

# AI Policy Feedback | May 2026



**TECH NATION**  
FOUNDERS PULSE

**394** total respondents, **233** founders  
**62%** early stage (pre-seed - seed), **28%** growth stage (Series A+), **10%** other/non-VC backed)

# Key Takeaways

Six takeaways from founder responses

**Founders see AI as a major UK opportunity — but want clearer, more credible Government action to match its potential.**

## 1 AI opportunity is clear

Founders see the biggest gains in productivity, new company creation and global competitiveness.

## 2 Government delivery is the concern

Many feel AI and innovation are being talked about, but not yet treated as a major priority.

## 3 The Chancellor's stance needs stronger follow-through

Founders broadly feel the right direction is being signalled, but stronger delivery is still needed.

## 4 Competitiveness is under pressure

More founders see the UK as less competitive than more competitive for founding and scaling businesses.

## 5 Growth capital is the top ask

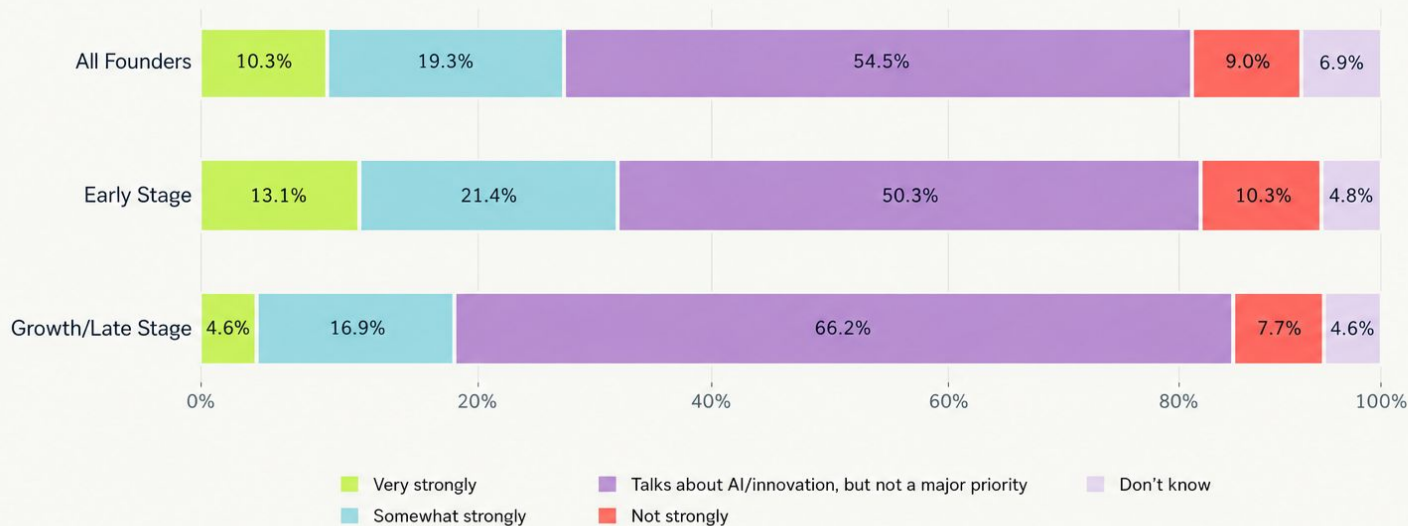
Improving access to growth capital and expanding R&D tax relief are the clearest policy priorities.

## 6 Growth-stage founders are most sceptical

Later-stage founders are more focused on industrial strategy, regulation, investment and competitiveness.

# How strongly do you think this Government prioritises AI and innovation?

Share of respondents by founder stage

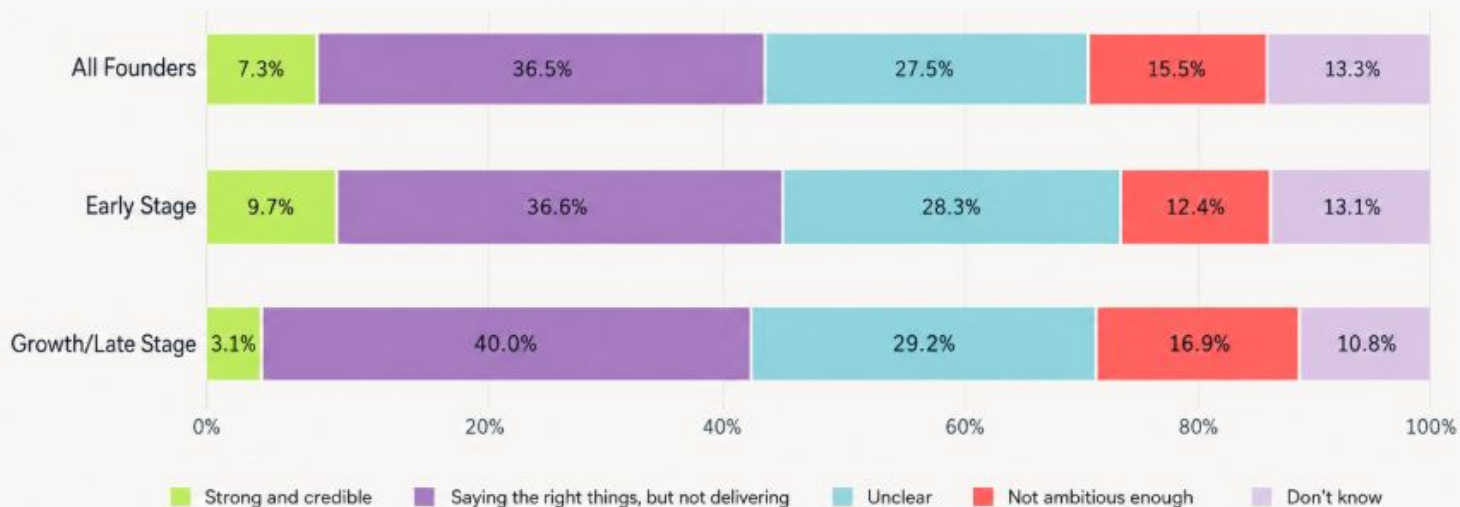


## Key takeaways

- Most founders say Government talks about AI and innovation, but it does not feel like a major priority.
- Growth/Late Stage founders are the most sceptical, with 66.2% choosing this view.
- Early Stage founders are slightly more positive than other groups.

# How would you rate the Chancellor's stance on AI and innovation so far?

Share of respondents by founder stage

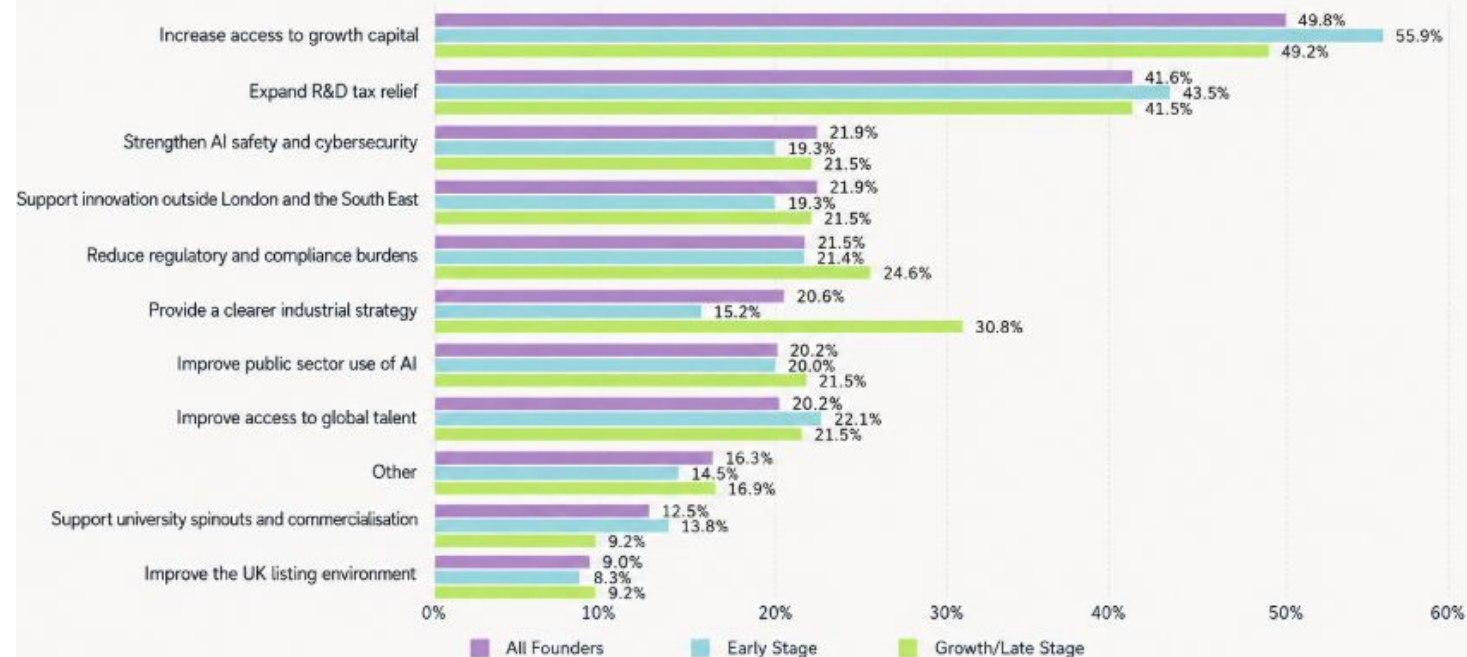


## Key takeaways

- The most common view is that the Chancellor is saying the right things, but not delivering.
- More than a quarter of founders say the Chancellor's stance remains unclear.
- Very few founders rate the stance as strong and credible, especially Growth/Late Stage founders.

# What should be the Government's top priorities for supporting AI, innovation and high-growth businesses over the next 12 months?

Share of respondents by founder stage



## Key takeaways

- Access to growth capital is the clear top priority across all founder groups.
- Expanding R&D tax relief ranks second, with strong support from both early-stage and growth founders.
- Growth/Late Stage founders place more emphasis on a clearer industrial strategy and reducing regulatory burdens.

## Buy from UK startups, not just big consultancies

“

Buy it better — not from large consultancies, but from nimble startups. Use the Procurement Act to purchase, and publish stats on how many AI startups government is working with.

“

Simplify government pilots with startups and procurement from AI startups. We have a hard time accessing decision-makers.

“

We have to get HMG and UK PLC actually working with British companies. Just so much chat... and then they sign with Fujitsu / IBM / Microsoft. Tech founders are losing trust.

## Other Quotes

THEME 2: INFRASTRUCTURE

# Energy and compute are the binding constraint

“

Make energy cheap enough that we can actually compete.

“

Set up AI datacentres and bring chip manufacturing to the UK.

“

Urgently boost startups removing the power and cooling barrier for AI rollout.

“

Send an unambiguous policy signal that Government will back energy innovation to lower power costs — the binding constraint on AI, compute and every other high-growth industry the UK wants to scale.

## Back domestic AI — but make it safe, fair and sovereign

“ Stop selling out to American Big Tech and support domestic enterprise with clear fiscal support, access to growth capital and a supportive regulatory environment.

“ Support UK models for government programmes.

“ I want to build on safe AI that is tested before it is deployed and regulated to help people, not corporate profits.

“ Encourage sovereign AI access and secure sovereign data protection for SMEs in the UK.

## Founders want simpler incentives, capital and talent

“

Improve SEIS and EIS tax relief and improve Entrepreneurs' Relief.

“

Attract and retain talent, and don't let politics drive uncertainty around visas and ILR.

“

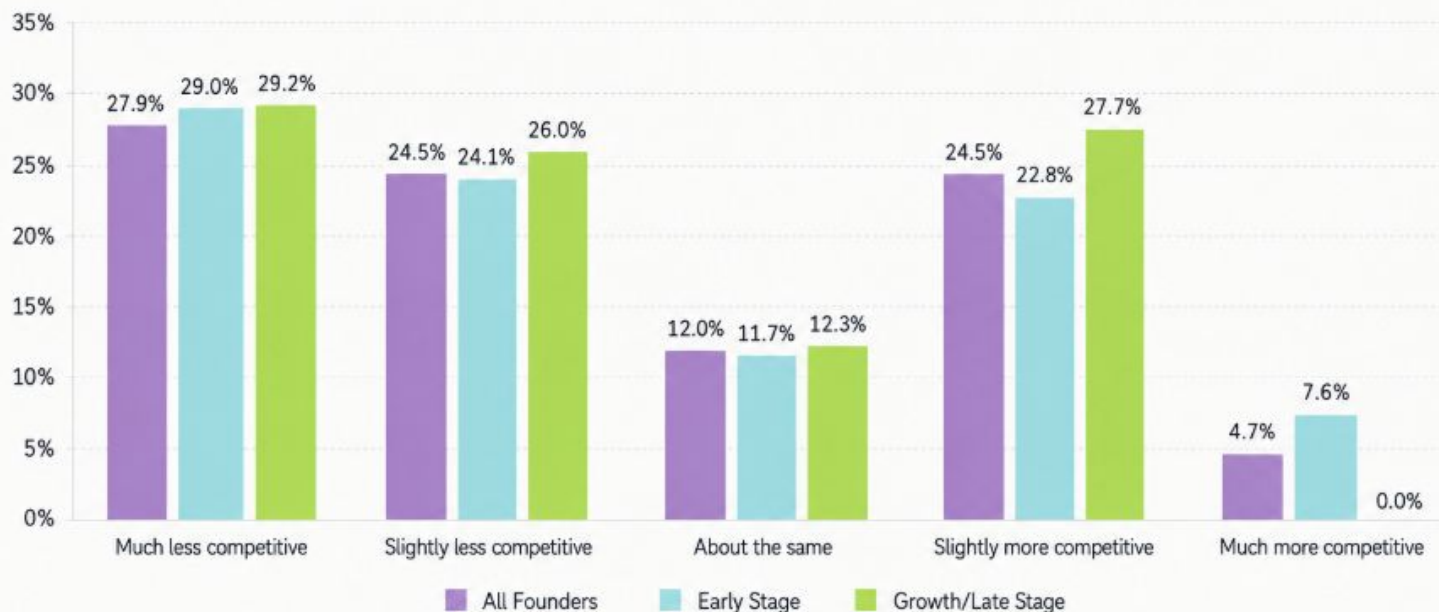
Lower taxes and provide incentives to those who invest in UK AI startups.

“

Government needs to be bold, accept there is risk, and support entrepreneurs and early cash flow — less form filling, more people who understand the private sector.

# Compared to other countries, how competitive do you think the UK currently is for founding and scaling innovative businesses?

Share of respondents by founder stage



## Key takeaways

- The balance of opinion is negative: more founders see the UK as less competitive than more competitive.
- Growth/Late Stage founders are the most negative overall.
- Very few founders think the UK is much more competitive than other countries.

# Where can AI make the biggest difference for the UK?

Share of respondents by founder stage



## Key takeaways

- Raising productivity is the top opportunity across all founder groups, especially among Growth/Late Stage founders.
- Creating new companies and markets is the next biggest area, with strong support across the board.
- Early Stage founders place more emphasis on improving healthcare, while Growth/Late Stage founders are more focused on competitiveness and investment.