



Digital Regulation Cooperation Forum

# Laying the foundations for cross-regulatory innovation support

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Insights from the DRCF AI & Digital Hub pilot

Publication date: 10 October 2025

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# Executive Summary

The AI and Digital Hub pilot was the Digital Regulation Cooperation Forum's trial of a multi-agency advice service, designed to support innovators navigating the evolving regulatory landscape for AI and digital technologies. The Hub offered free, informal, cross-regulatory advice, particularly to organisations whose propositions spanned the remits of at least two DRCF member regulators.

The pilot showed that a cross-agency Hub can offer significant value for both innovators and regulators. It highlighted several lessons that will shape future DRCF initiatives and may be useful for other regulators considering similar services. The AI & Digital Hub has demonstrated the value of a new model of regulation, one that is collaborative, adaptive, and connects with real world innovation.

Insights from the pilot are now informing the next phase of the DRCF's work. This next phase will focus on expanding the Hub's reach and impact through more thematic engagements and advice, building on the DRCF's role as a cross-cutting body that delivers benefits to innovators and strengthens the UK's digital economy.

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## The Hub's cases

During its year-long trial, the Hub provided informal advice to 20 innovators and published eight anonymised [case studies](#). Some applications were not progressed because they did not meet the entry criteria or lacked sufficient information or engagement.

## Value of the pilot

Innovators have benefitted from the Hub, reporting that the informal advice increased their awareness of digital regulatory requirements and gave them the confidence to focus their efforts on the UK market. The Hub pilot has also been valuable in helping the DRCF improve its understanding of emerging technologies, while learning how it can continue to help innovators keep up with complex digital regulatory requirements. Other benefits for the DRCF and its member regulators have included strengthening cross-regulator relationships, insights into effective cross-organisational working and building capacity to undertake new activities.

Lessons for the DRCF included:

### Communications and engagement

A comprehensive communications and engagement strategy is vital to the success of a multi-agency advice service. During the pilot awareness of the DRCF and the Hub was limited, but an accompanying marketing campaign with 23Red broadened reach and generated useful insights for future iterations of the Hub.

### Governance and delivery

Strong collaborative governance and operational processes were key to managing the risks and challenges associated with cross-organisational working. Effective project management and oversight from an empowered project board meant that risks were identified early and decisions were made quickly.

### Adaptability and service design

Adaptability is critical to the success of a cross-agency service. During the pilot, the Hub worked closely with innovators to refine questions and streamline processes, including iterations of the application form and adjustments to internal approvals. This ensured that advice was practical, relevant and useful and helped bridge the gap between innovators' expectations and regulators' internal sign off procedures.

Together, these lessons provide a strong foundation for designing future services that deliver value to both innovators and regulators.

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## The Digital Regulation Cooperation Forum

The Digital Regulation Cooperation Forum (DRCF) is a collaborative initiative between the UK's key digital regulators: the Competition and Markets Authority (CMA), the Information Commissioner's Office (ICO), Ofcom, and the Financial Conduct Authority (FCA). Established five years ago to strengthen cooperation and coherence across regulatory approaches to digital services, the DRCF plays a pivotal role in ensuring that innovation in the digital economy is supported by effective, joined-up regulation. Its mission is to support responsible technological innovation, protect people online, and enable businesses to thrive.

# 1. Introduction

The DRCF launched the AI & Digital Hub ('the Hub') as a year-long pilot initiative<sup>1</sup> to support innovators navigating the complex and evolving regulatory landscape surrounding AI and digital technologies. The Hub offered free, informal, cross-regulatory advice to organisations developing technologies with public or societal benefit, particularly those whose propositions spanned the remits of at least two DRCF member regulators.

The pilot aimed to accelerate the development of digital products and services by providing regulatory clarity, while also informing the potential establishment of a permanent multi-regulator service. Through tailored advice, accepted applicants received practical insights to help them understand and address overlapping regulatory requirements. To extend the value of these engagements, anonymised case studies were published to support other innovators in similar contexts.

Promotion of the Hub was supported by targeted marketing activity, later enhanced by a campaign commissioned from 23Red. This included LinkedIn posts, press releases, articles, and partnerships with influential individuals and organisations in the innovation space, designed to raise awareness and drive quality applications.

By the end of the pilot year, the Hub had received 30 applications, provided full responses to 9 organisations, and offered assistance to a further 11. The remaining applications did not meet the entry criteria or could not be progressed due to factors such as lack of further engagement.

To assess the pilot's effectiveness, the DRCF commissioned an independent evaluation by the Centre for Strategy & Evaluation Services (CSES), which drew on interviews, document reviews, and stakeholder feedback. The evaluation provided recommendations for future DRCF work with innovators.

Drawing on insights from the CSES review, regulator feedback from workshops and interviews, and the outcomes of the 23Red campaign, this paper presents a summary of the Hub's achievements and key learning points. These findings offer a comprehensive view of how the pilot can inform future innovation support, and have directly shaped the DRCF's evolving approach. A separate blog has been published outlining key learnings for innovators from the past year's work.

## 2. Insights

The DRCF has grouped the insights into three thematic areas: Impacts and outcomes; Engaging innovators; and building the service.

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### Impact and Outcomes

With the pilot now concluded, the AI & Digital Hub has shown encouraging early outcomes for both innovators and regulators, while also highlighting areas for refinement.

#### **For Innovators**

With the pilot now concluded, the AI & Digital Hub has shown encouraging early outcomes for both innovators and regulators, while also highlighting areas for refinement.

CSES found that innovators who received support through the Hub reported a range of benefits. These included:

- Improved understanding of compliance requirements
- Greater confidence in decision-making
- Cost and time savings
- Increased confidence in growth potential

One applicant commented that without the Hub's advice, they would have launched their business in the UK not knowing what regulatory requirements existed, which could have resulted in significant risks further down the line. Another considered that the informal advice had given their company a competitive edge by ensuring they knew how to comply with regulatory requirements.

The evaluation also concluded that the Hub had influenced high level business decisions among its participants. One organisation, for example, shifted its strategic focus to the UK as a priority market after receiving guidance from the Hub, which led to increased resource allocation to support its expansion.

#### **For Regulators**

The Hub brought value to the participating regulators. It strengthened cross-regulatory collaboration and improved understanding of emerging technologies, including use of AI, and the health and financial sectors. Notably, the pilot provided an opportunity for regulators to experiment and collaborate with new ways to provide direct cross regulatory advice to innovators. As one internal reflection noted, the Hub "helped us think differently about how we engage with innovators not just as enforcers, but as enablers."

Regulators also reported that the Hub fostered stronger working relationships across the DRCF network and enabled a greater understanding of practical approaches to cross-organisational working.

While the pilot project directly supported a relatively small number of innovators, additional businesses in the digital and AI space were reached through the publication of anonymised case

studies. The impacts observed for regulators and the DRCF, along with the learning points that will inform future service development, demonstrate the value achieved through this initiative. Based on the insights outlined in this paper, the DRCF is progressing towards an innovator-focused initiative that will further expand its reach and impact. Beyond operational outcomes, the pilot also prompted notable cultural shifts among regulators.

## Cultural Shifts

Notably, the pilot provided the regulators with an opportunity to collaboratively provide direct advice to innovators on their developing propositions, with an opportunity to experiment with new ways of working.

This encouraged them to build on existing work with industry stakeholders to support the provision of this more specific, external-facing advice. The Project Group had to align risk appetites to agree drafting that crossed their regulatory boundaries. While this was difficult, each accepted applicant received a response that covered all issues we were able to provide a position on, with the participation of all the relevant regulators. It was acknowledged that the regulators were working towards an ambition for fully cohesive responses, yet to be realised.

CSES noted that ‘This cultural change has, however, been a success, with regulators having gained significant experience in the provision of informal advice, improving efficiencies in the process.

Indeed, interview feedback stressed that the Hub facilitated the building of confidence between regulators through joint working on cross-regulatory issues.’

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## Engaging Innovators

During the pilot, the Hub received thirty requests for support. Responses were provided to twenty applicants; the other applications did not meet the criteria<sup>2</sup> or could not be progressed for other reasons (e.g. they did not engage with the Hub further). Although there were no limitations on the size of business that could apply to the Hub, the majority of applications came from small or micro businesses. Similarly, although questions were not restricted to those relating to AI, the majority of applications focused on this theme.

While early uptake was modest due to launch timing, expert targeted stakeholder engagement and promotion provided by 23Red and improved website content led to a noticeable increase in applications, particularly from smaller companies. CSES noted that the pilot would have benefitted from an earlier appreciation of the value of ongoing promotional activity to raise awareness of the Hub offer.

Acting on feedback from innovators, the Hub Project group members rolled out more direct interaction with innovators as the pilot year progressed. Direct engagement via webinars, office hours, and one-to-one support proved effective in terms of increasing awareness of the Hub and driving applications. Innovators provided positive feedback on these personalised interactions, leading the team to conclude that effective interactions between regulators and innovators require a human, personalised approach.

The Project Group refined the application process iteratively based on user feedback, improving clarity and tailoring to innovators’ needs. The publication of an example question and response gave innovators more insight into what the service could provide and how they could present their own

queries to the DRCF. This, along with increased innovator engagement after the application to understand the problem and refine the question, was essential to receiving relevant questions into the Hub. However, the evaluation also noted that expectations were not always aligned. Some applicants lacked sufficient familiarity with relevant regulatory regimes to know what questions to ask, and others struggled to articulate cross-regulatory queries which limited the depth of engagement. The Project Group's decision to initiate early engagement to clarify applications and questions mitigated these risks, ensured that the innovators received the information they needed, and helped keep response times as low as possible.

The 23Red marketing campaign delivered extensive social media and broadcast coverage, including 3.1m LinkedIn impressions, and led to a 197% increase in web searches for the Hub. 23Red made recommendations on how the Hub could make it easier for innovators to translate their first clicks into full applications in future. These included developing a short guide to AI innovation and regulation, creating explainer videos and infographics tailored to different audiences, and collaborating with influential voices and podcast hosts. Partnering with larger organisations such as the Federation of Small Businesses or British Chambers of Commerce and maintaining a steady drumbeat of activity throughout the year were also suggested to sustain engagement and broaden reach. These recommendations can be taken forward in the DRCF's future work with innovators.

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## Building the Service

The Hub model, based around provision of informal advice to digital innovators, came from recommendations made by EY Seren, who were previously contracted to understand innovators' needs in terms of regulatory support. Key findings called for a service that provides a single point of contact for accessing cross-regulatory support, offers clear actionable support, and caters for all types of innovators.

## Operational Design and Governance

The governance and operational structures set up for the Hub were key to it running smoothly. There are significant challenges associated with setting up a project across organisational boundaries. Four organisations with individual remits and levels of experience dealing with innovators would have differing views on what could be achieved and how much risk was acceptable in a pilot project. Due to the legal considerations of providing advice which is cross-regulatory and in the context of new and emerging technologies, draft advice responses had to receive internal sign-off from all regulators involved. There was a risk that protracted debate at working or senior level on multiple issues could lead to delays in producing responses.

A Project Board with representation at director level from each regulator and the central DRCF met fortnightly and provided strategic oversight and guidance. These regular meetings across all regulators helped build consensus, accelerated progress and drove effective decision-making. This experience highlights the value of embedding collaborative governance from the outset when tackling cross-cutting regulatory challenges. It ensured that the Hub was ready for launch as planned in April 2024 and that issues that arose during the pilot year were resolved quickly and effectively.

Operationally, a Project Group, consisting of policy and legal specialists from each regulator was responsible for the day-to-day operations of the Hub and for producing advice responses to innovators' queries. As each response involved collaboration between up to four regulators, a single Lead Regulator led the production of each response.

In addition to the production of advice responses, the Project Group was responsible for a range of other activities, including developing the website, application form, and terms and conditions such as eligibility criteria and conditions of participation. While this generally worked well, there were some occasions where specialist resource within the project group would have been beneficial. This included digital and IT support, and comms expertise.

CSES found that ‘the DRCF’s approach to the Hub’s internal governance and composition can be considered a positive achievement’ and that future cross-organisational work should take a similar approach to ensure efficiency, coherence and consistency across the project.

## Operational Challenges and Learning Opportunities

The Hub itself was an innovation - the first multi-agency advice service to adopt this model. While the governance structure was widely regarded as effective, operational challenges were encountered that would need to be resolved in any further iteration of the Hub. The CSES evaluation highlighted a misalignment between innovators’ expectations and the Hub’s offer, with some innovators hoping for quicker turnaround of advice than the group was able to provide. Factors contributing to response times included the ongoing development of relevant policy guidance by regulators, scheduling difficulties with innovators, the need to work collaboratively with innovators to understand and refine their questions and differing internal sign-off procedures for final advice across regulators.

The project group used these challenges as catalysts for improvement adapting the Hub’s design as the pilot progressed to accelerate response times and reinforce a culture of continuous improvement. For example, early-stage collaboration with innovators was prioritised to ensure questions were clearly defined, enabling the project group to collectively produce advice responses of greater value to the innovator. This approach led to quicker understanding, acceptance, and resolution of applications. In later stages of the pilot, the production of responses was overlapped with the drafting of case studies—previously handled sequentially—resulting in faster publication. Additional improvements included collaboration with Behavioural Insights experts to enhance the DRCF website and the Hub application form.

In terms of addressing the challenge of differing risk appetites across regulators, the team observed increasing comfort with the sharing of early drafts of advice responses across the team. This helped to speed up the process of consolidating and finalising advice through the earlier identification of response elements that required further discussion or negotiation.

## Hub by The Numbers

- **30 applications** received during the pilot
- **9 innovators** accepted for full support
- **11** received partial assistance
- **8 anonymised case studies** published
- **93–169 days**: actual turnaround time for accepted applications (vs. 8-week target)
- **3.1M** LinkedIn impressions from the 23red campaign
- **15+** partner organisations engaged

## Eligibility to Use the Hub

To qualify for free, informal advice from the AI and Digital Hub, your query must:

- **Use AI or digital technologies**
- **Be innovative** – a new, novel, or adapted approach
- **Offer public or societal benefit** – for consumers, businesses, or the UK economy
- **Span at least two DRCF regulators**

Applicants were asked to describe their product or service, explain how it met these criteria, and outline the regulatory challenges they faced. Advice was informal and non-binding, and anonymised case studies were published to share insights with the wider innovation community.

### 3. Looking Ahead: Scaling with Purpose

The pilot has provided a strong foundation for shaping the future of the AI & Digital Hub. While the pilot identified areas for improvement, it also demonstrated the potential of a cross-regulatory service to support innovation in a coordinated, impactful and accessible way. The CSES evaluation recommended that the Hub should continue, but with a modest scale-up in activity and ambition to deliver greater value.

To build on the pilot's early outcomes, several enhancements were proposed:

- Streamline the application process to reduce friction and improve clarity for applicants.
- Introduce a topic-based triage system to route queries more efficiently and ensure timely responses.
- Develop tools to assist with query formulation, helping applicants articulate cross-regulatory questions more effectively.
- Create a regulatory style guide focused on accessibility and plain language to improve the clarity of advice.
- Differentiate between simple and complex queries, allowing for more flexible timelines and tailored support.
- Allow greater flexibility in the 8-week advice window, recognising that some queries may require more time due to complexity or coordination needs.
- Ensure an effective comms and engagement plan is in place to maximise awareness and impact for innovators and the DRCF.

These enhancements would enable the Hub to better meet the needs of innovators while preserving its collaborative, cross-regulatory approach. They also reflect a broader ambition: to evolve the Hub from a promising pilot into a more mature, scalable service that can support a wider range of queries and deliver more consistent value across the innovation ecosystem.

Crucially, the CSES evaluation found that the best value would come from a hybrid model combining an enhanced version of the existing Hub with additional service lines, such as regulatory sprints. This approach would maximise the Hub's ability to meet the DRCF's objectives by offering more tailored, responsive, and impactful support to innovators navigating complex regulatory landscapes. To maximise impact for both innovators and the UK economy, it is essential that the advice provided is targeted to real-life challenges in the AI and digital space. This ensures relevance, reach, and awareness.

## 4. Conclusion

The AI & Digital Hub has demonstrated the value of a new model of regulation, one that is collaborative, adaptive, and connects with real world innovation. As a proof of concept, the pilot significantly enhanced inter-regulator collaboration and provided timely, informal advice to innovators navigating complex digital and AI regulatory landscapes. It has shown how cross-regulatory engagement can foster a more accessible and innovation-friendly environment. It has also highlighted the importance of early engagement with innovators, clear communication, and streamlined processes, which will be key considerations for any future iteration.

While the pilot phase has concluded, the DRCF remains committed to advancing collaborative regulation. The DRCF is continuing to build on the Hub's foundations, exploring how its principles and learnings can be embedded into future cross-regulatory initiatives.

Insights from the pilot are now informing the next phase of the DRCF's work. This next phase will focus on expanding the Hub's reach and impact through more thematic engagement and advice. This hybrid model for the Hub's evolution will continue to offer informal advice while placing greater emphasis on active engagement through thematic offerings such as webinars and regulatory sprints. Identified by the CSES evaluation as delivering the greatest value against the DRCF's objectives, we expect this approach to enable the Hub to provide more tailored, flexible, and impactful support to innovators, while scaling its reach and effectiveness across the UK's digital economy.

The DRCF's continued commitment to collaborative regulation positions it well to support innovation in an increasingly complex digital landscape.

## 5. Annex – costs

Hub delivery costs (April 2024 – March 2025): £1,013,239 comprising:

Resourcing costs: £803,498

Non-resourcing costs: £209,741, covering:

- Marketing agency
- Video production
- Evaluation
- Website changes and upgrades
- Miscellaneous event and travel costs
- Evaluation

Hub set-up phase costs (November 2023 – March 2024): £256,009

**Total Hub costs: £1,269,248**