3 November 2026

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Dear Jonny

Thank you for taking the time to speak to me following the Budget. As we said in our response, this was the first real test of the Government's pledge to reindustrialise Britain. It failed to address the underlying industrial energy costs holding back investment and growth in manufacturing.

While we welcome the Budget's clarification of how the British Industrial Competitiveness Scheme (BICS) will be funded, this does not resolve the wider problem. Our industrial electricity costs remain the highest in the world, with a ruinous effect on investment in a sector that supports 2.6 million jobs and accounts for 42% of UK exports.

That makes it all the more important that the support available reaches manufacturers facing demonstrably high electricity costs. Yet the current BICS eligibility criteria risk excluding energy-intensive, internationally competitive businesses because of their sector or product classifications.

We recognise the need for clear, objective eligibility criteria, but waiting until the proposed review in 2030 risks leaving some manufacturers without support for too long. Our research shows that 13% of manufacturers feel another energy price shock could prove terminal for their business.

We urge you to review these criteria now and introduce a route through which individual manufacturers can demonstrate eligibility based on their actual electricity intensity and exposure to international competition, rather than relying exclusively on sector-level averages and product classifications or at the very least removing the additional burden of HS codes for product identification.

The experience of Advance Tapes Group in Thurmaston illustrates the issue particularly clearly.
Advance employs 102 people and exports more than 75% of its UK production, competing directly with manufacturers in Europe and elsewhere. Between 2021 and 2025, it reduced its electricity consumption by 22%, yet its electricity bill rose by 52%, from approximately £342,000 to £518,000. Its average effective electricity cost increased from approximately 12p to 23p per kWh.

Based on its 2025 electricity expenditure, operating profit and employment costs, Advance's indicative company-level electricity intensity is approximately 12.7% of GVA. For context, the Government uses a 2.7% sector-level threshold to identify foundational industries for BICS. These are different measures, and the comparison does not establish eligibility. Nevertheless, it illustrates the risk of overlooking an individual manufacturer's electricity costs when assessing its sector as a whole.

Advance appears largely to fall outside the scheme because most of the pressure-sensitive adhesive tapes it produces do not fall within the selected SIC and product classifications. A scheme designed to improve industrial competitiveness should provide a way to assess businesses like Advance on the evidence of their own electricity intensity and international exposure.

Alongside these changes, the Government must tackle the underlying cost of industrial electricity. As we set out before the Budget, removing policy levies from industrial electricity bills would improve competitiveness and make investment and electrification more viable in the UK, helping to protect industrial jobs and support reindustrialisation. The cost control framework may start to tackle this problem, but manufacturers cannot afford to wait until 2027 for action.

Without urgent action reindustrialisation will remain a political slogan rather than an economic reality.

We need an alternative BICS eligibility route for manufacturers such as Advance Tapes and the wider removal of policy levies from industrial electricity bills.

Yours sincerely



Stephen Phipson CBE
Chief Executive