

## DIGITAL SPOTLIGHT 2025/26 FINANCIAL YEAR WRAP-UP

**Over the 2025/26 financial year, Beale & Co's Digital Spotlight Group has tracked a fast-moving legal and commercial landscape across AI, data, digital regulation and data centre development.**

A number of themes have emerged; AI is moving from theory into practical adoption; governance of digital tools is essential; digital infrastructure is expanding rapidly, particularly in the data centre sector; and regulation is evolving but still lagging behind in some key areas.

Set out below is an outline of the key themes and what may lie ahead, followed by a summary of each article published this financial year by Beale & Co's Digital Spotlight Group.

### KEY THEMES ACROSS THE FINANCIAL YEAR

A number of common themes run through this year's Digital Spotlight articles.

- **AI has moved from theory to reality.** Across architecture, surveying, engineering, legal services and the wider built environment, the conversation has shifted away from whether AI will be used to how it is being used already. The focus is now on adoption, practical use cases and business integration.
- **Governance has become a central issue.** Almost every article points to the same conclusion; the competitive and legal differentiator is no longer access to technology, but how effectively organisations govern it. Policies, due diligence, training, transparency and human oversight are essential.
- **Regulation in the digital arena is developing unevenly.** Some areas are becoming more defined, such as the RICS standard, and the EU AI Act. In others, the law is still catching up, particularly around agentic AI, liability and professional standards. This creates uncertainty, but also a need for businesses to take proactive positions rather than waiting for a fully settled framework.
- **Digital infrastructure is becoming a strategic legal issue.** Data centres featured prominently this year, reflecting their importance to AI growth and the digital economy. However, they also raise significant planning, environmental, infrastructure and contractual challenges. The legal issues surrounding data centres are likely to become even more prominent as the sector expands.

### WHAT TO EXPECT IN THE NEXT FINANCIAL YEAR

#### Implementation rather than experimentation

AI use across the built environment is expected to deepen, particularly as businesses move beyond generative tools for drafting and research into more operational uses, including agentic AI. Those systems may support decision-making with reduced human input, but they also sharpen questions around accountability, explainability, data governance and liability where things go wrong.

#### Further formalisation of standards and governance expectations

Even without a single overarching UK AI regime, the direction of travel is clear; businesses will increasingly be expected to show how AI and other digital tools are being governed, who is responsible for outputs, and what safeguards sit around their use.

#### A developing legislative picture

The legislative picture will continue to develop incrementally through a patchwork of statutes, regulator guidance, professional standards and case law. In the UK, the Data (Use and Access) Act 2025 is still being phased in between June 2025 and June 2026, while the Government's March 2026 report on copyright and AI shows that policy development in this area is ongoing. For those with EU exposure, the next major EU AI Act milestone arrives on 2 August 2026.

## Data centre development

Government policy continues to support 'AI Growth Zones', intended to unlock AI-enabled data centre investment through improved access to power and planning support. The Government has said these measures could reduce time to power by up to five years and unlock up to £100 billion of investment. That said, growth will continue to bring legal challenges around planning, grid access, environmental constraints and project delivery.

## Contractual drafting will remain critical for construction professionals

Many software providers seek to impose standard terms that heavily limit their liability, including for data, performance and security issues, while contractors and consultants may be giving broader commitments upstream to clients. That mismatch can leave parties exposed if software fails or there is a data incident. Clear drafting, careful review of supplier terms, and alignment between client and software contracts will therefore be essential.

For further insight into the key digital developments and risks emerging from 2025/26, see our [Digital Roundtable note](#), which brought together professionals from across the built environment to discuss the practical challenges and opportunities arising from AI and digital adoption.

Keep reading for summaries of our Digital Spotlight articles published this financial year.

## HOW BEALE & CO CAN HELP

Beale & Co will continue to monitor developments across AI, data, digital infrastructure and sector-specific regulation.

To learn more about how we can help your business navigate developments in AI, technology, digital transformation, data governance, contractual risk and regulatory change across the built environment, please contact Andrew Croft or Anna Benz.

## GET IN TOUCH



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## KEY ARTICLES

A summary of each article published this financial year by Beale & Co's Digital Spotlight Group.

### **LANDMARK SUPREME COURT RULING REDEFINES PATENT LANDSCAPE FOR AI SYSTEMS**

**March 2026**

**Andrew Croft and Anna Benz**

The UK Supreme Court's decision in Emotional Perception marks an important shift in the patentability of AI and software-based inventions. While AI systems remain classed as computer programs, the Court confirmed they are not automatically excluded from patent protection. Where implemented through hardware, such inventions may clear the initial patentability hurdle, provided they deliver a genuine technical contribution. For the construction sector, this improves the prospects of protecting AI-driven monitoring, design and engineering tools.

### **HOW RAPID DATA CENTRE EXPANSION IS TESTING THE UK'S PLANNING AND INFRASTRUCTURE REGIME - PLANNING PRESSURES**

**February 2026**

**Nicholas Smith and Cody Reeves**

This article examined how the UK's data centre boom is exposing weaknesses in the planning system. Demand for strategically located sites is colliding with green belt policy, inconsistent local authority treatment and infrastructure constraints. The piece highlighted increasing use of alternative consenting routes, including NSIPs, and stressed the need for careful contractual risk allocation around planning delays, surveys, enabling works and project viability. The central message was that data centre delivery now requires legal strategy as much as technical capability.

### **NBS DIGITAL CONSTRUCTION REPORT 2025 - KEY THEMES FOR THE BUILT ENVIRONMENT**

**January 2026**

**Andrew Croft and Anna Benz**

This article reviewed the NBS Digital Construction Report 2025 and identified a sector becoming more digitally mature. BIM and cloud collaboration are now largely embedded, while AI is increasingly being used in day-to-day tasks such as drafting, data analysis and technical research. At the same time, the report revealed growing anxiety about being left behind. The article concluded that digital adoption alone is no longer enough; organisations must pair technology with governance, training, contractual clarity and better use of data.

### **AI READINESS ACROSS THE PROFESSIONS AND WHAT IT MEANS FOR INSURERS**

**November 2025**

**David McArdle and Anna Benz**

This piece compared how different professional bodies are approaching AI and considered the implications for insurers. RICS emerged as the most developed, with binding standards, while others such as RIBA, ICE, IStructE, ICAEW and the SRA are at different stages of guidance and engagement. The article's core point was that AI-related risk will not be uniform across professions. For insurers and clients alike, organisational governance, human oversight and professional accountability will remain critical factors in assessing risk exposure.

## **RICS SETS THE STANDARD: RESPONSIBLE AI USE BECOMES MANDATORY IN SURVEYING**

**October 2025**

**David McArdle and Anna Benz**

This article explored RICS' global professional standard on responsible AI use, effective from March 2026. It noted that surveying is one of the first professions to move from broad ethical guidance to mandatory AI governance requirements. The standard requires competence, due diligence, disclosure to clients, risk registers, oversight of outputs and careful contractual positioning. For firms in the built environment, the article highlighted that compliance is likely to require policy updates, staff training and more transparent client communications.

## **RIBA AI REPORT 2025 REVEALS HOW ARTIFICIAL INTELLIGENCE IS TRANSFORMING ARCHITECTURE AND CONSTRUCTION**

**September 2025**

**Andrew Croft and Ash Sood**

This article considered the RIBA AI Report 2025, which showed AI adoption among architects rising sharply, with almost 60% of practices now using AI. The report suggested AI is no longer experimental, but increasingly embedded in design visualisation, specification and project workflows. However, the article also highlighted concerns around originality, safety, professional identity and lack of formal governance. The key takeaway was that adoption is accelerating faster than policy, making internal controls and legal risk management increasingly important.

## **AGENTIC AI: NAVIGATING LEGAL RISK**

**August 2025**

**James Hutchinson and Jonathan Booton**

This piece explored the legal implications of agentic AI: systems capable of making decisions, pursuing goals and acting with greater autonomy than traditional AI tools. In construction, examples included project management, health and safety monitoring and BIM review. The article identified significant legal uncertainty around accountability, data protection, explainability, automated decision-making and intellectual property. It recommended practical steps such as AI audits, contractual protections, governance measures and insurance review, reflecting that increasingly autonomous tools will challenge established legal frameworks.

## **DATA (USE AND ACCESS) BILL RECEIVES ROYAL ASSENT**

**July 2025**

**James Hutchinson and Jonathan Booton**

This article outlined the implications of the new Data (Use and Access) Act 2025, which amends the UK GDPR, the Data Protection Act 2018 and PECR. It highlighted greater ICO enforcement powers, a more flexible approach to automated decision-making, reforms to subject access requests, new rules on cookies and international data transfers, and the statutory footing for the National Underground Assets Register. For organisations, the message was that while wholesale compliance changes may not be needed immediately, governance frameworks should now be reviewed carefully.

## **WITH GREAT POWER COMES GREAT RESPONSIBILITY – MANAGING RISK ON DATA CENTRE PROJECTS**

**May 2025**

**Andrew Croft and James Hughes**

Against a backdrop of major investment in AI infrastructure, but also market volatility and some project retrenchment, this article identified five key contractual areas: liability caps, standard of care, payment, ESG and suspension/termination. The article stressed that although data centres present major opportunities for consultants and contractors, the scale, criticality and commercial uncertainty of such projects mean appointments and subcontracts must be carefully drafted to avoid disproportionate exposure.

## **AI POLICIES – WHY THEY ARE IMPORTANT**

**April 2025**

**James Hutchinson and Jonathan Booton**

This article made the case for robust internal AI policies as a practical governance tool. It highlighted risks including confidentiality breaches, copyright infringement, data protection failures, hallucinations, bias and reputational damage, particularly where employees use AI tools without clear oversight. The article argued that AI policies support compliance, operational consistency, stakeholder trust and competitive advantage. It also set out practical next steps, including auditing current use, training staff, onboarding suppliers carefully and integrating AI into wider governance frameworks.

## **UK GOVERNMENT LAUNCHES AI PLAYBOOK: WHAT IT MEANS FOR CONSTRUCTION AND INSURANCE PROFESSIONALS**

**March 2025**

**Andrew Croft and Anna Benz**

This article considered the significance of the UK Government's AI Playbook for businesses working with the public sector. Although aimed at government departments, the Playbook has wider implications for public procurement, governance, transparency and risk management. For construction and insurance professionals, the article noted that AI-enabled tools used on public projects will increasingly need to satisfy expectations around safety, accountability, human oversight and compliance. It also suggested that a robust internal AI policy will become commercially important in tendering contexts.

## **AI AND COPYRIGHT: US COPYRIGHT OFFICE'S RECENT REPORT AND IMPLICATIONS FOR UK LAW**

**February 2025**

**James Hutchinson and Deen Taj**

This article reviewed the US Copyright Office's position that copyright protection requires human authorship and that AI-generated works without sufficient human creativity will not qualify. It contrasted that with the UK's more nuanced framework for computer-generated works under the CDPA, while noting continuing uncertainty around originality and ownership. The article highlighted the growing divergence between legal systems and the importance for businesses of understanding how IP rights may attach, or fail to attach, to AI-assisted outputs.

## **EU AI ACT: PROHIBITED AI PRACTICES NOW IN FORCE**

**February 2025**

**James Hutchinson and Jonathan Booton**

This article explained that the first operative provisions of the EU AI Act, banning certain AI practices, came into force in February 2025. These include prohibited uses such as social scoring, certain biometric categorisation practices and some emotion recognition systems. The article stressed the Act's extraterritorial reach, meaning UK companies may still be affected if they operate in or supply into the EU. The key practical message was that organisations should audit their AI use, build AI literacy and stay alert to further regulatory developments.