Insights from the APPG's inaugural Call for Evidence | May 2026

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Our Approach

The Data Centres All Party Parliamentary Group (APPG) exists to foster cross-party understanding of data centre development in the UK to support UK economic growth, digital infrastructure resilience, and technological innovation; scrutinise the challenges and opportunities around these areas; and make evidence-based policy recommendations that support data centre growth while addressing key considerations.

In this rapidly evolving landscape, the APPG has sought to understand the current priorities of those working within the data centre ecosystem, to establish an early evidence base for its work. A Call for Evidence was launched and held between 14th January and 20th March 2026, through a publicly available questionnaire hosted on the APPG's website: https://datacentresappg.co.uk/. An invitation to contribute was also shared in a trade press release, through Officers, and via social media.

This Call for Evidence received responses from 29 organisations across the UK data centre ecosystem, including operators and developers, hyperscale technology companies, engineering and professional services firms, energy suppliers, academic and research institutions, local and regional government, and environmental non-governmental organisations (NGOs). Some organisations submitted supplementary evidence directly to the Secretariat. The list of respondents who agreed, as part of their submission, to have their organisation name disclosed is available on the APPG website.

These submissions will inform the Terms of Reference for the APPG, establishing the Group's focus for the year ahead, which will be agreed by the Group's officers. It shares insights from the topics raised in the Call for Evidence submissions.

Opportunities and Challenges

Responses to the Call for Evidence indicate significant intent from respondents to invest in developing the UK's data centre infrastructure, while also indicating that many are operating amid of a set of interconnected structural barriers.

In the questionnaire, respondents were asked to prioritise eight issues (Grid access, Energy Costs, Planning, Sustainability, Water, Skills, International Competition, and Other) from most to least significant for the sector. For each respondent, the issue they ranked as 1st priority received 8 points, 2nd received 7, and so on down to 1 point for the issue they ranked last. Points were then aggregated across all 29 respondents to produce a priority score across the eight issues.

#	Issue — Sector Priority View	Priority Score
1	**Grid access & energy supply**	204
2	**Energy costs & market design**	177
2	**Planning**	173
4	Sustainability & net zero	141
5	Water use & environment	112
6	Skills & workforce	104
7	International competition & investment	88

Scores by rank position across 29 respondents. The chart shows the respondent-wide view.

Data centres are a major source of planned investment. 44% (13 of 29) of respondents confirmed they are currently investing or plan to invest in UK data centre infrastructure over the next five years. Several submissions from data centre operators (including Ark Data Centres, Nebius, Pure DC, VIRTUS) collectively named a total of £11-12 billion in specific investment plans, with Microsoft's written submission adding a further £22 billion committed to UK AI infrastructure and ongoing operations over the next 4 years.

Energy infrastructure is perceived as a foundational constraint. Grid access ranked as the top priority among 52% (15 of 29) respondents. The primary concern raised was the speed and certainty of new grid connections, which directly determine where and when investment can be successfully made. Energy costs were seen to be adding complexity, with respondents noting that UK electricity prices are structurally higher than those in key competitor markets outside the UK. Among respondents identifying grid connections as a barrier to the development of digital infrastructure, VIRTUS welcomed the UK Government's recognition of electricity cost competitiveness as a strategic issue, including proposals to offer discounted power arrangements within AI Growth Zones. However, VIRTUS noted that proposals to limit discounts or target support to specific geographies risk creating a two-tier system.

Planning inconsistency is slowing the pace of delivery. 79% (23 of 29) of respondents placed planning and permitting in their top three sector priorities. As VIRTUS notes, "significant variation in how local authorities interpret and apply planning policy" means that "even where projects are aligned with national growth and digital strategy objectives, local interpretation can create avoidable delay and uncertainty." Both VIRTUS and Microsoft suggested there was an opportunity for national guidance to create a consistent framework.

Community engagement is a key consideration. 10% (3 of 29) respondents (such as Pure DC, Nebius, and VIRTUS) shared initiatives to invest in job creation and skills development. Pure DC mentioned Premier Park, a joint venture with SEGRO, which is intended to result in more than £1 billion investment into West London, and create a pipeline of 100s of new jobs.

Sustainability can be a core part of data centre development in the UK. 27% (8 of 29) of respondents ranked sustainability as a priority. DICE Network's supplementary submission highlighted the opportunity to use waste heat to serve district heating networks, greenhouses, and swimming pools, stating that over 90% of the electricity consumed by data centres is wasted as heat, with the UK's current heat recovery rate standing at just 3–5% and that Germany has mandated a 10% minimum Energy Reuse Factor; one respondent from the energy sector suggested that the UK could follow suit, arguing that this would turn an operational cost into a community and environmental asset. The DICE Network submission also noted that data centres can drive the clean energy transition, but only if grid and pricing conditions are supportive.

Call for further investment in research and innovation. Durham University and the University of Oxford noted that research computing infrastructure at scale is considered "cost-prohibitive for academia", widening the gap between research and commercial application.

What Comes Next

The Call for Evidence provides the APPG with an initial perspective from which the topics of the evidence sessions have been drawn.

The APPG will convene two oral evidence sessions this year that will explore these themes further and interrogate them in depth. These evidence sessions are outlined below.

The APPG expects that new issues will arise during oral evidence sessions, adding to its understanding of the context in which the UK data centre ecosystem is developing. Further

insights can be shared with the APPG via the Secretariat. The APPG is particularly keen to receive further written and oral evidence from community representatives, local authorities, and those with experience of data centre development outside London and the South East to build our understanding of perspectives from these parts of the ecosystem.

By the end of 2026, the APPG will take further oral evidence from across the data centre ecosystem on the core topics identified in the Call for Evidence, and will produce and launch a policy recommendation report setting out how the UK can be best positioned to lead data centre development.

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