# UK government-Google Cloud deal aims to overhaul public sector but raises data sovereignty and lock-in concerns



The UK government's recent announcement of a large-scale partnership with Google Cloud, spearheaded by Secretary of State for Science, Innovation and Technology Peter Kyle, marks a significant step towards modernising the public sector's outdated digital infrastructure. This collaboration aims to replace legacy systems that currently burden services like the NHS and police forces—some of which still rely on contracts and hardware dating back decades—with cloud-based solutions expected to unlock efficiency savings potentially amounting to billions. As part of the deal, Google Cloud has committed to helping upskill 100,000 public sector workers in digital and AI skills by 2030, addressing the government's ambition to double its digital expert workforce within the decade. Additionally, the launch of the National Digital Exchange promises to offer a cost-effective marketplace for technology procurement, supporting broader goals to save public funds and foster growth in the UK tech sector.

Despite these ambitions, the partnership has been met with scepticism, particularly around concerns of data sovereignty, vendor lock-in, and the risks of entrusting a major US hyperscaler with sensitive government data. Hayete Gallot, president of customer experience at Google Cloud, acknowledges that data sovereignty is not just a European issue but a global imperative increasingly demanded by various industries. To address this, Google has introduced a data boundary service designed to keep data within specific geographic limits and is developing networks of trusted local partners to provide operational control closer to home. For instance, Google Cloud Dedicated, currently available in France and soon expanding to Germany, allows local entities to operate services, which helps mitigate concerns about foreign government access under laws like the US CLOUD Act, which permits US authorities to compel tech companies to hand over data held anywhere globally.

Gallot explained that customers can control encryption keys within Google’s data boundary framework, theoretically controlling decryption of any government requests for data. However, whether this encryption-based protection can fully shield governments’ sensitive data from foreign legal demands remains untested in courts. In the UK context, it remains unclear if the government itself will use these data boundary services, raising questions about the practical protection of public sector information. For more stringent needs, air-gapped solutions completely disconnected from the internet are recognised as necessary in defence and intelligence sectors.

A major point of contention lies in the issue of vendor lock-in. Peter Kyle had criticised the "ball and chain" legacy contracts that stifle innovation and waste public monies yet simultaneously advocated for a deep partnership with Google. Gallot insists that Google does not impose technical lock-in, affirming that the company must continuously prove its worth in this relationship. Nonetheless, the training component raises questions: while much of the public sector’s AI and digital upskilling will be generic, some specialisations will be Google Cloud-specific. This suggests an indirect form of lock-in for technically skilled workers who may become accustomed primarily to Google's ecosystem.

The wider context adds further nuance. The UK regulator, the Competition and Markets Authority, has recently launched an investigation into Google’s search and advertising practices under new digital market powers, scrutinising potential anti-competitive behaviour and data use. This heightened regulatory environment underscores the delicate balance between embracing technological innovation and guarding against market dominance risks.

Moreover, the partnership comes at a time when data sovereignty concerns are increasingly prominent in UK AI policy debates. Industry voices have warned that reliance on foreign-owned hyperscalers, such as Google, poses risks to national resilience, regulatory consistency, and AI ecosystem sovereignty. Advocates argue for bolstering domestic cloud and AI providers and embedding sovereign infrastructure in public sector digital initiatives to avert these vulnerabilities.

Finally, the government's commitment to digital transformation through collaborations with major tech players like Google reflects a pragmatic recognition that legacy systems urgently require overhaul. However, ensuring transparency, safeguarding sensitive data, managing vendor dependencies, and aligning with national strategic interests remain critical challenges. As the government and Google move forward with this partnership, clarity on data governance, legal protections, and long-term ecosystem impacts will be essential to maintaining public trust and achieving sustainable digital progress.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns), [[2]](https://www.itpro.com/business/public-sector/the-uk-government-is-teaming-up-with-google-cloud-to-kill-public-sector-legacy-tech), [[3]](https://www.techradar.com/pro/google-cloud-and-uk-government-reveal-major-push-to-end-ball-and-chain-legacy-tech), [[4]](https://www.techradar.com/pro/uk-technology-secretary-hits-out-at-critics-tells-tech-giants-to-bring-their-best-tech-at-the-best-price)
* Paragraph 2 – [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns)
* Paragraph 3 – [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns), [[7]](https://www.ft.com/content/e593721e-ba35-4856-a5e3-2ba8c5d225f7)
* Paragraph 4 – [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns)
* Paragraph 5 – [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns), [[5]](https://apnews.com/article/145204940b262b20ab3d7e97d2d2ae78)
* Paragraph 6 – [[7]](https://www.ft.com/content/e593721e-ba35-4856-a5e3-2ba8c5d225f7)
* Paragraph 7 – [[2]](https://www.itpro.com/business/public-sector/the-uk-government-is-teaming-up-with-google-cloud-to-kill-public-sector-legacy-tech), [[3]](https://www.techradar.com/pro/google-cloud-and-uk-government-reveal-major-push-to-end-ball-and-chain-legacy-tech), [[4]](https://www.techradar.com/pro/uk-technology-secretary-hits-out-at-critics-tells-tech-giants-to-bring-their-best-tech-at-the-best-price), [[6]](https://www.reuters.com/technology/google-defeats-uk-privacy-lawsuit-over-medical-data-deal-2024-12-11/), [[1]](https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.computing.co.uk/interview/2025/exclusive-google-defends-uk-deal-data-sovereignty-concerns> - Please view link - unable to able to access data
2. <https://www.itpro.com/business/public-sector/the-uk-government-is-teaming-up-with-google-cloud-to-kill-public-sector-legacy-tech> - The UK government has partnered with Google Cloud to modernise outdated technology across the public sector. Announced by Secretary of State for Science, Innovation and Technology Peter Kyle, the initiative aims to replace legacy systems, which account for up to 70% in some police forces, with cloud-based solutions. The partnership also includes upskilling 100,000 civil servants in digital and AI skills by 2030, aligning with the government's goal to double its number of digital experts within the decade. Additionally, the National Digital Exchange (NDX) has been introduced as a marketplace for cost-effective tech procurement, aiming to save billions and boost the UK tech sector. Google Cloud and DeepMind are expected to play expanding roles in the modernisation of public services.
3. <https://www.techradar.com/pro/google-cloud-and-uk-government-reveal-major-push-to-end-ball-and-chain-legacy-tech> - Google Cloud has entered into a significant partnership with the UK Government to modernise outdated legacy technology systems across public sector services. Announced at the Google Cloud Summit in London, the initiative aims to replace decades-old systems used by the NHS, local councils, and other agencies, potentially unlocking up to $45 billion in efficiency savings. Approximately 25% of public sector systems are currently running on legacy technology, with some police forces and NHS trusts relying on infrastructure contracted decades ago, posing cybersecurity risks and limiting productivity. The collaboration includes training 100,000 UK civil servants in AI and emerging technologies by 2030 and exploring advanced tech applications like quantum computing. Google Cloud also plans to help develop a unified cybersecurity monitoring platform. Additionally, as part of its broader AI support, Google is launching a 12-week accelerator for UK-based AI startups and expanding its existing "Gemini for UK" initiative, offering cloud credits and expert support. Over 60% of genAI startups in the UK are already Google Cloud clients, reinforcing the company’s commitment to digital transformation and innovation leadership in the public sector.
4. <https://www.techradar.com/pro/uk-technology-secretary-hits-out-at-critics-tells-tech-giants-to-bring-their-best-tech-at-the-best-price> - UK Technology Secretary Peter Kyle has urged global technology companies to bring their best innovations and competitive pricing to the UK, promising access to the country's extensive public sector market in return. Speaking at the Google Cloud Summit in London, Kyle defended his proactive engagement with major tech firms like Amazon, Microsoft, Meta, and Google, citing 28 meetings in six months—70% more than his predecessor—as essential to fostering innovation and improving public services. He announced a new partnership with Google Cloud aimed at modernising outdated "ball and chain" legacy systems that burden over 25% of public sector technology, rising to 70% in some NHS and police systems. This initiative could result in hundreds of millions of pounds in investment and reduce the estimated £21 billion wasted on obsolete contracts. Kyle also highlighted other advancements, including the launch of the GOV.UK app and the National Digital Marketplace, expressing optimism about transforming essential public services through smart technology adoption.
5. <https://apnews.com/article/145204940b262b20ab3d7e97d2d2ae78> - The UK's Competition and Markets Authority (CMA) launched its first investigation using new digital market powers into Google’s search and search ad businesses. The investigation will determine if Google should be given "strategic market status" that would necessitate behavioural changes. The CMA will examine whether Google is suppressing innovation, blocking rivals, and unfairly using its market position to limit competitive constraints. AI-powered chatbots' increasing popularity and Google's retooled search engine to favour AI-crafted responses are among the focal points. The CMA will also probe Google's consumer data practices, its use of content from web publishers without fair payment, and preferences given to its own services. This UK investigation accompanies ongoing regulatory scrutiny in the US, Canada, and the EU targeting Google's ad business for anticompetitive practices. The CMA has until October to conclude its investigation and may compel Google to alter its data practices.
6. <https://www.reuters.com/technology/google-defeats-uk-privacy-lawsuit-over-medical-data-deal-2024-12-11/> - Google successfully defeated an attempt to revive a lawsuit in a London court, concerning medical record data transferred by the Royal Free London NHS Trust to Google's DeepMind Technologies in 2015. The data was used to develop an app for detecting kidney injuries. An earlier ruling by the Information Commissioner’s Office in 2017 stated that the Royal Free misused patient data. In 2022, patient Andrew Prismall sued Google and DeepMind on behalf of 1.6 million people for alleged misuse of private information. However, London's High Court dismissed the case last year, citing a lack of evidence that privacy expectations were violated for all claimants. Prismall's appeal was dismissed by the Court of Appeal on Wednesday.
7. <https://www.ft.com/content/e593721e-ba35-4856-a5e3-2ba8c5d225f7> - Mark Boost, the Chief Executive of Civo, London, critiques Sir Keir Starmer’s op-ed on artificial intelligence (AI), stressing the importance of data sovereignty. Boost argues that the UK's reliance on foreign-owned hyperscalers weakens national resilience, leading to regulatory conflicts, security risks, and a vulnerable AI ecosystem. He highlights the necessity for the UK to maintain control over its data and suggests that establishing a National Data Library is a positive initial step. However, he stresses that this initiative must be complemented by supporting local cloud and AI providers and ensuring public sector projects prioritise sovereign infrastructure. Without focusing on sovereignty, Boost warns that the UK’s AI development could be compromised.