

Spending Review: Setting the stage for UK investment

13 June 2025  Gavin Cummings

The Chancellor's Spending Review this week, during London Tech Week, reinforced what many in the industry already sensed. The UK is doubling down on AI and investors should be paying attention.

For private investors, the announcements signal a renewed commitment to building a future-facing economy, one that could enhance the UK's attractiveness as a destination for inward investment.

The Spending Review shows us that an AI ecosystem is emerging – bridging education, innovation and powered by nuclear energy. Firstly, one of the announcements – a £2 billion investment in AI – is a welcome move. It sends a strong signal to the global tech community that the UK is serious about its role as a leader in AI. In addition, £750m for the national supercomputer project in Edinburgh and £10bn in NHS technology and digital transformation.

All these projects will need to be powered. At Browne Jacobson, we're seeing an increase in data centres, fuelled by the expansion of AI technology and their energy requirements. The government's package of funding to grow the UK's nuclear sector is a response to that need, recognising that growing tech means powering it with a low-carbon energy supply.

Another promising development this week is the Department for Education's newly updated guidance for using AI in education settings, further encouraging school leaders to actively engage with tools to support their work in the classroom and for operational tasks. While this may not have immediate economic impact, it represents an opportunity for technology companies to develop products and services that will tempt schools to invest and potentially build their strategy around.

We expect this kind of investment to act as a catalyst for capital flows into British AI companies. As a UK and Ireland law firm, we are already seeing an increase in deal activity in AI. We expect that trend is likely to accelerate if the ecosystem is nurtured and the UK can compete with global players.

The Chancellor's announcements are not just about public investment – they are a call to action for private capital to follow suit. If executed well, this could be a defining moment for the UK's position in the global AI economy.

Read our comments: [Browne Jacobson lawyers respond to Chancellor's announcement](#)

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