# The Digital Sovereignty Brief #4 — "Cut off at the whim of its partners"

Parliament, the Bank of England and the NCSC all named Britain's technology dependency in a single week — while the US gate on GPT-5.6 lifted, on Washington's schedule, after twelve days.


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The Digital Sovereignty Brief · Issue #4 · Friday 10 July 2026 *A weekly read on UK digital sovereignty: who owns the tech, where the data lives, and where it could be cut off.*

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**The week in six lines:**

- **Parliament has adopted the cut-off risk in its own words.** The Commons Science, Innovation and Technology Committee says the government has "no coherent strategic framework" for tech sovereignty and that Britain risks having its access to AI "cut off at the whim of its partners" — citing the Anthropic and OpenAI restrictions as its evidence.
- **The GPT-5.6 gate lifted after twelve days.** The US Commerce Department cleared OpenAI's newest models for public release on 9 July; UK access resumed on Washington's schedule, exactly as it had been withheld.
- **The Bank of England now counts frontier AI as a financial-stability risk** — and notes the AI hyperscalers issued more bonds in the first half of 2026 than in the whole of 2025, on declining free cash flow.
- **Data-centre planning just got a fast lane.** Mandatory pre-application consultation for nationally significant projects is abolished from 24 July, and three data-centre schemes — including a 300MW campus at Ebbsfleet — have already been directed into the regime.
- **The flagship compute sites may not add up.** The Guardian reports that the Lanarkshire AI Growth Zone cannot be powered as promised, and that Stargate UK's £30bn headline was mostly "potential" — while academic mapping shows the UK build-out is controlled by a handful of global players.
- **The thread:** the state has started describing the dependency precisely — in a select-committee report, a stability report, a

procurement document and a cyber blueprint — and description is where it currently stops.

**The through-line:** in one week Parliament, the Bank of England, the NCSC and the government's own digital service each named the dependency this publication exists to map — while the GPT-5.6 episode demonstrated, again, where the switch sits. Naming the problem is necessary. It is not capability.

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## Ownership & control

**The gate on GPT-5.6 lifted — twelve days after it closed, on Washington's timetable.** On 8 July the US Commerce Department, after further testing by its Center for AI Standards and Innovation, cleared OpenAI to release the GPT-5.6 family broadly; the three models — Sol, Terra and Luna, their names now official — went public on Thursday 9 July across ChatGPT, the API and Codex. That ends the preview arrangement that began on 26 June, under which a circle of roughly twenty trusted partners — their participation shared with, and cleared by, the US government — had exclusive access. OpenAI's own launch post is candid about the mechanics: the restriction came "at their request", meaning the administration's, and the company says this kind of government access process should not become "the long-term default".

*Why it matters:* British organisations got the new models the day everyone else did — which is precisely the point. Twice in a month, access to the most capable US models has been withheld and restored by a decision made in Washington, and twelve days is the lag in the benign case, where nothing was found and the process worked as intended. That number now sits alongside Anthropic's eighteen days as the measured cost of a dependency no UK contract can negotiate away. OpenAI · Axios · Engadget

**A supplier to UK government and healthcare quietly hit the wall — and was rescued the same day.** On 29 June, Claranet, the London-based group founded and still controlled by Charles Nasser, acquired Six Degrees, a UK cloud and managed-services provider whose customers span financial services, healthcare, legal and government. The mechanics deserve attention: administrators from Interpath were appointed over a Six Degrees group entity that morning and completed a solvent sale of the trading companies to Claranet the same day — the exit route for Six Degrees' owner since 2015, the Boston private-equity firm Charlesbank. Six Degrees' revenue had fallen for five consecutive years.

*Why it matters:* our framework treats vendor fragility as a sovereignty question, not just a commercial one — a supplier that fails is a cut-off you chose. Here a company holding government and NHS-adjacent workloads reached the edge of insolvency under US private-equity ownership, and the fix was found in the market within hours. Control passing to a UK founder-led group is the better direction of travel; the episode is still a reminder that "who ultimately owns your supplier" includes "and how patient is their capital". Claranet · Interpath · MicroScope

**Briefly:** Volta, a 6MW carrier-dense colocation site near the City of London serving financial services, is being sold by Verne — owned by the French investor Ardian — to a fund managed by London-based Arcus Infrastructure Partners, which says it intends further UK colocation acquisitions. Ownership churn in London's interconnection fabric, and a new consolidator to watch. Verne · DCD

# Data & infrastructure

**Data-centre planning gets a fast lane — and it is already in use.** Under the Planning and Infrastructure Act, the government confirmed this week that mandatory pre-application consultation for nationally significant infrastructure disappears on 24 July, replaced by earlier technical advice and tighter examinations; ministers claim up to twelve months off project timelines. Three data-centre proposals have already been directed into the nationally-significant regime — in Buckinghamshire, Bedford and Dartford. The Dartford scheme received its formal direction on 1 July: a 300MW, 145-acre AI campus at Ebbsfleet from an affiliate of Clearstone, a UK renewables developer with a claimed 900MW of data-centre projects in development, first building targeted for 2030.

*Why it matters:* this is the most significant change yet to how quickly — and with how little local scrutiny — large-scale compute can be consented in Britain. Issue #3 carried CBRE's finding that London capacity is the tightest on record and constrained by power and planning; this is the planning half of that constraint being deliberately removed. Who ends up owning the capacity the fast lane delivers is now the question that matters. MHCLG · Section 35 direction · DCD

**The flagship sites, meanwhile, may not stand up.** A Guardian investigation into the government's AI Growth Zones reports that the Lanarkshire zone cannot deliver its promise of powering a gigawatt-scale site from on-site renewables — the developer holds roughly a tenth of the land required, and both developer and government now acknowledge it will connect to a grid with eight-to-ten-year waits; that the £543m "community fund" attached to the site is contingent on future revenues rather than committed; and that records released under FOI suggest Stargate UK in North Tyneside, from which OpenAI withdrew in April, was assembled at speed ahead of a political announcement, with some £20bn of its £30bn headline figure "potential" rather than committed.

*Why it matters:* the fast lane above only matters if the projects entering it are real. The government's sovereign-compute story rests on Growth Zones delivering half-gigawatt sites; the Guardian's findings — theirs, and worth reading in full — suggest the two most prominent examples are respectively power-infeasible and politically confected. Between a genuine planning acceleration and an announcement-grade pipeline sits the actual answer to whether Britain gets meaningful domestic capacity this decade. The Guardian

Nothing to report on data residency this week — Microsoft's EU Data Boundary change log has not moved since April, and no UK residency commitments were announced. The week's action was in planning, Parliament and Threadneedle Street.

## Reports & analysis

**The Bank of England has put frontier AI on the financial-stability risk register.** In the July Financial Stability Report, published 7 July, Governor Andrew Bailey said "rapid progress in frontier AI capabilities presents a significant increase in the risks to financial stability from cyber and operational vulnerabilities", with the latest models "increasingly capable of identifying and exploiting software vulnerabilities". The report also puts numbers on the financing of the AI build-out: the hyperscalers issued more bonds in the first half of 2026 than in all of 2025, their free cash flows are declining, and equity-market concentration in AI stocks has valuations at levels the Bank compares to the dot-com era. The Financial Policy Committee urges "effective implementation" of the critical-third-party regime.

*Why it matters:* the central bank is now treating the AI and cloud stack the way this publication does — as a systemic dependency, with both an attack surface and a balance sheet. A build-out increasingly funded by debt on declining free cash flow is a build-out more sensitive to refinancing conditions, and the institutions that depend on it inherit that sensitivity. Bank of England — opening remarks · Financial Stability Report

**Who owns the British build-out? Mostly not Britain.** The Centre for Inclusive Trade Policy published the first serious public mapping of the UK's data-centre expansion, by Professor Maria Savona. Its analysis of

Baxtel directory data counts 348 live UK sites with about 2GW of operational capacity at the end of 2025 — and 10.88GW announced or permitted, a potential near-sixfold expansion, with the top ten groups holding roughly three-fifths of operational capacity, "almost entirely owned or controlled by a small number of global players". Savona argues the employment case for subsidising the build-out is weak, warns the UK risks becoming "a regulatory island between EU sovereign-cloud rules and US cloud-export controls", and calls for a cross-departmental National Data Centre Strategy.

*Why it matters:* these are the CITP's figures rather than audited ones, but the shape is unambiguous and matches what our vendor database shows layer by layer: the capacity being fast-tracked onto UK soil is overwhelmingly foreign-controlled, and physical location on British ground settles almost nothing about control. A named academic centre making that argument, with numbers, strengthens the public case considerably. CITP

**A third of the "Sovereign AI Fund" reportedly went to US-owned companies.** Writing in the New Statesman's Spotlight, Tom Darling of the campaign organisation The New Contract reports that freedom-of-information disclosures obtained by his organisation show more than one in three companies backed by the government's £500m Sovereign AI Fund are US-owned — and that no conditions were attached to prevent relocation or acquisition by larger US firms.

*Why it matters:* treat the figure as Darling's until the underlying disclosures are independently examined, but the question it poses is the right one, and it is our test exactly: sovereignty follows ultimate ownership, not the flag on the press release. A sovereignty fund that applies no ownership test and no exit conditions is an industrial-policy instrument pointed at someone else's industrial base. New Statesman Spotlight

## Regulation & policy

**Parliament: Britain risks being "cut off at the whim of its partners".** The Commons Science, Innovation and Technology Committee's report on science diplomacy, published 7 July, finds the government has "no coherent strategic framework" for technological sovereignty and takes an "opportunistic approach" to international agreements. It explicitly rejects the doctrine that access-through-alliances is a substitute for capability, citing the US restrictions on Anthropic's models and the gated release of OpenAI's newest as evidence that Britain "may not be able to count on its allies". The chair, Dame Chi Onwurah, put it plainly: the government "needs a realistic plan to achieve sovereign capabilities in critical areas or risk having its access cut off at the whim of its partners".

*Why it matters:* readers of the last three issues will recognise every element of this argument — the committee's evidence is the same pair of episodes this Brief has tracked since June. A select committee saying it changes what happens next: it creates a formal government-response obligation, and it hands the Lords a ready-made argument when the Cyber Security and Resilience Bill has its second reading on Tuesday. SIT Committee · Computer Weekly

**The government's own cloud shopping list now reads like a sovereignty audit.** The Government Digital Service published its first Cloud Challenge Book on 7 July, putting five national-scale challenges to the cloud industry. The asks are striking in their specificity: UK-based regions "equal or better in price and capability than the most advanced regions in the world"; at least two fully-featured UK-jurisdiction regions, so government workloads can fail over without leaving British legal reach; infrastructure that can "defend against the most capable adversaries"; and systems that keep operating "when global connectivity is limited". The same day, the NCSC published its blueprint for Cyber Shield — a national, in its words "sovereign", AI-driven cyber-defence capability — while conceding it can only be built in partnership with frontier AI labs; and more than sixty firms signed a voluntary Cyber Resilience Pledge at Downing Street, with a National Cyber Action Plan trailed to follow.

*Why it matters:* a procurement document is the most honest register of what a government believes it lacks. Two fully-featured UK-jurisdiction regions and operation-under-disconnection are cut-off tests by another name — and today's hyperscaler UK footprints would struggle against both. The same tension runs through Cyber Shield: the operative word is "sovereign", and the named prerequisite is the frontier labs the rest of this issue has been about. Cloud Challenge Book 2026 · NCSC — Cyber Shield · Cyber Resilience Pledge

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**From Information Matters this week.** The first three of our Sector Exposure Profiles are now live as individual articles — the framework from our Applications & Infrastructure series applied sector by sector, scored on our exposure scale:

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