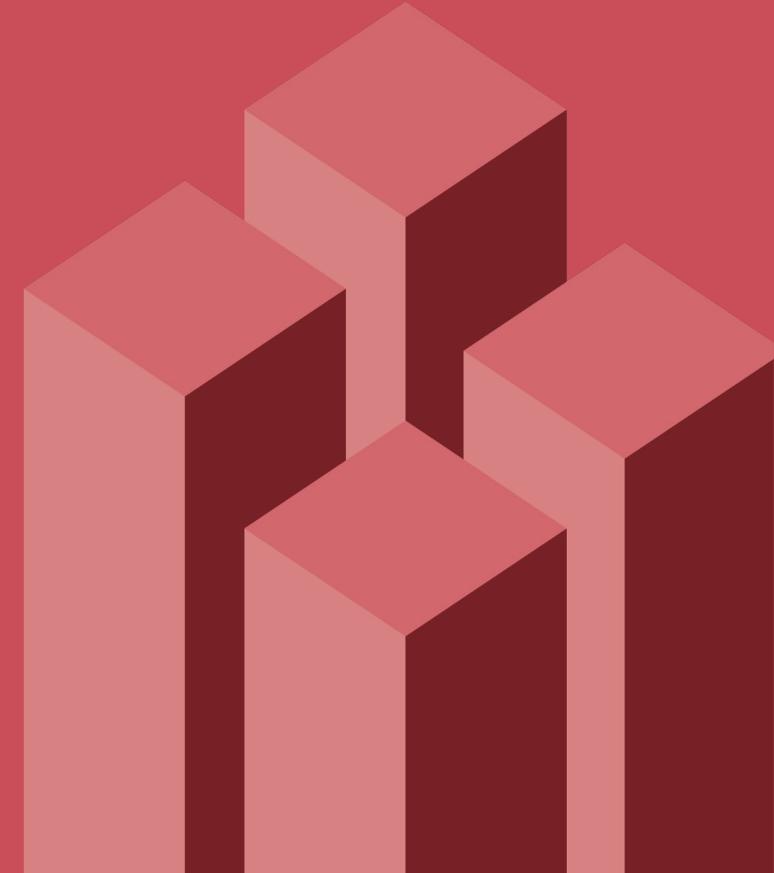


INDUSTRIAL STRATEGY PROGRESS TRACKER

Last updated:
28 January 2026



BACKGROUND

Make UK has consistently argued that the Industrial Strategy must be underpinned by clear, measurable success indicators.

We have proposed an ambitious target: increasing manufacturing's share of UK GDP from 10% to 15% within a growing economy. Achieving this would add £142 billion to GDP, boost Exchequer revenues to fund public services, and drive significant long-term domestic and foreign investment.

To deliver this, the Strategy needs robust indicators, such as job creation, investment levels, productivity gains, and innovation outputs, so Government can track progress against its objectives.

Alongside supporting Government in delivering these KPIs, we are monitoring progress internally against the 28 policy wins secured through the Industrial Strategy.

Our tracker - using the RAG (Red, Amber, Green) rating system - highlights where implementation is on track and where further engagement is needed to maintain momentum.

The Government's Industrial Strategy is the result of years of determined campaigning by Make UK, alongside our members. From tackling high energy costs to securing major investment in skills, finance, and defence, we've ensured manufacturers' voices are not only heard but are acted upon.

Make UK's [Executive Survey 2026](#)'s findings show a clear appetite for growth:

- Despite economic uncertainty, 65% of manufacturers believe opportunities to succeed in 2026 outweigh the risks.
- Manufacturers are optimistic about the role of the Industrial Strategy, with 63% believing it will increase their investment plans.

Seven months on from the publication of the Industrial Strategy, the Government stepped up delivery in Q4 2025 and released a new quarterly update on progress.

In January, the Government-owned British Business Bank made its largest direct investment to date, committing £25 million to Kraken Technologies under new flexibilities to support priority scale-ups. The Bank will also invest £50 million each into two major life sciences and deep-tech funds.

LABOUR MARKET & SKILLS

- Implemented/ on-track 
- Some progress 
- Little to no progress 

Policy	Progress	RAG Rating
Skills England to review apprenticeship funding bands, to reflect delivery	<p>No action yet on funding band review, and no mention of it in the Post-16 Skills White Paper.</p> <p>We are raising this regularly when we speak to DWP.</p>	
Potential sector-wide Skills Passport & other initiatives proposed by Make UK's Skills Commission	<p>In October, the Government published its post-16 Skills White Paper, which committed to Skills England engaging with industry and other partners to explore the development of skills passports, reviewing best practice and learning from previous initiatives in the UK and overseas.</p> <p>As per the White Paper, the first activity will likely be small-scale trials (pathfinder areas). The decision to implement nationally will depend on these pilots.</p>	
Growth and Skills Levy to fund short courses for Advanced Manufacturing from April 2026	<p>The post-16 Skills white paper fleshes out the Growth and Skills Levy-funded short courses in engineering as 'apprenticeship units', based on existing approved apprenticeships in IS occupations – supportive but some concern about potential weakening of apprenticeship brand and quality of provision</p>	
Government sponsorship of an Equality Charter, with a Make UK-led taskforce, co-created by industry to support greater inclusivity	<p>Since our last update, Make UK has partnered with the IfM to produce an overview of women's involvement in manufacturing. The 2025 Women in Manufacturing report combines intersectional data analysis with interviews from across the sector, with a particular focus on leadership and best practice. Its findings will inform the work of the Equality Taskforce board, which is currently in early development, with members expected to be formally appointed by early Q2.</p>	

LABOUR MARKET & SKILLS

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
£100m investment in engineering skills over the next three years	<p>This has been superseded by the funding commitment in the post-16 Skills White paper:</p> <ul style="list-style-type: none"> • An engineering package worth £182 million across four years, addressing engineering skills shortages that are critical to growth in priority sectors. <p>Alongside Technical Excellence Colleges in a range of priority sectors, it includes:</p> <p>£47 million to fund engineering skills for adults.</p> <p>£2 million to increase the number of engineering T Levels offered.</p> <p>£8 million capital funding to invest in clean energy engineering courses at levels 4 and 5 in higher education providers.</p> <p>We are awaiting further detail of specific projects and timescales.</p>	
Temporarily exempting (engineering) occupations from the planned increase to the threshold for the Skilled Worker visa, to protect industrial strategy delivery	<p>Relevant occupations have been identified for consideration for inclusion on the full TSL by the MAC.</p> <p>We have fed into DBT's own submission, and are on track to submit our own response to the consultation, which is closing in Feb. The temporary shortage list should take effect from mid-2026.</p>	

ACCESS TO FINANCE

Implemented/ on-track 

Some progress 

Little to no progress 

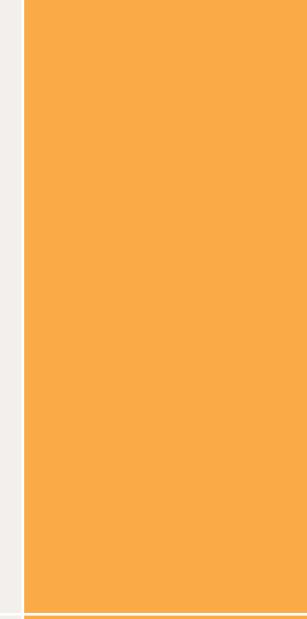
Policy	Progress	RAG Rating
More support for scale-ups, with £4 billion of additional capital funding for the British Business Bank	<p>The Government-owned British Business Bank (BBB) has made its largest direct investment to date, committing £25 million to Kraken Technologies, alongside £50 million each into two venture capital funds - Epidarex Capital (life sciences) and IQ Capital (deep tech) - as part of a wider £100 million package.</p> <p>These investments are enabled by new flexibilities in the Bank's mandate, allowing larger, higher-risk equity stakes in strategically important UK scale-ups. Further details and timelines for the two £50 million funds are still awaited. BBB is also scaling up activity ahead of deploying £4 billion of Industrial Strategy Growth Capital, with a focus on larger deals, priority sectors and increased private sector co-investment.</p>	
Up to £4.3bn in funding for the Advanced Manufacturing sector, including up to £2.8 billion in R&D funding	<p>The £4.3bn and £2.8bn figures account for total spend committed in FY 25/26-29/30 for the following programmes:</p> <ul style="list-style-type: none"> • Made Smarter Adoption • Made Smarter Innovation • Robotics Adoption Hubs Networks • Upskilling and Reskilling Programme and New Approaches to Recruitment Fund • CAM Pathfinder • DRIVE35 – with the Government committing £4 billion • Battery Innovation Programme • Aerospace Technology Institute • Future of Flight 	

ACCESS TO FINANCE

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
	<ul style="list-style-type: none">• Sustainable Aviation Fuel• Space programmes (including support for priority capabilities, NSIP, SCIF, Unlocking Space, Space regulatory package and international bilateral funding)• New Materials Innovation Programme• Farming Innovation Programme• Agritech Export Accelerator <p>Progress is being made across the various programmes, particularly on:</p> <ul style="list-style-type: none">• Advanced Manufacturing DRIVE35 programme launched, providing £2.5bn capital and R&D funding for auto sector.• Launch of £650m electric vehicle grant scheme with discounts of up to £3,750 per vehicle to increase consumer demand.• £70m of R&D funding for over 50 innovative auto projects. Latest round of the aero R&D competition selected 18 projects worth £190m.	
A review of grant award programmes to consider barriers to business	<p>DBT and HMT have committed to working with industry, the Industrial Development Advisory Board, the Industrial Strategy Advisory Council, and other partners to consider barriers on business facing funds on jobs, skills, resilience, regional growth, small businesses in supply chains, and net zero.</p> <p>The Government will set out more detail in the first annual Industry report, due June 2026.</p>	

ENERGY

Implemented/ on-track 

Some progress 

Little to no progress 

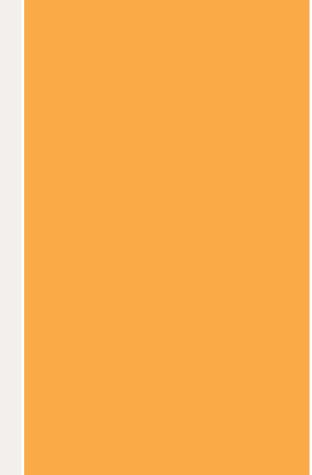
Policy	Progress	RAG Rating
A new British Industrial Competitiveness Scheme from 2027 to reduce electricity costs by c.£35-40/MWh for specific manufacturing industries	<p>The Government has announced a 25% reduction for around 7000 businesses. We understand that eligibility will be based on SIC codes.</p> <p>Government has published the BICs consultation, which we have responded to. In summary:</p> <ul style="list-style-type: none"> • We support action to cut manufacturers' energy costs, including expanding BICS to all manufacturers and backdating it to April 2026. • Funding should come from general taxation, not higher household or business energy bills. • Longer-term funding should draw on new revenues, including higher carbon pricing and potential UK–EU ETS linking, alongside confirmed energy-system savings • Manufacturers are not seeking permanent subsidies - Government must deliver structurally lower energy costs through REMA and Clean Power 2030. • A demand-side CfD could provide a targeted fixed-price option, and we would welcome further discussion. 	
An increase in support for the most energy-intensive industries eligible for the British Industry Supercharger package, with an uplift of the Network Charging Compensation (NCC) scheme from 60% to 90%	<p>The Government published its consultation response in October, confirming that relief under the NCC Scheme will be increased to 90%, with the change legislated and effective from 1 April 2026.</p> <p>The response also commits to extending application windows to two months, with this change taking effect from the Q2 2026 window opening on 30 June 2026. While we support the scheme, we continue to call for the uplift to be backdated to April 2025 to maximise its impact.</p>	

INFRASTRUCTURE & DIGITALISATION

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
Faster grid connections for major projects via a new Connections Accelerator Service, launching late 2025	New Connections Accelerator Service pilot launched to provide quicker access to the electricity grid for priority projects, focusing on speeding up grid connections for major investment projects, and looking at long standing delays in grid access that block industrial growth.	
£24 billion investment to fix potholes on motorways and £15.6 billion investments in local transport projects (East-West connections)	The £15.6 billion regional transport boost forms will start from 2027 through to 2030. We are seeking more detail from the Department for Transport.	
Expansion of the Made Smarter Adoption programme for SMEs and initial funding of £40 million for a new network for Robotics Adoption Hubs across the UK	<p>Following the IS announcement, the Made Smarter programme was further strengthened to include digital internships, £16 million in funding for 2025/26 and a further £99 million for 2026-29, extending SME reach and strengthening grant support.</p> <p>The Government has progressed plans for new Robotics Adoption Hubs, launching a £52 million competition in January 2026 to select around five hubs across the UK. Each will receive at least £2 million per year for four years to provide firms with expert advice, demonstrations and technical support, with hubs expected to be operational in the second half of 2026.</p> <p>The 2026 digital internships programme is now open for expressions of interest, with placements starting in May 2026.</p>	

TRADE, TAX & REGULATION

Implemented/ on-track 

Some progress 

Little to no progress 

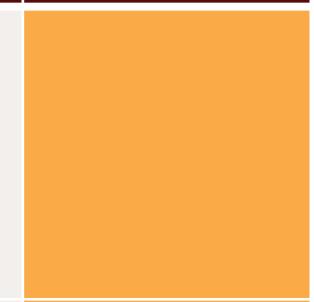
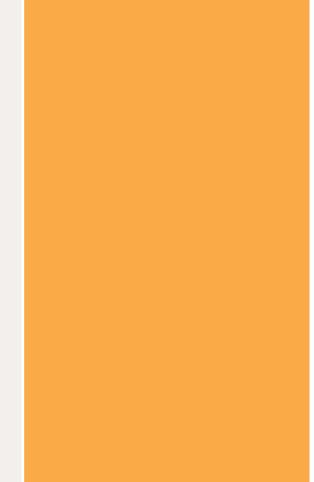
Policy	Progress	RAG Rating
All six Harrington Review recommendations on FDI to be implemented	<ol style="list-style-type: none">1. The Government has set out a clear Business Investment Strategy in the form of the Industrial Strategy.2. Ensured that investment is prioritised across central government by establishing a new Ministerial Committee, the Ofi Board, chaired by the Minister for Investment and with the Chief Secretary to the Treasury and the Prime Minister's Chief Business Adviser as core members.3. Expanded the place-based offer to investors through the measures set out in the IS, including the Strategic Sites Accelerator. Government have also developed specific new initiatives to offer the financing and investment expertise of the Ofi, NWF, BBB, and UKEF to the devolved governments, Mayors, and local authorities across the UK's nations and regions.4. Government have engaged with investors to understand the barriers and challenges to investing in the UK.5. Given the Ofi board stronger tools to compete internationally through a significant expansion of its resources and capability.6. Developed strategically targeted incentives with timely decision-making timetables.	

TRADE, TAX & REGULATION

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
Stronger UK-EU ties, including plans to link UK and EU Emissions Trading Schemes	<p>The UK and EU formally committed in May 2025 to work towards linking the ETS systems, and this remains underway.</p> <p>The EU's 2026 work programme confirms it will explore criteria for linking carbon markets, explicitly noting possible linkage with the UK ETS before 2030.</p>	
New Security and Defence Partnership, plus progress on reducing GB-NI Sanitary & Phytosanitary (SPS) trade barriers	<p>Defence: In January 2026, the UK withdrew from negotiations to join the EU's SAFE defence fund after failing to agree financial terms. As a result, the UK remains a "third-country" participant, meaning UK firms can still take part but are limited to 35% of contract value and do not have full access to loans.</p> <p>SPS: Formal UK-EU SPS negotiations began in December 2025, with full talks underway from January 2026. Both sides aim to conclude an agreement in the first half of 2026, ahead of the next EU-UK Summit. The deal would create a UK-EU SPS Zone, significantly reducing agri-food checks and certification requirements.</p>	

TRADE, TAX & REGULATION

Implemented/ on-track 

Some progress 

Little to no progress 

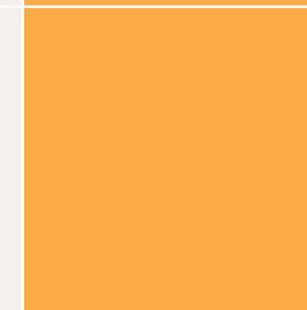
Policy	Progress	RAG Rating
The full expensing capital allowance to remain in place in the long-term	This was recommitted in the Autumn Budget.	Green
Government to ease short-term mobility for UK professionals working abroad	UK-EU to review/ discuss business mobility for work travel to EU. No immediate expectations for an agreement	Yellow
New legislation coming to expand UK Export Finance's lending capacity	No new legislative required. UK Government has increased UKEFs export credit capacity by £20bn, to £80bn.	Yellow
A “root-and-branch reform” of the regulatory system, aiming to reduce administrative costs of regulation by 25% by the end of the Parliament	<p>We submitted a response to a call for evidence in December, we await a response.</p> <p>Reform work is ongoing, including plans to:</p> <ul style="list-style-type: none"> • streamline environmental approvals, • consolidate regulators, • cut guidance complexity, • modernise major-project permitting. 	Yellow

DEFENCE

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
Clear backing for UK businesses via a new SME Support Centre	<p>The new Defence Office for Small Business Growth will launch at the end of January 2026, and the new Head of the Office has already been appointed.</p> <p>Make UK Defence have been involved in the design process for the Office from the start and are continuing to support the to launch the Office so that it delivers tangible outcomes for SMEs.</p>	
£2.5bn boost to SME spending by 2028, including a 50% rise in direct spending	<p>The MOD has set this target and now it must deliver it. The new SME Commercial Pathway will help drive the culture change needed inside the MOD to deliver more opportunities for SMEs to win work directly and indirectly with the MOD.</p> <p>Make UK Defence are also advocating for SME-Only Contracts to improve opportunities for direct MOD work and increase industry competitiveness, and an SME Shadowing Programme to encourage MOD commercial staff to spend 1-3 days working with an SME.</p>	
New Defence Technical Colleges and funding to tackle the defence skills gap	<p>The Defence Industrial Strategy, published in September 2025, allocated £182 million for a broader Defence Skills Package, including the creation of new DTECs.</p> <p>The MOD is launching a competition process by the end of the year with the Department for Education to select the locations for the new DTECs. The new DTECs will be launched in 2026.</p>	

DEVOLUTION

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
More support and funding for the devolved nations and English mayoral areas, including a new local growth fund and a strategic sites accelerator	<p>A commitment for a 10-year capital settlement from 2026/27 to 2035/36, for specific mayoral city regions in the North and Midlands with the highest productivity catch-up and agglomeration potential, starting from 2026.</p> <p>We support the fund but would want to see it expanded beyond the city focus or see a different initiative for those areas outside of the Local Growth fund.</p> <p>The new Strategic Sites Accelerator will be funded with £600 million to help bring sites to market faster, such as land remediation, anticipatory grid capacity, transport improvements, and fast-tracked planning approval. The first wave of sites will be announced by mid-2026, with funding to start from 2026/27.</p>	
A review of grant award programmes to consider barriers to business	<p>More broadly, we have heard feedback from businesses and other stakeholders that the way we award grant programmes could be improved.</p> <p>DBT and HMT will work with industry, the Industrial Development Advisory Board, the Industrial Strategy Advisory Council, and other partners to consider barriers to business and opportunities to maximise the impact of our business-facing funds on jobs, skills, resilience, regional growth, small businesses in supply chains, and net zero.</p> <p>The Government will set out more detail in the first annual Industrial Strategy update.</p>	

INDUSTRIAL STRATEGY GOVERNANCE

Implemented/ on-track 

Some progress 

Little to no progress 

Policy	Progress	RAG Rating
The creation of a permanent Industrial Strategy Council and accompanying success metrics to oversee the Industrial Strategy	<p>The Industrial Strategy Advisory Council is now fully established and operational, with a strengthened 2026 mandate and newly appointed members to broaden its expertise.</p> <p>It has also begun external analytical work, including a research partnership with the University of Manchester.</p> <p>However, the Council has not yet published detailed success metrics, impact reports or evaluation outputs, so further clarity on its work and measurable progress is still needed.</p>	
Government commitment to work closely with Make UK and other key partners to make the Strategy a success	<p>Government worked closely with Make UK on the creation and publication of the Industrial Strategy.</p> <p>Closer work is now needed to oversee the implementation and success of the Strategy.</p>	

Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the Fourth, the manufacturing sector has been the UK's economic engine and the world's workshop.

The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow.

By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges.

Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

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