Welsh AI Collective
Cydweithfa AI Cymru



BRIEFING · OCTOBER 2026

Ready for AI

A three-page briefing for Welsh and UK decision-makers on public support for AI adoption by small businesses in Wales

Prepared by Felix Clarke FRSA MBA, Welsh AI Collective. A summary of the initial report *Ready for AI*, October 2026.

Why this matters now

Wales has an AI plan, an Office for AI and two AI Growth Zones. Business Wales is running free AI events across Wales through M-SParc, and a training subsidy pays three quarters of the cost of AI courses. These are real first steps.

The evidence also shows gaps. The AI plan for Wales, published in November 2025, has no budget, targets or timeline of its own, and says that achieving its vision "will require significant investment and prioritisation". No spending has yet been reported from the £2.1m package announced in January 2026 to help small businesses adopt AI. The new government's first full draft budget, for 2027-28, is due on 17 November 2026, and a Senedd committee has already asked what it will provide for Business Wales, small businesses and AI.

Small businesses make up most of the Welsh economy, but the least is known about their use of AI. This briefing summarises what the published evidence shows, so that it can inform the decisions ahead.

Key facts

2p in every £1

Of £30.1m of public money awarded for AI work in Wales since April 2022, about 2p in every pound (2.3%) has gone to helping businesses adopt AI. Research and development took 82.5%, and public bodies' own use of AI took 13.4%.

99.3%

Small and medium-sized businesses make up 99.3% of businesses in Wales and employ 62.3% of the people who work in Welsh businesses. Microbusinesses alone are 94.6% of businesses.

24.8% against 34.9%

In 2024, 24.8% of Welsh companies with ten or more employees that used digital production technologies were using AI, the lowest share of the four UK nations, against 34.9% in England. The smallest companies are measured only by small samples.

About four times

Northern Ireland spends about £1.43 per person a year on hands-on AI help for businesses, roughly four times the £0.35 Wales has committed on the most favourable reading.

6p

For every £1 of public money Wales spent building superfast broadband, it spent about 6p helping businesses to use it.

£1.1bn

If Welsh AI adoption catches up with the UK's by 2030, Wales could gain about £1.1bn of extra output over 2026 to 2035. This is an indicative estimate, not a forecast.

What the evidence shows

FINDING 1

The AI plan has begun to be delivered, but it has no budget of its own.

The only money any Welsh budget labels as AI, £2.5m a year, is for the Office for AI and public services. A Senedd committee and the government's own reviews called for clearer support for small companies, and the government recorded the financial implications as "None" or "Yet to be identified". In October 2026 the new Digital Strategy was still being scoped, with no publication date, and nothing published so far says whether Business Wales or support for AI adoption will form part of the new national development agency now being designed.

FINDING 2

Little of the public money for AI has reached the smallest companies.

The money awarded for adoption comes to about £2.85 per Welsh business over four and a half years. Up to £5m per AI Growth Zone for local adoption has no published scheme, delivery body or amount reserved for small companies, and the UK Budget of 28 October 2026 did not mention it. Business grants in at least seven council areas exclude or restrict software, subscriptions and training, although most AI tools are sold as subscriptions.

FINDING 3

Wales's neighbours go further, and Wales wins less than its share of UK funding.

Northern Ireland, Scotland, Ireland and the Basque Country pay for expert help or for putting AI to work, open their schemes to very small companies and measure results. Wales has 3.4% of UK private sector businesses but won 2.0% of Innovate UK's AI competition money. The UK Budget of 28 October 2026 funded local AI adoption pilots in England, with no equivalent announced for Wales.

FINDING 4

Earlier Welsh programmes reached many small companies but rarely showed lasting gains.

Opportunity Wales reached nearly 12,000 small companies through local partners, and Superfast Business Wales supported 6,537 companies, 91% of them microbusinesses. Output targets were often met while results for companies were not shown, and programmes stopped when their funding stopped.

FINDING 5

The risks of AI fall hardest on rural areas, Welsh speakers and the smallest companies.

About 45,000 jobs could be displaced by 2035 on the current path. The council areas with the lowest full fibre coverage include those with the highest shares of Welsh speakers, and no study was found of how Welsh-speaking small businesses use AI tools.

FINDING 6

Closing the adoption gap could be worth about £1.1bn over ten years.

The gain rises to about £326m a year by 2035, and small and medium-sized companies would receive about 37% of the whole gain from AI. The estimate applies the Office for Budget Responsibility's method to Welsh output, and every step is set out in the full report.

The plan has an owner and an aim. One minister now holds both AI policy and Business Wales. What the plan does not yet have is a budget, or a route designed for the smallest companies.

Issues for consideration

The findings raise five questions for the Welsh Government, Business Wales, councils and the UK Government. They are offered for discussion rather than as recommendations.

ISSUE 1

Whether the AI plan should have a dedicated, multi-year budget for small business AI adoption.

The 2027-28 draft budget is the next opportunity. For scale, matching Northern Ireland's rate per person would cost about £4.5m a year, about 20% of the £22.5m core Business Wales budget. The Welsh Government says that, even after the UK Budget, day-to-day funding will be 0.5% lower in real terms next year.

ISSUE 2

How support could reach microbusinesses and sole traders.

The Business Support Review recommended a clear pathway for small companies to adopt AI. No part of the current offer is designed around the smallest companies, while Ireland and the Basque Country offer routes open to very small companies and some self-employed people.

ISSUE 3

How far support could be led from Wales, in Welsh and English.

Past programmes delivered through local partners reached the most companies. The Welsh Language Commissioner advises testing AI tools in Welsh before they are used.

ISSUE 4

Whether council grant rules should allow AI software, subscriptions and training.

This would need no new money, though rules would need to guard against paying for subscriptions that companies would have bought anyway.

ISSUE 5

How the AI Growth Zone money for local adoption will reach local small companies.

No scheme, delivery body or amount reserved for small companies had been published by late October 2026, and the UK Budget of 28 October 2026 did not mention it, so businesses cannot yet see what will be available to them.

What happens next

This is an initial report built from published sources. The next stage of work will need to hear directly from Welsh small businesses about how they use AI and what help they need, in Welsh and English, and to seek unpublished figures on spending and take-up. Evidence, corrections and offers to contribute are welcome.

Felix Clarke FRSA MBA, Welsh AI Collective

The full report, *Ready for AI*, sets out every figure with its source and the method behind the estimate. To discuss the findings, or to arrange a briefing for ministers, advisers or officials with a small group of Welsh business owners, book a call at **calendly.com/felixclarke/chat-with-felix-clarke**.



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The Welsh AI Collective is a group of Welsh small businesses working together to ensure fair access to government resources for AI adoption, and to champion the roll-out of education, support and grants that help Welsh small businesses use AI.

Figures are as published at 29 October 2026. Where the briefing says something does not exist, it means it could not be found in published sources.