the integration of renewable

⁶¹ It is estimated that data centres energy demand could represent 8.8% of total UK electricity demand by 2030 ([Clarissa Hahn, Oxford Economics, 2025](#))

⁶² Ofgem predicts that the 140 proposed data centres in the UK could demand 50GW of energy, this is 5GW over the country's current peak demand of 45GW ([Ofgem, 2026](#), [Tech News Hub, 2026](#))

energy sources, data centres are poised to act as prosumers, capable of contributing to power system flexibility.

Without intervention, the default path is to build data centres wherever companies want and fill the energy gap with local gas generators, which is neither green nor strategic. The alternative is to incentivise the location of data centres next to renewable or excess energy sources so they use power that would otherwise go to waste, and incentivise on-site battery storage so they help balance the grid rather than strain it

We call on the government to ensure an energy strategy is core to the building of data centres. Invest in technology to decarbonise data centres and create incentives for building sustainable AI infrastructure. Commission an independent assessment of total projected AI energy demand against available grid capacity, so that policy is based on reality, not aspiration. We must think long-term.

Conclusion: An invitation

This Liberal Vision for AI aims to address the challenge of thinking holistically about the impact of AI on our everyday lives, our economy, and society. We've collaborated across departments and organisations, asking tough questions and proposing ideas to help Britain thrive.

We choose to embrace this change, wholly accepting the opportunities and challenges we will face – understanding the power of this technology.

Our calls for change

Liberal Democrats are ready to be constructive partners in building an AI economy that works for everyone. We are not interested in opposing for opposition's sake. We are interested in getting this right and driving leading policy in this area

Our ask of business, civil society, and academia

Join the conversation. Help us refine these proposals. Challenge us where we have got it wrong. Build the coalition for responsible innovation that Britain needs.

Our promise to the British public

We will keep listening. We will keep pushing for action. And we will never lose sight of the goal: AI that works for everyone, not just those who build it or own it.

'We can only see a short distance ahead, but we can see plenty there that needs to be done.'

– Alan Turing

Join the conversation

Contact Lib Dem Spokesperson for Science, Innovation & Technology

Contact

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Join Victoria's innovation board at bit.ly/vcinnovationboard

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This paper, "A Liberal Vision for AI," as a spokesperson's view, has followed hundreds of constructive and interesting exchanges. Although grounded in some Liberal Democrat policy is not an official Liberal Democrat policy paper.

**Helping Britain thrive
in the age of AI
Join the conversation**

