



UK Government

# UK's Modern Industrial Strategy

## South East England



**GREAT**  
BRITAIN & NORTHERN IRELAND

# AN INDUSTRIAL STRATEGY FOR THE WHOLE OF THE UK

The modern Industrial Strategy is a new economic approach – a whole-of-government effort to back the UK's strengths, with ambitious plans for eight high-growth sectors ('IS-8') and the frontier industries at their leading edge, from quantum to pharmaceuticals. It is a ten-year plan, built on stability and openness, to make the UK the best country to invest in.

The Government's long term Industrial Strategy will help lift every part of our country. We are making it easier and quicker to do business and invest, with long-term stability, including:

- Reducing electricity costs by £35-40/MWh from 2027 for electricity-intensive manufacturers in the IS-8 and their supply chains, through the new long term British Industrial Competitiveness Scheme.
- Deeper international cooperation focused on opportunities for the IS-8, building on recent deals with the US, EU, and India; with increased investment in crucial supply chains and national security capabilities, e.g. through the £400m budget of the new UK Defence Innovation.
- Billions in innovation funding and business finance, underpinned by record public investment of £20.4bn in 2025/26 rising to £22.6bn in 2029/30 and an uplift in the British Business Bank's financial capacity to £25.6bn, including £4bn additional capital for the IS-8.
- Investment to harness data's economic potential, with new Smart Data schemes and the new National Data Library with over £100m of funding.
- New Growth and Skills Levy short courses in areas such as digital, AI and engineering, in addition to continued roll out of shorter and foundation apps; funding uplifts for 16-19 IS-related priority courses; and packages on

technology, engineering and defence skills.

- New Global Talent Taskforce to attract the world's best researchers, investors, and entrepreneurs, backed up by new talent fund and visa reforms.
- Continued focus on reducing the administrative costs for business of regulation by 25%, planning reforms, at least £725bn on infrastructure over ten years, and improvements to digital infrastructure, including £41m to improve Wi-Fi speed and availability on all mainline trains.
- Building on the Autumn Budget corporate tax roadmap that committed to cap headline rate at 25% and maintain e.g. Full Expensing.



# BUILDING ON THE SOUTH EAST'S STRENGTHS



The South East already has a huge amount to celebrate and the Industrial Strategy's Sector Plans promote its wide-ranging strengths to investors, highlighting:

- **Advanced Manufacturing:** Anchored by Oxford's world-leading university, the Oxford-Cambridge Growth Corridor comprises spinouts in graphene and batteries and home to BMW Mini, Oxford Instruments, Fortescue Zero, Lockheed Martin, and Oxford Space Systems.

## Advanced Manufacturing Sector Plan – key measures include:

- £4.3 billion in funding, with up to £2.8 billion in R&D over the next five years, including for zero-emission vehicle manufacturing.
- C.£99 million expansion of Made Smarter from 2026 to help 5,500 more SMEs adopt technology.
- Targeted regulatory changes and implementation, e.g. to extend drone trial periods and trial autonomous taxis on UK roads by Spring 2026.



- **Clean Energy Industries:** UKAEA in Culham, Oxfordshire, leads on Fusion R&D with a new fuels partnership with ENI, while Project Brunel has invested £14.6m in hydrogen engines. OWIC estimates £287-630m investment is needed in the South East to achieve the priorities in their Regional Growth Prospectus.

## Clean Energy Industries Sector Plan – key measures include:

- **£1 billion Clean Energy Supply Chains Fund, including £300 million to invest in offshore wind supply chains.**
- **£544 million Clean Industry Bonus for offshore wind.**
- **£14.2 billion for Sizewell C, over £2.5 billion for Small Modular Reactors, and over £2.5 billion for fusion over 5 years.**
- **The Heat Pump Investment Accelerator, providing grants to manufacturers to invest in new capacity.**

- **Defence:** Home to strengths across the Oxford to Cambridge Growth Corridor and in Portsmouth and the Solent.
  - The Oxford to Cambridge Growth Corridor has strengths in Space, AI, Quantum Technologies, Cyber,

Engineering Biology, Semiconductors and Advanced Connectivity Technologies. The Corridor is a world-leading arc for AI, quantum computing, engineering biology and space innovation cohered around world-famous universities and the cutting-edge Harwell Campus site, hosting the National Quantum Computing Centre.

- Portsmouth and the Solent has strengths in Space, Maritime Capabilities and Drones and Autonomous Systems. Qinetiq's National Maritime Systems Centre and the National Oceanography Centre are at the forefront of marine science and technology, including on autonomous and robotic underwater systems. Home to HMNB Portsmouth and Solent Freeport, it's a key maritime hub.

## Defence Sector Plan – key measures include:

- **Spending at least 10% of MoD's equipment budget on acquiring novel technologies.**
- **Increase in MoD spending with SMEs by £2.5 billion by May 2028.**
- **Increase in UK Export Finance's total lending capacity reserved for defence exports to £3 billion.**
- **Reformed procurement – fewer burdens and more rewards for supplier productivity and risk-taking.**
- **New Technical Excellence Colleges for Defence.**

- **Digital and Technologies:** Home to the world leading University of Oxford, Oxfordshire hosts to the Culham AI Growth Zone, Harwell Science & Innovation Campus and National Quantum Computing Centre. Its key R&D companies include Oxford Instruments, Sophos and Oxford Ionics.

- **Financial Services:** Swindon, Brighton, Bournemouth and East Surrey have strengths in insurance, asset management and fintech. Companies such as Zurich operate in Swindon and JP Morgan has technology offices in Bournemouth. These locations benefit from strong transport links to London, major international airports like Gatwick, and deep talent pools to tap into, with access to a high-quality professional business eco-system, and offers prospective talent high-living standards with easy access to London.

## Digital and Technologies Sector Plan – key measures include:

- Catalyse R&D in frontier industries, incl. £670m to drive the development and adoption of quantum computers in the UK.
- £187 million for training a million young people in tech skills.
- Support from the new Regulatory Innovation Office to clear a path to market for innovative products.
- £2 billion for the implementation of the AI Opportunities Action Plan, including a 20-fold expansion of the national cluster of AI supercomputers by 2030 and a new Sovereign AI Unit.

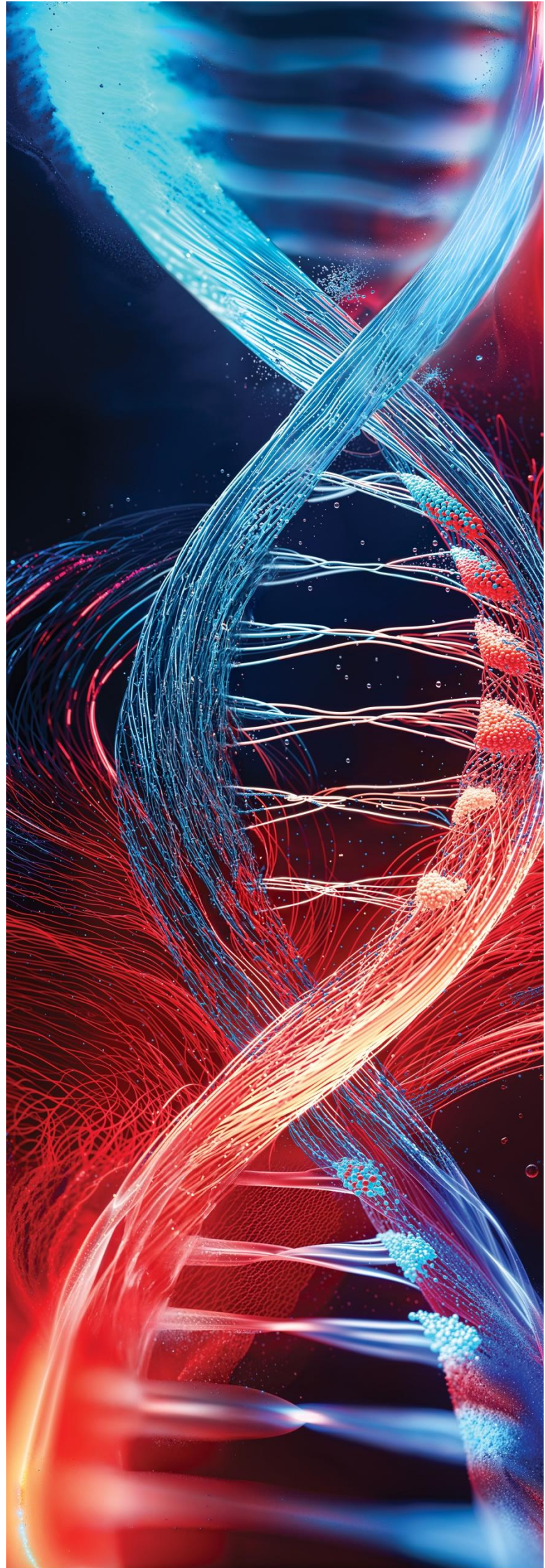
## Financial Services Sector Plan – key measures include:

- Implementing Pension Investment Review reforms, enabling greater productive investment and supporting Mansion House Accord investment commitments.
- Delivery of PISCES, innovative new stock exchange for companies wanting to stay private longer.
- New concierge service to attract international firms.
- Financial Services Sector Plan to be published on 15 July alongside the Chancellor's Mansion House speech.

- **Life Sciences:** The Oxford-Cambridge Growth Corridor is a leader in R&D, translational medicine and AI adoption for healthcare outcomes, with an extensive talent, incubator, VC, advisory and science park network. It is anchored by world-leading universities, NHS teaching hospitals and global pharma firms such as Moderna and Novo Nordisk.

### **Life Sciences Sector Plan – key measures include:**

- **Up to £520m fund to land manufacturing investments.**
- **Reforms to reduce trial approvals timelines and double participation in clinical trials by 2026 and again by 2029.**
- **New pathways to bring products to market – low-friction NHS access and greater agility for the MHRA.**
- **Up to £600m with the Wellcome Trust to create the world’s most advanced, secured, and AI-ready health data platform.**



- **Foundational Industries relevant to IS-8 supply chains:** The South East has a number of ports, such as the Solent Freeport, and a construction industry.

**The Industrial Strategy highlights policy support for the foundational industries relevant to IS-8 supply chains, including:**

- **Mobilising investment into UK ports including through innovative use of financing. Ports are one of the five sectors to which the National Wealth Fund has committed at least £5.8 billion of its capital.**
- **Modernising the construction sector, by embedding modern methods of construction (MMC) in government infrastructure projects, investing £625m to train up to 60,000 more skilled workers, launching a new Infrastructure Pipeline digital dashboard in July 2025 and reforming the planning system. The Competition and Markets Authority (CMA) will also lead on a Market Study, providing an opportunity to transform public procurement behaviours and approaches in civil engineering.**

# DRIVING REGIONAL GROWTH

The Industrial Strategy introduces ambitious policies to drive growth and investment across every nation and region of the UK. This is a 10-year strategy which will be a living document. We want to continue to work with Local Government, Mayoral Strategic Authorities and Devolved Governments to ensure they can drive growth across the UK. To begin we are:

## Bringing forward investible sites

- Launching a new Strategic Sites Accelerator with over £600 million to enable the Government to deploy a range of interventions to 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 within a year, with funding to start from 2026/27.
- Strengthening existing “Industrial Strategy Zones” – Freeports and Investment Zones – across the UK. The accompanying Industrial Strategy Zones Action Plan sets out an enhanced offer of streamlined planning, better-targeted investment promotion, support for accessing concessionary finance, and coordinated support on skills.
- AI Growth Zones will attract investment in AI infrastructure in strategic locations, with support for planning, access to energy, and partnerships with the private sector.

## Supporting city regions and clusters to attract private investment

- Investment partnerships giving city regions and clusters the expertise and catalytic financing to secure private investment, including: a new British Business Bank “Cluster Champions” programme, delivering four National Wealth Fund city region Strategic Partnerships, and strengthened support from the Office for Investment to help identify, shape and deliver strategic investment opportunities across the UK.

- Delivering a stronger skills pipeline for local employers through Local Skills Improvement Plans, Technical Excellence Colleges, and £200 million funding for further education providers in England through the Skills Mission Fund.
- Growing high-potential innovation ecosystems through the Local Innovation Partnerships Fund, providing up to £500m across the UK. This will earmark at least £30 million for each of England’s seven established Mayoral Strategic Authorities and a place in each of Scotland, Wales, and Northern Ireland. The scheme also includes a competition for clusters in all other parts of the UK to bid for support.

## Strengthening connections between city regions and clusters

- Connecting and support a growth corridor across our Northern city regions: combining investments in transport connectivity with action to boost the North’s strengths in the IS-8 and unlock transformative private investments.
- Deepening support for the Oxford to Cambridge Growth Corridor: taking forward major infrastructure projects and addressing the shortage of R&D facilities.
- Working with the Scottish Government to support the Edinburgh-Glasgow Central Belt, maximising the growth benefits of HS2, and improving rail connectivity between city regions and clusters in Wales and England.

# SPECIFIC INTERVENTIONS IN THE SOUTH EAST

More policies will be delivered over time, but below are some of the specific interventions that form part of our strategy:

## Locally targeted investments in the IS-8 growth driving sectors:

- An AI Growth Zone in Culham to facilitate AI infrastructure and unlock investment in AI-enabled data centres.

## Devolved funding for the local leaders who know their places best to help deliver their Local Growth Plans, including:

- Enhanced support for Solent Freeport, specialised in Advanced Manufacturing and Clean Energy Industries, with streamlined planning processes, better-targeted investment promotion, support for accessing concessionary finance, and coordinated support on skills.

## Tools to help city regions and clusters attract private investment:

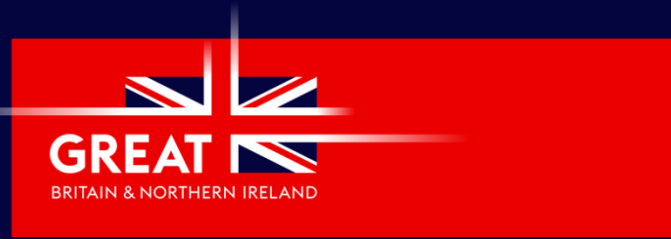
- The British Business Bank will expand their Nations and Regions Investment Funds with £350m to cover the South East for the first time.

## Backing the Oxford to Cambridge growth corridor via major housing and infrastructure projects:

- East-West Rail, a major new cross-country rail line cutting journey times significantly between Oxford and Cambridge. This will enable delivery of up to 100,000 new homes, create thousands of new jobs by expanding the commuting populations of economic centres across the corridor, and add £6.7bn a year to regional GVA by 2050. The first phase will launch later this year and enable direct rail travel between Oxford and Milton Keynes for the first

time in nearly 60 years. A new East Coast Mainline station at Tempsford, integrating the Corridor into one of the UK's busiest rail routes between London to Edinburgh.

- Upgrades to the A428, encouraging investors to the area and making jobs in Milton Keynes and Cambridge more accessible.
- Ensuring that water companies build new reservoirs in areas around Cambridge (the Fens) and Oxford (Abingdon) so that industrial and residential developments are not held back due to pressures on water availability.
- Strengthening the region's science and technology credentials through the UK's first AI Growth Zone in Culham, Oxfordshire, confirmed as the first site for our new flagship programme to facilitate AI infrastructure and unlock investment in AI-enabled data centres.
- Exploring how to strengthen collaboration between the Oxford Cambridge Growth Corridor and other parts of the UK with complementary strengths. This will build on recent government investment in the Cambridge x Manchester Innovation Partnership.
- Addressing the shortage of high-quality research facilities driven by consistently high demand for R&D space. We will fund the Cambridge Growth Company to invest in infrastructure to unlock housing and commercial development, enter into partnerships with the private sector, and work with local partners on infrastructure delivery, with more details to be set out shortly. The Oxford Growth Commission will also develop a long-term investment strategy.
- Cambridgeshire and Peterborough will benefit from a £38m Local Transport Grant between 2026/27 and 2029/30, which enables local authorities to deliver transport improvements including more zero emission buses, cycleways, accessibility and congestion improvement measures.



### **Department for Business and Trade**

The UK's Department for Business and Trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the Industrial Strategy, Make Work Pay, the Trade Strategy and the Plan for Small Business.

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