

INDUSTRIAL STRATEGY PROGRESS TRACKER

Last updated:
June 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 highlights where implementation is on track, where progress is being made, where delivery needs to accelerate, and where significant concerns remain.

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.

JUNE 2026 UPDATE

One year on, delivery of the Industrial Strategy is falling short. There has been some progress, like on grid connections. There have also been announcements on major investments and in areas around skills and finance, but too often this is not reaching manufacturers on the ground.

This tracker shows a clear gap between announcements and impact. Key pressure points remain unresolved: energy costs are still biting with support delayed until 2027; skills reform is patchy; and finance is not flowing at scale as low confidence holds back investment.

As the Strategy enters year two, the priority is simple: move from announcements to delivery, so that businesses feel the impact in reduced costs, increased investment, and higher productivity.

LABOUR MARKET & SKILLS

Implemented 

Moderate progress 

Limited progress 

Critical concern 

Policy	Progress	RAG Rating
<p>Skills England to review apprenticeship funding bands, to reflect delivery</p>	<p>No action yet on funding band review, and no mention of it in the Post-16 Skills White Paper. We are raising this regularly when we speak to DWP.</p>	<p>Critical concern</p>
<p>Potential sector-wide Skills Passport & other initiatives proposed by Make UK's Skills Commission</p>	<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, which are yet to be announced.</p>	<p>Moderate progress</p>
<p>Growth and Skills Levy to fund short courses for Advanced Manufacturing from April 2026</p>	<p>The post-16 skills white paper confirms that the Growth and Skills Levy will fund short, modular training in areas including engineering and advanced manufacturing.</p> <p>From April 2026, this is being delivered via 'apprenticeship units' - modules carved out of existing approved apprenticeships, rather than new courses.</p> <p>While this is a step forward, the limited delivery model risks constraining flexibility and weakening apprenticeship quality, and further reform will be needed to meet employer demand.</p>	<p>Moderate progress</p>
<p>Government sponsorship of an Equality Charter, with a Make UK-led taskforce, co-created by industry to support greater inclusivity</p>	<p>Make UK continues to progress the Equality Taskforce, informed by new evidence on women's participation in manufacturing. However, formal government sponsorship of an Equality Charter, including funding, governance and a clear rollout plan, has yet to be confirmed.</p>	<p>Moderate progress</p>

LABOUR MARKET & SKILLS

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>£100m investment in engineering skills over the next three years</p>	<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. £2 million to increase the number of engineering T Levels offered. £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>	
<p>Temporarily exempting (engineering) occupations from the planned increase to the threshold for the Skilled Worker visa, to protect industrial strategy delivery</p>	<p>The Government created a Temporary Shortage List (TSL) to prevent key occupations from falling out of the Skilled Worker route when:</p> <p>The general skill threshold was raised to RQF Level 6. Salary thresholds were increased (now ~£41,700 for most roles).</p> <p>The TSL explicitly covers a range of engineering and engineering-related technician roles, allowing them to remain eligible for sponsorship despite the higher thresholds.</p> <p>While this provides short-term protection for industrial strategy delivery, the exemption is time limited and subject to review, with long term certainty still lacking.</p>	

ACCESS TO FINANCE

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>More support for scale-ups, with £4 billion of additional capital funding for the British Business Bank</p>	<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> <p>While early activity is encouraging, the majority of the £4bn is yet to be deployed and further clarity is needed on pace, sector focus and regional reach.</p>	
<p>Up to £4.3bn in funding for the Advanced Manufacturing sector, including up to £2.8 billion in R&D funding</p>	<p>The £4.3bn does not represent new money announced since the Industrial Strategy. It aggregates previously announced and ongoing programmes under an advanced manufacturing banner.</p>	
<p>A review of grant award programmes to consider barriers to business</p>	<p>DBT and HMT have committed to reviewing business-facing grant award programmes to address barriers faced by firms, including SMEs and supply chains.</p> <p>However, no findings or reforms have yet been published, with further detail expected in the first annual Industrial Strategy update.</p>	

ENERGY

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>A new British Industrial Competitiveness Scheme from 2027 to reduce electricity costs by c.£35-40/MWh for specific manufacturing industries</p>	<p>Government has finalised and expanded the design of the BICs, confirming electricity cost reductions of around £35–40/MWh for eligible manufacturers from April 2027, with a one-off compensatory payment in 2027 to reflect delayed implementation.</p> <p>While this acknowledges the scale of the UK’s industrial energy cost challenge, manufacturers are facing acute cost pressures now, and the scheme does not provide immediate relief for firms renegotiating energy contracts in 2026.</p>	
<p>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>	<p>Government has confirmed an uplift to the Network Charging Compensation (NCC) scheme from 60% to 90% for eligible energy-intensive industries, with the change legislated and effective from 1 April 2026.</p> <p>Government has also committed to extending NCC application windows from one month to two, improving accessibility for businesses. While this provides meaningful additional support for the most energy intensive industries, relief remains limited to a small number of sectors and does not address broader manufacturing energy costs.</p> <p>The uplift to the NCC scheme is a welcome step for the most energy intensive industries and demonstrates that targeted action can be delivered quickly where Government prioritises it. However, most manufacturers still face internationally uncompetitive electricity costs, reinforcing the need to extend energy cost relief beyond narrowly defined EII sectors.</p>	

INFRASTRUCTURE & DIGITALISATION

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>Faster grid connections for major projects via a new Connections Accelerator Service, launching late 2025</p>	<p>Government has launched the Connections Accelerator Service, which became operational in pilot form in December 2025 to support strategically important demand projects facing delays in securing grid connections.</p> <p>The service is being scaled up through 2026, alongside wider reforms to grid connection queue management and prioritisation.</p> <p>While this marks progress in addressing long standing grid connection delays, the impact for manufacturing projects is not yet clear and most businesses continue to face significant connection backlogs.</p>	
<p>£24 billion investment to fix potholes on motorways and £15.6 billion investments in local transport projects (East-West connections)</p>	<p>Government has committed £24bn of capital funding between 2026-27 and 2029-30 to maintain and upgrade motorways and local roads, including tackling potholes and congestion on strategic routes.</p> <p>In parallel, £15.6bn has been allocated through Transport for City Regions settlements to fund long-term local transport projects in mayoral areas, with delivery expected from 2027 onwards.</p> <p>While funding allocations are confirmed, the impact on freight movement, East-West connectivity and access to industrial sites will depend on project selection and delivery by local authorities and National Highways.</p>	


INFRASTRUCTURE & DIGITALISATION

Implemented 

Moderate progress 

Limited progress 

Critical concern 

Policy	Progress	RAG Rating
<p>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>	<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 ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>All six Harrington Review recommendations on FDI to be implemented</p>	<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. 	<div style="background-color: green; width: 100%; height: 100%;"></div>

TRADE, TAX & REGULATION

Implemented 

Moderate progress 

Limited progress 

Critical concern 

Policy	Progress	RAG Rating
<p>Stronger UK-EU ties, including plans to link UK and EU Emissions Trading Schemes</p>	<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> <p>This would allow mutual recognition of allowances and help reduce trade frictions, including interaction with the EU’s Carbon Border Adjustment Mechanism (CBAM). While political commitment has been set out, no formal linking agreement, timetable or implementation details have yet been agreed.</p>	
<p>New Security and Defence Partnership, plus progress on reducing GB-NI Sanitary & Phytosanitary (SPS) trade barriers</p>	<p>Defence: At the UK-EU Summit in May 2025, the UK and EU agreed a new Security and Defence Partnership, establishing a framework for closer cooperation on foreign, security and defence policy. The partnership is designed to support strategic alignment and enable future cooperation, including on defence industrial issues.</p> <p>Following the agreement, the UK sought enhanced access for UK firms to the EU’s Security Action for Europe (SAFE) defence fund. However, negotiations to secure participation on terms going beyond standard third-country rules broke down in November 2025 due to disagreement over financial contributions and access conditions.</p> <p>As a result, the UK did not join SAFE as a participant. UK defence firms remain able to engage only as third-country suppliers, with participation capped at 35% of contract value and without access to SAFE-backed loans.</p>	

TRADE, TAX & REGULATION

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
	<p>This outcome highlights the limits of current UK-EU defence industrial integration. While the Security and Defence Partnership marks a significant improvement in political and strategic cooperation, it has not yet translated into full access to EU defence financing or procurement mechanisms for UK industry.</p>	
<p>The full expensing capital allowance to remain in place in the long-term</p>	<p>This was recommitted in the Autumn Budget.</p>	
<p>Government to ease short-term mobility for UK professionals working abroad</p>	<p>UK-EU to review/ discuss business mobility for work travel to EU. No immediate expectations for an agreement</p>	
<p>New legislation coming to expand UK Export Finance’s lending capacity</p>	<p>Government has brought forward legislation to expand UK Export Finance’s lending and guarantee capacity by increasing statutory financial limits.</p> <p>The Industry and Exports (Financial Assistance) Bill (2024–26), introduced in November 2025, would raise the cap on the amount of support UKEF can provide, enabling greater use of export finance to support UK businesses operating internationally.</p> <p>While the Bill is progressing through Parliament, the expanded capacity is not yet fully available pending legislative approval.</p>	

TRADE, TAX & REGULATION

Implemented 

Moderate progress 

Limited progress 

Critical concern 

Policy	Progress	RAG Rating
<p>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>	<p>Government has launched a comprehensive programme of regulatory reform aimed at overhauling the UK’s regulatory system to better support growth and investment.</p> <p>Make UK has been working with DBT and HMT to help pin-point exact regulations to review.</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.	

DEFENCE

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>Clear backing for UK businesses via a new SME Support Centre</p>	<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>	
<p>£2.5bn boost to SME spending by 2028, including a 50% rise in direct spending</p>	<p>The £2.5bn increase in defence spending with SMEs by 2028 is linked to the wider defence investment programme and is intended to be delivered through the Defence Investment Plan. MOD has indicated that further detail on delivery, including a dedicated SME Action Plan, will follow once the Defence Investment Plan is finalised.</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>	
<p>New Defence Technical Colleges and funding to tackle the defence skills gap</p>	<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>	


DEFENCE

Implemented 

Moderate progress 

Limited progress 

Critical concern 

Policy	Progress	RAG Rating
	<p>A £175m cross-government funding package has been allocated to establish 19 Technical Excellence Colleges across England, five of which will specialise in defence, working in partnership with industry and the Ministry of Defence.</p> <p>In addition, further targeted funding has been announced through defence growth deals to support new Defence Technical Excellence Colleges and skills provision in key regions.</p>	

DEVOLUTION

Implemented 

Moderate progress 

Limited progress 

Critical concern 

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>	

INDUSTRIAL STRATEGY GOVERNANCE

- Implemented ●
- Moderate progress ●
- Limited progress ●
- Critical concern ●

Policy	Progress	RAG Rating
<p>The creation of a permanent Industrial Strategy Council and accompanying success metrics to oversee the Industrial Strategy</p>	<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>There is now agreed engagement on performance tests and monitoring frameworks to assess progress over the lifetime of the Industrial Strategy. While governance arrangements are firmly in place, the full suite of published, measurable success metrics is still being developed.</p> <p>Make UK are working with the Council to run a joint roundtable on progress in June.</p>	<div style="background-color: orange; width: 100%; height: 100%;"></div>
<p>Government commitment to work closely with Make UK and other key partners to make the Strategy a success</p>	<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>	<div style="background-color: orange; width: 100%; height: 100%;"></div>
<p>Commitment for the Industrial Strategy Advisory Council to be put on a statutory footing.</p>	<p>The Government hasn't committed to a date when legislation will be introduced, therefore this is unlikely to happen until mid-2027 at the absolute earliest.</p>	<div style="background-color: darkred; width: 100%; height: 100%;"></div>

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.

www.makeuk.org

#BackingManufacturing #UKmfg

For more information, please contact:

Faye Skelton
Head of Policy

Make UK

fskelton@makeuk.org

