Pulsant Perspectives

A view into the future of private sector digital infrastructure in the UK

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Welcome to Pulsant Perspectives

This report is designed to give business leaders clear sight of the dominant factors shaping digital infrastructure today and what will truly matter as they prepare for tomorrow.

In an era increasingly dominated by artificial intelligence (AI), digital infrastructure is now the foundation of the UK economy.

UK AI is already worth in excess of £23.9 billion, spanning over 5,800 AI companies and employing more than 86,000 people[1].

[1] See AI Insights for UK Government data

This rapid growth in AI, as shown in recent Government data, is forcing businesses to rethink their digital strategy.

Infrastructure has overtaken skills and headcount as the number one area of focus for increased technology investment, with data sovereignty, compliance, and robust data management becoming central to these spending plans.

Businesses now realise that they must consider how their infrastructure and data work together in a dynamic environment, managing multiple platforms.

This includes understanding where their data resides, how it moves, and how infrastructure allows their partner ecosystems to engage.

As a digital infrastructure provider, we commissioned this research to improve our insight into these evolving challenges and better support businesses in building their confidence and understanding of the foundations that underpin the UK's technological future.

Pulsant Perspectives is our view on how these factors are changing the decisions around the private sector's digital infrastructure investment in the UK.

Mark Lewis,
CMO, Pulsant

Methodology

Throughout April and May 2025, Pulsant commissioned market research specialists Vanson Bourne to survey the opinions of 250 senior IT and business decision makers from organisations in the UK.

These businesses spanned North England, the Midlands, London, South England, Scotland, Northern Ireland and Wales.

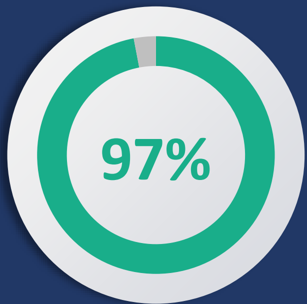
These organisations were drawn from a range of public and private sectors including manufacturing, legal, financial services, technology and healthcare.

Organisations had 250 to 3,000 employees, unless they were from the legal sector, where they had 100 to 3,000 employees.

- 100-249 employees
- 250-499 employees
- 500-999 employees
- 1,000-2,500 employees
- 2,501-3,000 employees

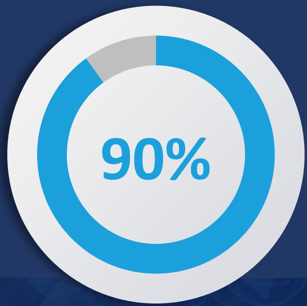
- Manufacturing
- Legal/legal tech
- Finance
- Healthcare (public and private)
- Other sectors (no quota)

Executive summary



97% of businesses say they are either somewhat or completely confident that their current organisational data strategy will remain fit for purpose for the next two years.

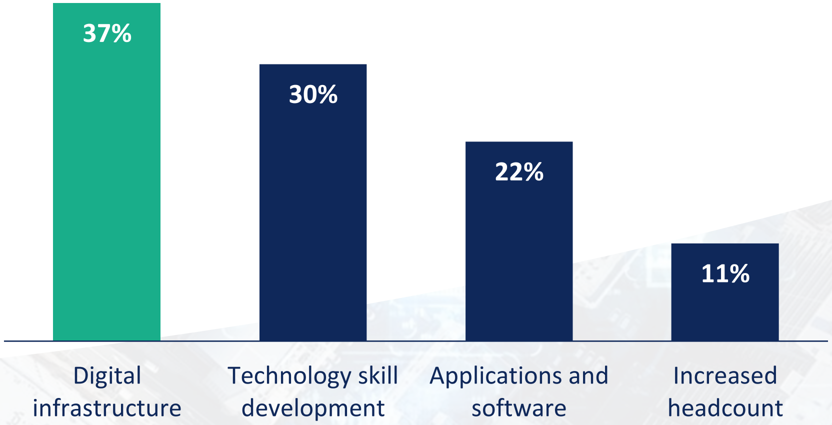
But this confidence comes at a cost.



90% of businesses expect to increase their technology investment in the next two years to address data strategy challenges.

The number one area of this increased investment to maintain confidence in data strategies is digital infrastructure.

What will be your main area of increased investment in the next two years?



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The Pulsant Perspective

Our research shows that three facets will dominate the increased spend on digital infrastructure

AI is king – for now…

78%

rank AI in the top three biggest factors within their data strategy.

Compliance is heir to the throne

55%

put data sovereignty or residency concerns in the top three impacts.

The UK has reached peak public cloud

87%

of UK businesses plan to migrate from the public cloud over the next two years.

Businesses are investing heavily in infrastructure because AI is driving a new approach to digital strategy, and infrastructure is key to surviving, and thriving, in this new landscape. Whilst harnessing the technological capabilities of AI is the dominant force of today, pushing infrastructure to its limits, it will cause compliance to be the defining issue of tomorrow. This will shift the market from cost and performance priorities towards a focus on confidence and compliance.

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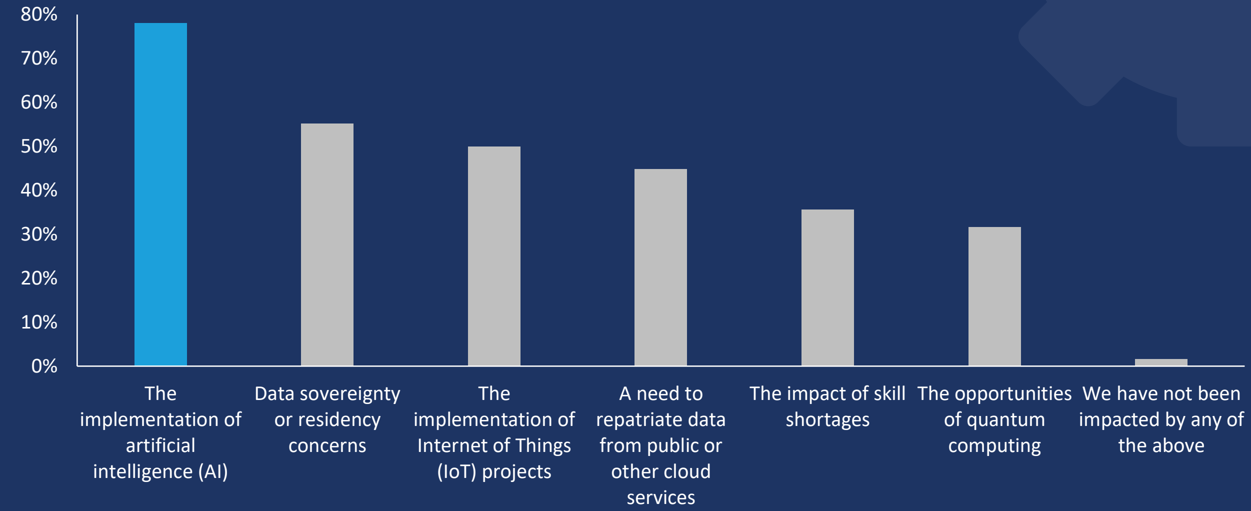
Perspectives on the impact of AI

Perspectives on the impact of AI

78%

of UK businesses rank AI in the top three changes having the biggest impact on their data strategy.

What change in the technological landscape has had the biggest impact on your data strategy?



Artificial intelligence is driving an urgent and profound shift in how businesses approach infrastructure. AI projects demand vast compute power as well as high-quality data. As this demand accelerates, legacy strategies are being exposed as no longer fit for purpose. Organisations are now re-architecting their infrastructure at speed to meet the requirements of this rapidly evolving landscape.

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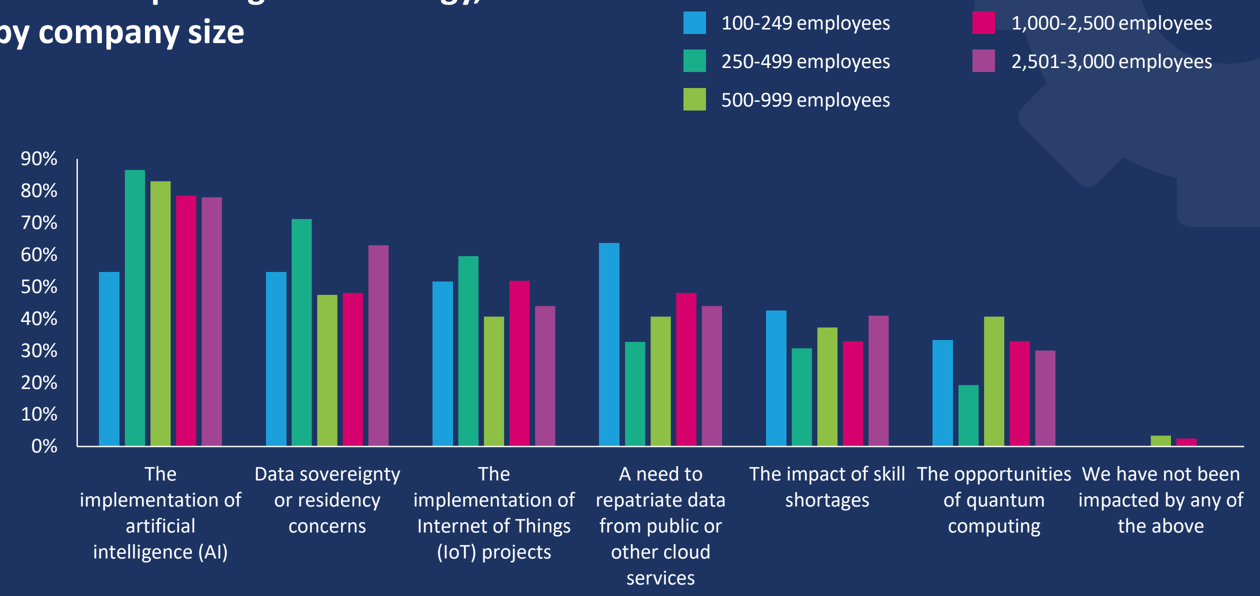
The market perspective

87%

of businesses with 250-499 employees rank AI in the top three factors driving data strategy decisions, making them the most impacted.

Factors impacting data strategy, by company size



The results suggest that AI poses an acute challenge for high growth and early enterprise size companies.

AI has become such a dominant concern for them because it exposes the fragility of their current data strategies; the result of rapid expansion without the dedicated teams or robust infrastructure of more mature organisations.

Medium-sized businesses (MSBs) that have not treated data as a strategic asset now face the challenge of overcoming siloed, fragmented data spread across departments, stored in various formats, often without consistent quality or governance processes.

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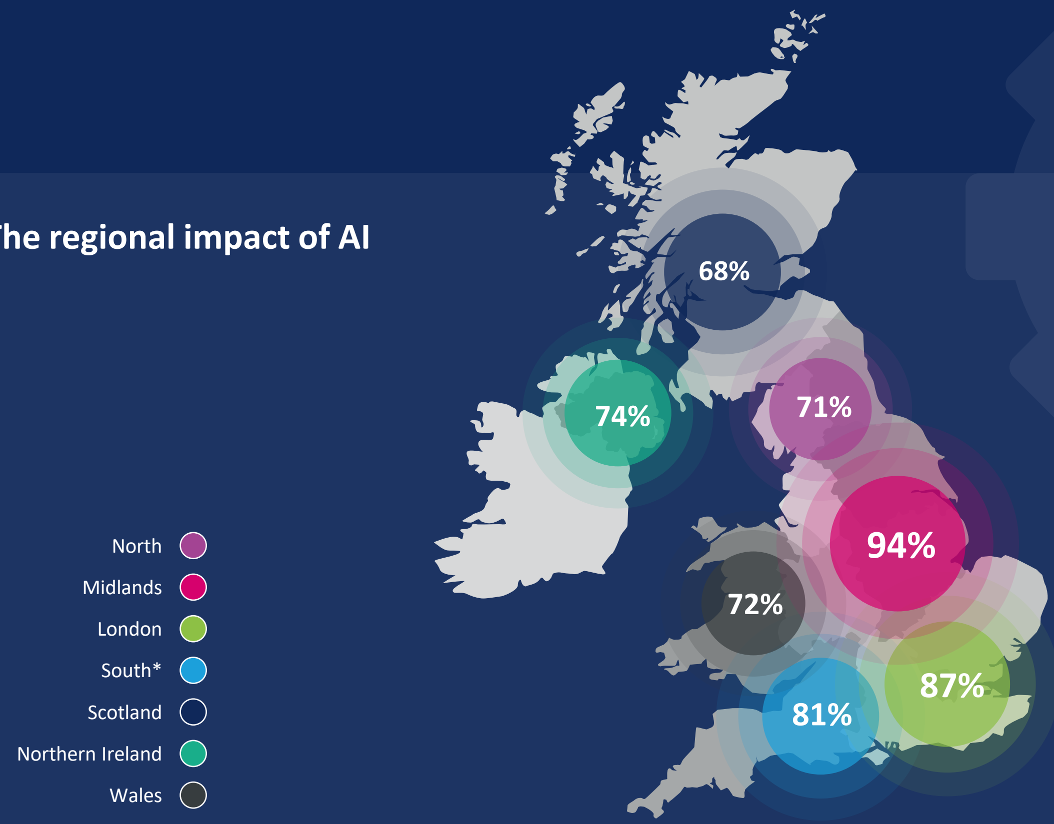
The regional perspective

94%

of businesses in the Midlands cite AI in the top three factors driving data strategy decisions.

The regional impact of AI



When it comes to the impact of AI on data decisions, our research revealed that the Midlands is the most affected region.

Given the increased concentration of resource-intensive companies in the advanced manufacturing, logistics and automotive sectors throughout the region, this focus on AI is unsurprising.

Midlands companies as diverse as Rolls Royce, Boots, JCB, Experian and National Grid all have ongoing AI projects, spanning smarter production lines, predictive maintenance, and enhanced customer experiences.

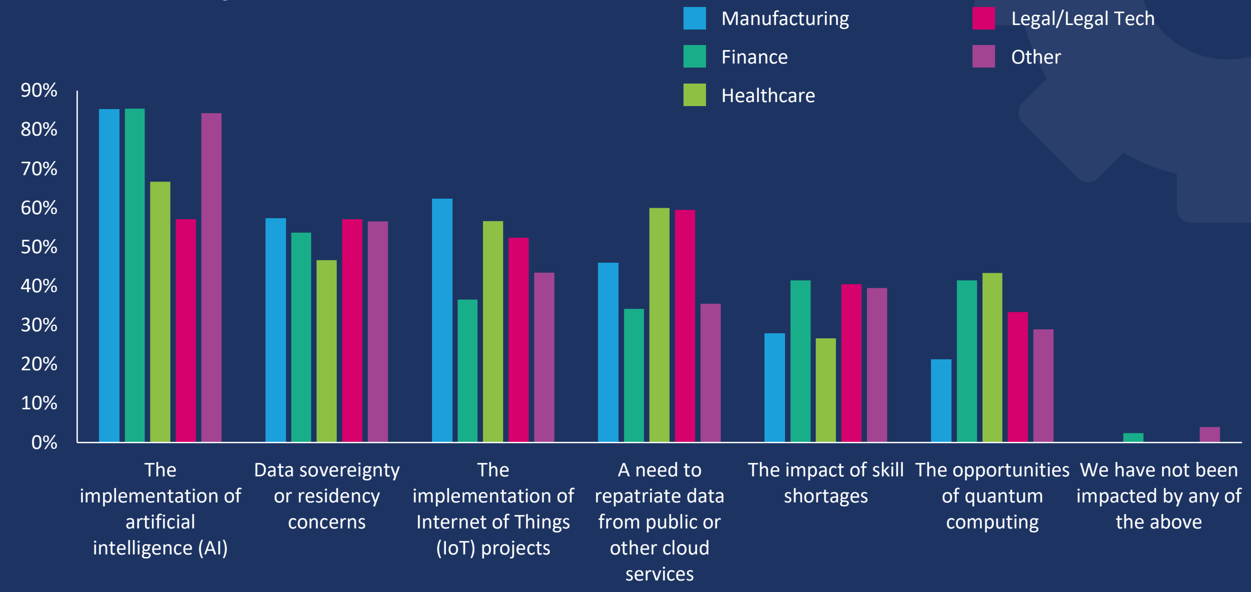
*(excl. London)

The vertical perspective

85%

of businesses in both manufacturing and finances ranked AI in the top three concerns.

The vertical impact of AI



Our research found that the manufacturing and finance industries were most focused on AI as an agent of change in relation to their data strategies.

There are likely different reasons for this importance.

For manufacturing companies, AI is a key concern as they grapple with skills availability and data quality. By comparison, AI typically dominates data discussions in finance companies because of data complexity and regulation issues.

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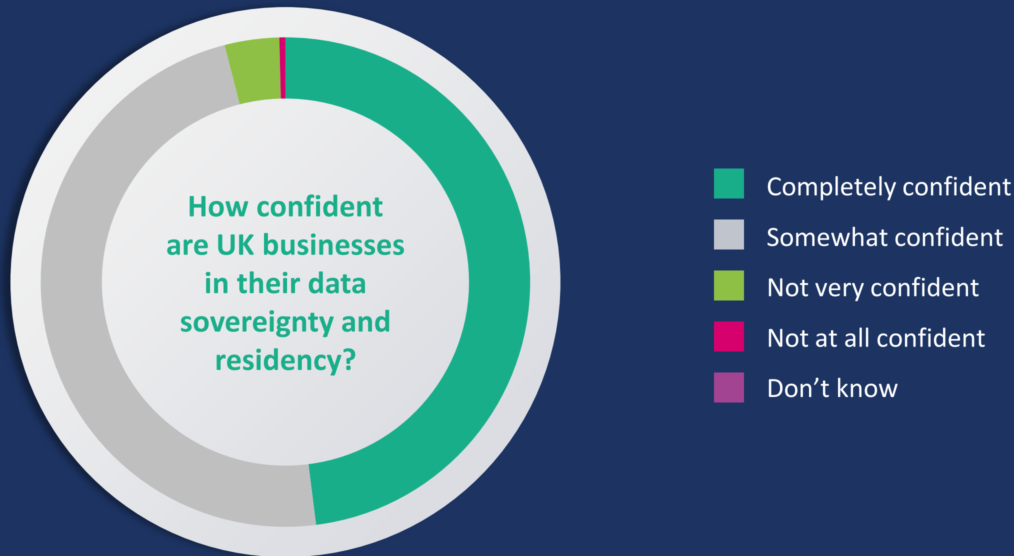
Perspectives on the impact of compliance

Perspectives on the impact of compliance

52%

of UK businesses are not completely confident in their ability to implement data sovereignty and residency regulation changes into their data management practice.



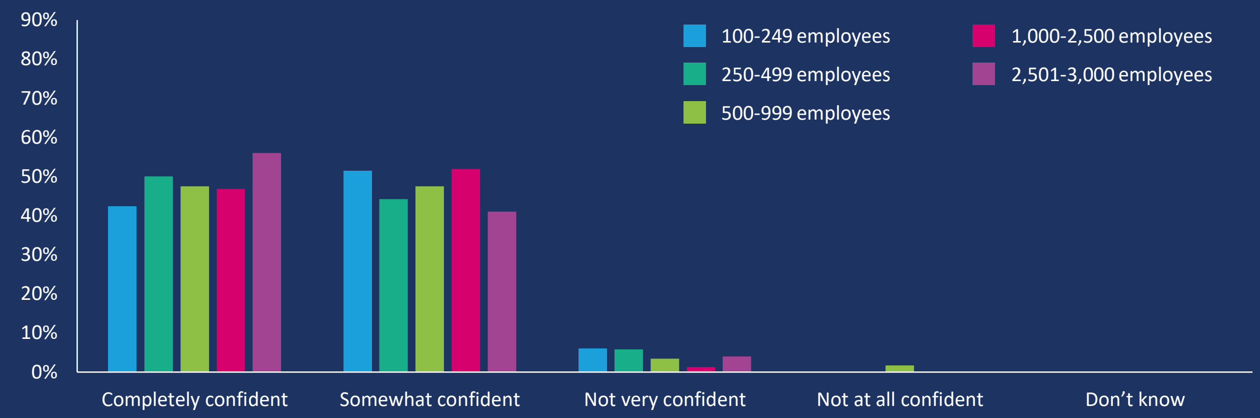
The UK's data sovereignty framework is made up of a patchwork of laws rather than a single, unified regulation. For private sector businesses, this creates a significant challenge in determining which rules apply to which data. The complexity of the regulatory landscape, and the subsequent technical fragmentation of the data infrastructure, damages confidence about compliance.

The market perspective

58%

of businesses with 100-250 employees were not completely assured of their ability to implement data sovereignty and residency regulation changes.

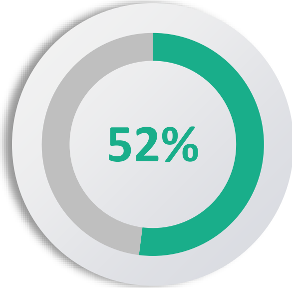
How confident are UK businesses in their data sovereignty and residency?



The research clearly indicates that SMEs are the least ‘compliance confident’ and that smaller businesses are at a disadvantage. These organisations rarely have direct access to the expertise needed to navigate the complex, fast-changing regulatory landscape. They typically outsource this activity and rely on partners, but the research also shows that 60% of organisations are not completely confident that their suppliers have adequate visibility for compliance over the storage and transit of all their data. This highlights a significant vulnerability in the compliance chain, particularly for SMEs, where reliance on third parties compounds the risk.

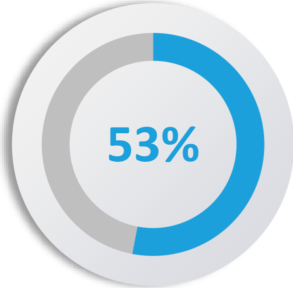
Perspectives on compliant data operations

Storage



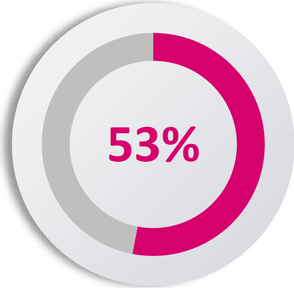
52% of organisations are not completely confident that their data is stored in compliant locations.

Transit



53% are not completely confident that the transit of their data is compliant.

Resilience



53% are not completely confident that their connectivity infrastructure supports uninterrupted data movement across their physical locations and cloud environments.

These figures are consistent across company size, region and vertical market.

Such low confidence in both data storage and data transit compliance suggests a lack of end-to-end data visibility.

Businesses lack a clear, real-time view of where their data resides, who has access to it, and how it moves across their networks and through the cloud.

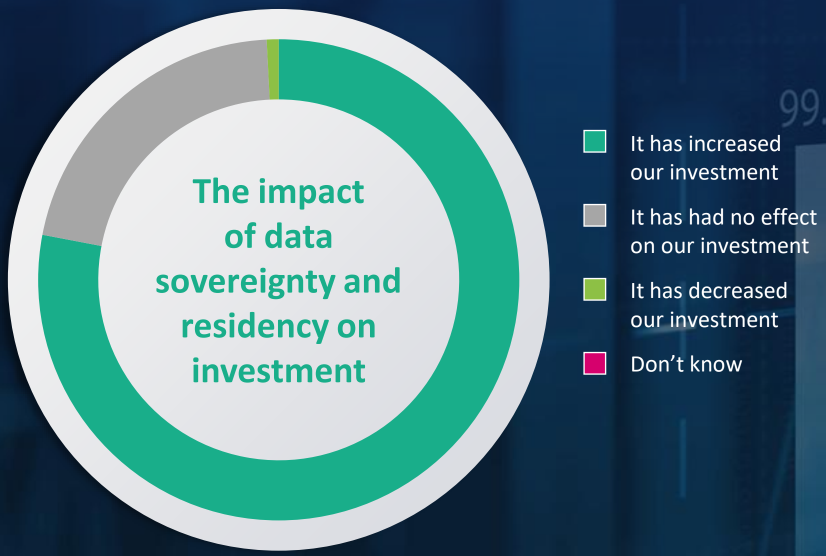
These figures show a significant gap between businesses understanding compliance requirements and the subsequent practical implementation of the controls needed to meet regulatory requirements. Addressing this need will define how businesses invest in digital infrastructure in the next two years.

Perspectives on the impact on investment

Perspectives on the impact on investment

78%

of businesses say that data sovereignty and residency considerations have increased investment in digital infrastructure over the last two years.



The UK has now reached peak public cloud and is migrating to alternative, hybrid options

87%

of respondents plan to move away from public cloud

What approach will this migration take?

54%

of businesses will prioritise private cloud as this guarantees data stays within a specific country's authority.

38%

are set to favour their own data centres.

36%

will use colocation to lead their hybrid approach as both approaches offer a clear, non-negotiable layer of compliance.

Real world perspectives – case studies

The confidence to save lives at sea: ZELIM

Zelim is a leading innovator in maritime search and rescue.

Zelim technology applies artificial intelligence (AI) to video feeds, delivering real-time detection and tracking of passengers or crew who fall overboard from boats or oil rigs. This guides search and rescue operations, making them faster and safer.

Such a critical mission demands high-speed, low latency connections, processing huge amounts of data in real-time. Any compromise stops Zelim from delivering life-saving services.

Pulsant is the digital infrastructure partner for Zelim. As Zelim has grown, they have taken space within the South Gyle data centre, near Edinburgh. Pulsant connectivity has enabled Zelim to run a 10Gb, 5G LTE network out to twelve nautical miles from the facility.

"We can't afford uncertainty in our infrastructure. Working with Pulsant gives us the resilience and control we need to keep our systems operational and our focus where it belongs: on saving lives at sea."

Rory Hughes
Technical Director, Zelim

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Securing SEN data:

Witherslack Group

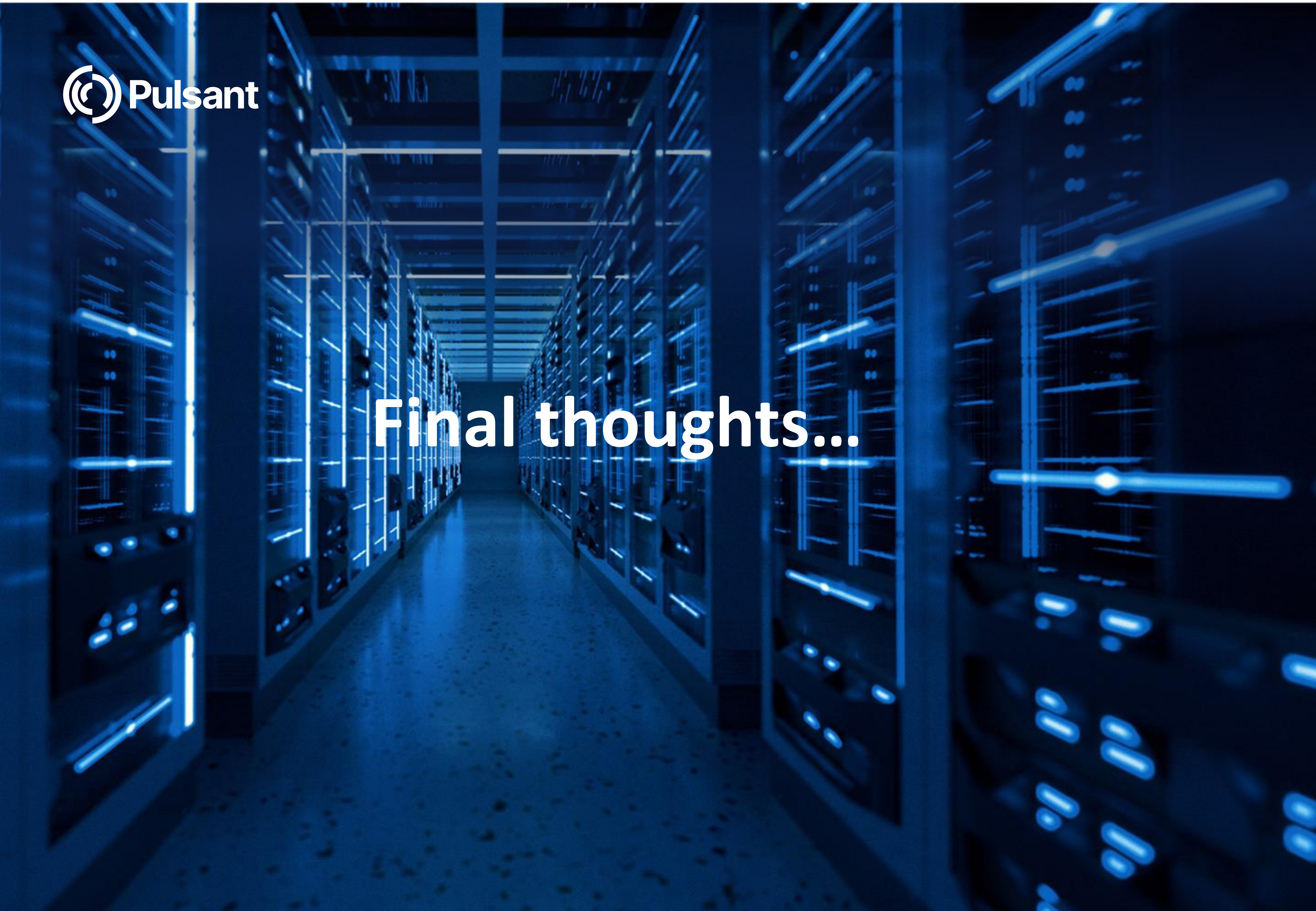
The Witherslack Group is a leading provider of specialist education and care for children and young people with social, emotional and mental health needs, communication difficulties, ADHD, and complex learning needs.

As one of the 55% of UK businesses that cite data sovereignty as a key concern, Witherslack has specific compliance requirements. In addition to education records, Witherslack facilities also store medical information that demands a mixture of security, resilience, performance, and availability.

Pulsant designed, developed and implemented a private cloud solution for Witherslack. This enables the organisation to manage and support all IT needs from a centralised location, whilst a wide-area network (WAN) gives sites better access to the data they need.

"As a centralised IT team, we deal with over 45 sites in the group, and our needs are constantly evolving. From offering us support on making sure our private cloud is delivering the performance it needs to, to offering wider support around networking and other solutions that can help streamline our organisation, Pulsant plays an invaluable role."

Stephen Hall, IT Director,
Witherslack Group



Final thoughts...

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As AI transforms technology strategy and investment, companies are reflecting on their supporting infrastructure strategies.

With 87% planning to repatriate, it’s clear that public cloud is no longer the de facto standard; we have reached 'peak public cloud’.

The next steps will see businesses prioritise hybrid environments that offer better cost management, performance optimisation, and flexibility.

One size does not fit all. An AI future demands a more nuanced, workload-specific infrastructure strategy.

Business will demand digital infrastructure tailored to suit them and their customer base. The research shows that private cloud led infrastructure solutions will emerge rapidly as the ‘hybrid of choice’.

However, this evolving and dynamic market is also being increasingly influenced by compliance. No longer considered as just a cost of doing business, compliance is now the cornerstone of technology strategies, reshaping board-level infrastructure investment decisions.

With 60% of businesses lacking confidence in their supply chain’s compliance posture, and 78% citing data sovereignty and residency as key factors in investment decisions, the growing prioritisation of sovereign cloud solutions underscores an urgent need for secure, UK-based infrastructure.

Investment decisions are no longer about cost, performance or compliance in isolation. They are about building infrastructure that delivers technological, business and regulatory confidence.

This approach of ‘infrastructure without compromise’ has driven the development of Pulsant PlatformEDGE: 14 regional data centres throughout the UK, connected by a high-speed, secure network offering a range of cloud options as well as connection to more than 1,500 service and connectivity providers.

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The Pulsant Solution

Pulsant is uniquely positioned to help UK plc address the challenges outlined in this report.

We're the most geographically diverse digital infrastructure provider in the UK. Our data centres are UK located, operated and supported, meaning your data is guaranteed to be in the UK.

Our network of 14 sovereign data centres connected by a secure, high-speed network provides the foundation for confident, compliant infrastructure.

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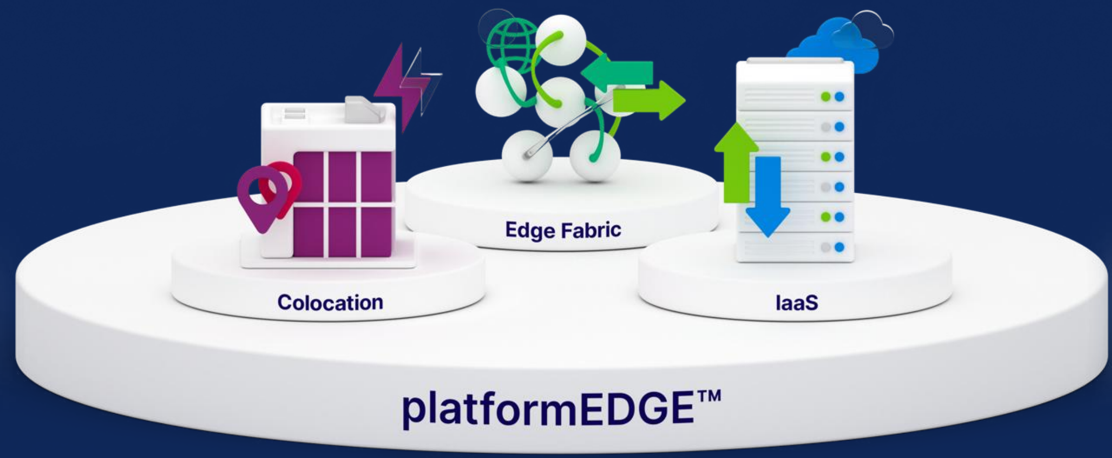
Supporting the ambitions of regional businesses

Infrastructure that delivers performance, flexibility and control to enable business growth.

Simplifying compliance with UK based cloud, low latency private network and secure colocation.



Enabling AI

AI-ready infrastructure delivers high density data centre capacity, with low latency connectivity over a private, secure network, to UK sovereign and global clouds.

Simplifying Sovereignty

Our cloud and data centre infrastructure is located and managed in the UK, making data compliance more straightforward.

Cloud Control

Cloud infrastructure that works with you, so that you can place the right workload in the right cloud and get the best performance with transparent costs.


Pulsant