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28 January 2026

Dear Sir Stephen,

AI-DRIVEN INNOVATION

As you know, driving economic growth is a top priority for the government. Improving the UK's regulatory environment so that it actively supports investment, innovation and productivity is central to that vision. This is a shared endeavour. We value the progress you have made over the past year to put growth at the heart of operations. In 2026, we must maintain this momentum and build on that foundation. Artificial intelligence is an immediate cross-cutting opportunity to raise productivity and deliver growth.

Unlocking Growth by Enabling Safe AI Innovation

Effective adoption of AI in the UK relies on citizens' confidence in its safety. We are asking you to help enable safe adoption of AI in your sector. This involves maintaining a clear organisational focus on enabling safe AI innovation, acting proportionately and transparently, and removing unnecessary barriers where they arise.

This should include taking the following actions:

1. Work closely with the Department for Transport and Department for Science, Innovation and Technology to publish a plan setting out how you will help enable safe AI-powered innovation by May 2026. This should set out the steps such as:
 - a. Publishing adequate **guidance** explaining how existing rules apply to AI use cases in your remit. This could include guidance on how regulated entities use AI as well as how rules apply to new AI services or products within your remit.
 - b. Ensuring regulatory **processes** (including approvals) are compatible with AI-enabled product and services, particularly for dynamic products (i.e. where products receive regular updates after regulatory approval).
 - c. Initiatives from regulators which consider whether and how significant anonymised **data** sets or synthetic data sets could be made available to support the development, deployment and adoption of AI.

- d. Creating **sandboxes** where beneficial. For example, as part of ongoing monitoring, you may identify products or use-cases where AI adoption and innovation is hindered by either regulatory uncertainty.
2. Building on the publication of the plan, report annually on how your regulatory approach has enabled innovation and growth driven by AI in your sector. This could be included as part of your existing annual reporting structures. This should summarise key actions, outcomes, transparent metrics, and lessons learned, and identify any adjustments needed to remove regulatory barriers to innovation and AI adoption.

We look forward to working with you and thank you for your leadership on this important agenda.

Yours sincerely,



Rt. Hon Heidi Alexander MP
Secretary of State for Transport



Rt Hon Liz Kendall MP
**Secretary of State for Science,
Innovation and Technology**



Rt Hon Peter Kyle MP
**Secretary of State for Business and
Trade and President of the Board of Trade**