ROYAL STATISTICAL SOCIETY

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RSS SUBMISSION TO AI GROWTH LAB CALL FOR EVIDENCE

14 January 2026

This response has been submitted via an online form. Please find a copy of the questions we responded to below. Full details about the AI Growth Lab call for evidence can be found here.

6. The AI Growth Lab would offer a supervised and time-limited space to modify or disapply certain regulatory requirements. To what extent would an AI Growth Lab make it easier to develop or adopt AI?

It would make it (select one option):

- Somewhat easier

The RSS's view is that an AI Growth Lab would make it somewhat easier to develop or adopt AI, but it would not address the most significant barriers. The main challenges to adoption typically stem from:

- Skills and expertise: Many organisations lack a sufficiently technically skilled workforce, even though numerous AI models are already openly available.
- Data readiness: Clean, robust data systems are a prerequisite for effective AI deployment, yet many organisations are still early in their data journey
- Mapping data to AI capabilities: Aligning organisational data with AI models remains a complex task.

While access to large models without paying for tokens could help with prototyping, costs for these services are already falling and the market is competitive. Synthetic data can also be generated can also be generated for training models in sensitive domains, reducing some barriers.

Regulation does not appear to be the primary factor hindering AI development in workplaces. However, if an AI Growth Lab included access to expertise, it could accelerate development by helping organisations overcome technical and data-related challenges.

7. What advantages do you see in establishing a cross-economy AI Growth Lab, particularly in comparison with single regulator sandboxes?

A cross-economy AI Growth Lab offers several advantages over single-regulator sandboxes:

- Community and collaboration: It creates a shared space for similar users across domains, fostering collaboration and enabling more scrutiny of outputs through diverse perspectives.
- Innovation-led approach: It reduces the need for government to pre-identify areas of application, allowing innovators to lead and explore use cases organically.
- Cross-sector learning: Many challenges in using AI span multiple industries. A centralised lab makes it easier to translate lessons and best practices across sectors, accelerating adoption and reducing duplication of effort.

8. What disadvantages do you see in establishing a cross-economy AI Growth Lab, particularly in comparison with single regulator sandboxes?

There are three potential disadvantages that the RSS thinks it is important to be aware of:

- Broader regulatory risk: Giving the lab scope to relax regulation across a wide remit risks overlooking hazards that are more apparent to specialists within individual industries.
- Reduced relevance for participants: users may find it harder to see how the lab's work applies to their specific context, which could limit engagement and impact.
- Lack of focus: A cross-economy approach may dilute attention and resources, preventing deep progress on sector-specific challenges.

11. What could be the potential impacts of participating in the AI Growth Lab on your company/organisation?

The RSS is a membership organisation that represents individual data scientists at a variety of organisations – so we do not have a response to this question.

13. What lessons from past sandboxes should inform the design of the AI Growth Lab?

The RSS responded to an FCA consultation on their live testing environment (here). Much of that response will apply to the AI Growth Lab too. There are six key lessons in that document that we think should inform the design of the AI Growth Lab:

1. Clarify scope and expectations. Past initiatives show that ambiguity about whether participation implies regulatory approval can create risks. The AI Growth Lab should explicitly state that involvement does not amount to endorsement or compliance certification. Clear communication will prevent misinterpretation and maintain trust.

2. Prioritise robust evaluation. A recurring challenge in AI deployment is over-reliance on narrow benchmark datasets and metrics that fail to generalise. Sandboxes should emphasise rigorous, context-specific evaluation strategies, including uncertainty quantification and stress-testing models in realistic, multi-agent environments. This is particularly important where systemic risks exist, such as in financial services.

3. Address data and deployment complexity. Previous efforts reveal that organisations often struggle with data readiness and integration. The Lab should provide guidance on curating diverse, high-quality datasets and managing issues like data drift. Support for adapting models to existing systems and monitoring performance over time is essential.

4. Foster collaboration and peer review. Peer review within sandboxes has proven valuable for improving deployment practices. The AI Growth Lab should encourage collaboration between innovators and impartial domain experts to enhance transparency and accountability.

5. Manage liability and risk. Lessons from earlier initiatives underline the need for clarity on liability during testing phases. If live deployment is involved, responsibilities for costs and failures must be defined upfront.

6. Promote standardisation without stifling innovation. While frameworks like ISO 42001 are helpful, they can be resource-intensive. The Lab should balance encouraging best practices with flexibility to avoid slowing progress.

17. How would this oversight work most effectively?

There needs to be a clear application process to be part of the sandbox, including detail of any regulations that may need adaption to pursue the innovation so that this could be scrutinised by the oversight committee. The oversight committee should have members drawn from industry (not just consultancies) as well as parliamentary advisors and professional bodies, such as the RSS, to ensure that applications and projects are ethical and have

the appropriate safe guards for any regulation changes proposed. This oversight committee needs to provide decision making that is not influenced by international tech companies or political ideology and should be acceptable to the general public.

18. What criteria should determine which organisations or projects are eligible to participate in the Lab? Please select all that apply:

- Other (please specify)

While many of the above criteria are important, we would like to highlight one that the RSS feels is missing. The view of our members is that evidence-based decision-making is vitally important in the context of AI and that the AI Growth Lab should prioritise projects that will deliver meaningful insights. So we would like to see an eligibility criteria for projects based on their commitment to rigorous evaluation and transparency. Projects should:

- Provide a concrete evaluation plan that sets out how success will be measured, including statistical analysis of performance and potential impacts across technical, ethical, and operational dimensions.
- Demonstrate capacity for responsible innovation, including plans for managing risks such as bias, data drift, and uncertainty.
- Commit to sharing learnings with the wider community to support cross-sector improvement.
- Ideally, organisations should have access to sufficient data and expertise to implement robust testing, or be willing to collaborate with domain experts to achieve this.

21. What supervision, monitoring and controls should there be on companies taking part in the Lab?

The Lab might consider the following controls:

- Compute environment restrictions: All testing should occur within a secure, sandboxed compute environment managed by the Lab. Participants should not be able to migrate models or data outside this environment without explicit approval, reducing risks of uncontrolled deployment.
- Data governance requirements: Organisations must provide a clear declaration of the intended uses and purposes of all data involved in their projects. This should include details on:
    - Data sources and provenance
    - Where data will be stored and processed
    - How sensitive or personal data will be protected
- Monitoring and audit trails: Continuous monitoring of model behaviour and resource usage should be in place, with full audit logs to track changes, access, and performance metrics.
- Compliance with ethical and legal standards: Participants should commit to adhering to data protection laws and ethical guidelines, with periodic reviews by independent experts.

Measures such as these would help maintain trust, prevent misuse, and ensure that projects align with the Lab's objectives for safe and responsible AI innovation.

We note that the government has recently published an updated Data and AI Ethics Framework, which covers transparency, accountability, fairness, privacy, environmental sustainability, societal impact and safety. This is a good example of the type of ethical guidelines and framework that could be used to monitor companies taking part.

22. Do you think a successful pilot in the AI Growth Lab would justify streamlined powers for making changes permanent, as opposed to following existing legislative processes which would take considerably longer.

Please select one option:

- No

The RSS's view is that a successful pilot should serve as evidence to inform regulatory change, not as a shortcut to bypass established legislative processes. While pilots can provide valuable insights into the practical implications of regulation, granting streamlined powers risks undermining democratic accountability and due diligence. Participants in the Lab will have a vested interest in relaxing regulations, which could bias outcomes if used as the sole basis for permanent changes. Any regulatory adjustments should therefore be subject to the same rigorous scrutiny, consultation, and impact assessment as other legislative changes to ensure they serve the public interest rather than narrow commercial goals.

The RSS did not provide answers to the following questions:

9. What, if any, specific regulatory barriers (particularly provisions of law) are there that should be addressed through the AI Growth Lab? If there are, why are these barriers to innovation? Please provide evidence where possible.

10. Which sectors or AI applications should the AI Growth Lab prioritise?

12. Several regulatory and advisory sandboxes have operated in the UK and around the world, for example, the FCA's Innovate Sandbox, the Bank of England / FCA Digital Securities Sandbox, the MHRA's AI Airlock, and the ICO's Data Protection Sandbox. Have you participated in such an initiative?

14. What types of regulation (particularly legislative provisions), if any, should be eligible for temporary modification or disapplication within the Lab? Could you give specific examples and why these should be eligible?

15. We propose that certain types of rules and obligations, such as those relating to human rights, consumer rights and redress mechanisms, and workers' protection and intellectual property rights, could never be modified or dis-applied during a pilot. What types of regulation (particularly legislative provisions) should not be eligible for temporary modification or disapplication within the Lab (e.g. to maintain public trust)?

16. What oversight do you think is needed for the Lab?

19. Which institutional model for operating the Lab is preferable?

20. What is your reason for selecting this institutional model?

23. If you answered 'yes' or 'maybe' to question 16, what is the most effective way to achieve streamlined powers to make permanent legislative changes?

24. Would there be value in extending the AI Growth Lab to other high-potential technologies?

25. If you answered 'yes' or 'maybe' to question 18, which technologies would benefit the most?

26. Thank you for taking the time to complete the survey. We really appreciate your time. Is there any other feedback or evidence that you wish to share?

27. If you answered ‘yes’ to question 20, please set out your additional feedback or evidence. (Open-ended, word limit: 300 words)