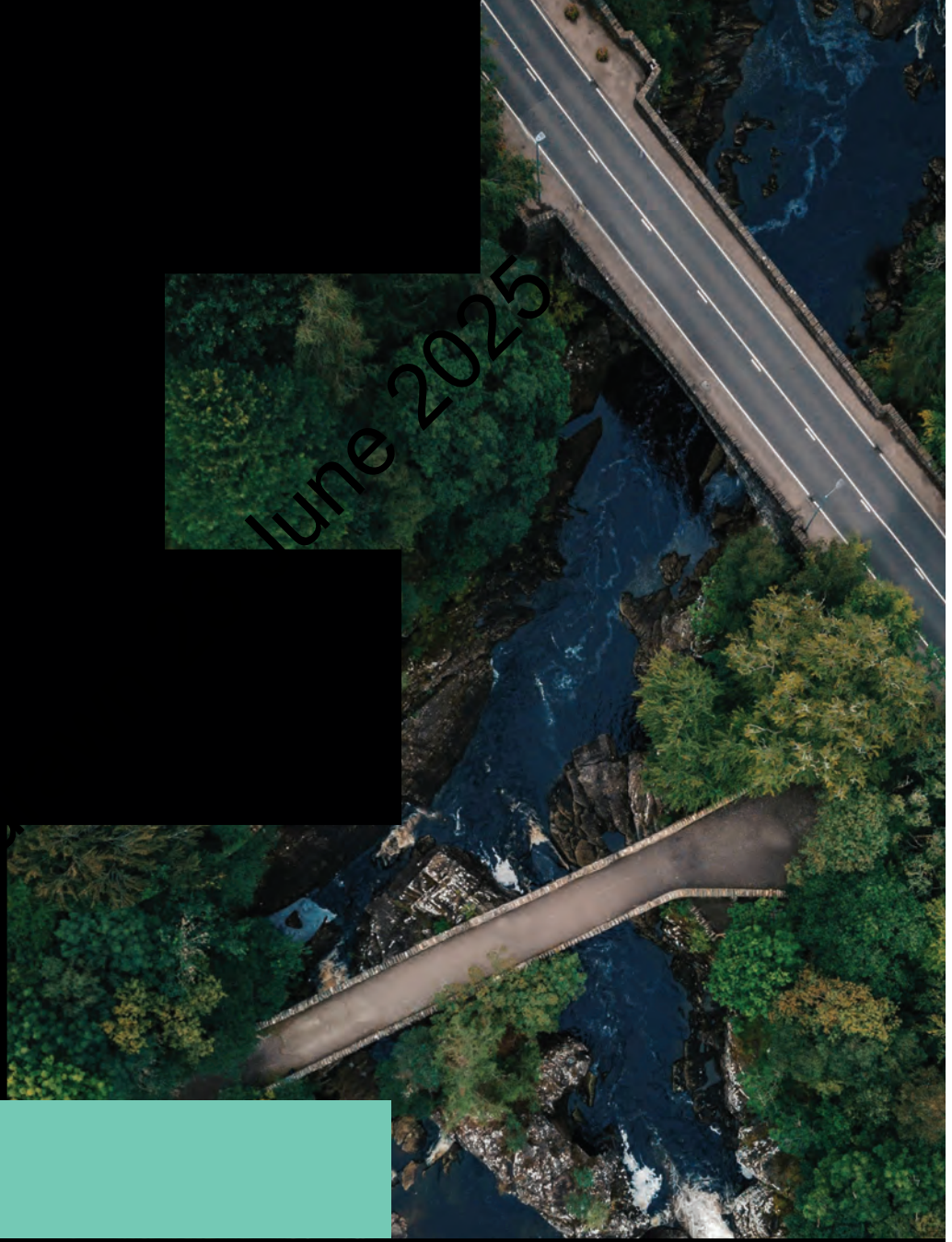


# Build Back Better

our plan for growth



HM Treasury

Withdrawn 23 June 2025



# Build Back Better: our plan for growth

Presented to Parliament  
by the Chancellor of the Exchequer  
by Command of Her Majesty

March 2021

Withdrawn 23 June 2025

# Contents

**OGL**

Withdrawn 23 June 2025

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06

**Foreword**

10

**Build Back Better:**  
our plan for growth  
at a glance

16

**Chapter One**  
Economic context

30

**Chapter Two**  
Infrastructure

42

**Chapter Three**  
Skills

50

**Chapter Four**  
Innovation

68

**Chapter Five**  
Leveling up

82

**Chapter Six**  
Net zero

92

**Chapter Seven**  
Global Britain

104

**Chapter Eight**  
The way ahead

108

**Annex**  
Opportunities for  
growth from EU exit

# Foreword

**With hundreds of thousands of needles going into arms every day, our fantastic NHS is shifting the odds in our favour, protecting the people we love and finally offering real hope for the future. These remarkable vaccines are giving us a realistic way forwards to restart our businesses and our lives. As we do so, we must grasp the historic opportunity before us: to learn the lessons of this awful pandemic and build back better, levelling up across our United Kingdom and fixing the problems that have held back too many people for too long.**

I believe the formula for our success can be seen in the collaboration between industry, science and government that led to the production of the vaccines. Strong and active government investing massively in science and technology, coupled with a dynamic enterprise economy that embraces the instincts and know-how of the private sector. This formula has been central to our success since the industrial revolution, when our great cities built the modern world and the Victorian boom sparked new centres of civic pride, filled with industry and inspiration.

In that age of invention no one single place could lay claim to being the cradle of innovation – because brilliant minds were advancing the cause of humanity with their genius in every part of our country. A trail of invention and discovery can be traced across our land – from Richard Trevithick's first steam powered rail journey in Merthyr Tydfil, to the electric carriage pioneered by Robert Anderson in Scotland; from the first man-made plastic by Alexander Parkes of Birmingham, to the first vaccine of Edward Jenner in Gloucestershire, whose institute today worked with AstraZeneca to produce Britain's Covid vaccine. All proof, if any were ever needed, that brains and talent are uniformly distributed.

Yet in the post-industrial era the distribution of opportunity has failed to match that distribution of talent. While the UK has continued to punch well above its weight as the fifth biggest economy in the world, that punching – and with it jobs and opportunities – have been concentrated in London and the South East. Talent and resources have been sucked to the south so that for many people and places in Britain and Northern Ireland our economic model has just stopped working. People have been denied the opportunities to acquire the skills to work in new and dynamic industries, and there has been a chasm between invention and commercial application as too often "invented in Britain" has translated into "made elsewhere".



This plan for growth is a call to arms to put this right. Our mission is to unleash the potential of our whole country and restore the energy and confidence of the Victorians themselves. Just as the government has done whatever it takes to support lives and livelihoods throughout the Covid crisis, so we will turn that same ambition and resolve to the task of our recovery. We will level up our country, so the map of our whole United Kingdom is lit up with competitive cities and vibrant towns that are centres of life – places people are proud to call home, with access to the services and the jobs they need to thrive.

We will back business large and small, including the millions of entrepreneurs and high street shops who have been hit hard by the pandemic and whose success will be pivotal to getting our economy moving again. Our Plan for Jobs will support new opportunities in every part of the country, while our Lifetime Skills Guarantee will enable anyone to acquire the skills to do those jobs, wherever they live and whatever their stage of life.

We will redress Britain's historic underinvestment in infrastructure, with £600 billion of gross public sector investment over the next five years, so our United Kingdom becomes a truly connected kingdom. We will make our country a science and technology superpower and the best possible place to create green jobs with our Ten Point Plan for a Green Industrial Revolution.

And we will seize the new opportunities of a Global Britain outside the European Union to make our own regulations, to access global talent, and to forge new trade deals for Britain all around the world.

Above all, we will embrace the instincts and know-how of the wealth creators, those in the private sector who invest money and take risks on new ideas that lead to new jobs, new industry and some of the greatest advances humanity has ever known.

It is human genius and ingenuity that is beating Covid and it is by unlocking that genius and ingenuity across our whole country that we will build back better. In doing so, this plan for growth aspires to serve and support everyone in our United Kingdom, whoever you are and wherever you live.

**Boris Johnson**  
**Prime Minister**

**In my first Budget nearly a year ago, I said that we would do whatever it took to support the economy in response to the COVID-19 crisis that was just beginning. Throughout, the government's overriding goal has been to protect the lives and livelihoods of people across the UK.**

We have put in place an unprecedented economic package to protect, support and create jobs. Through our Plan for Jobs, we have helped millions of people, with the furlough scheme, support for the self-employed, government backed loans, and grants for businesses forced to close. And where people have sadly lost their jobs, we have stepped in to provide further support to help them find work or retrain.

While the impact on the economy and people's lives has been profound, the UK is well-placed to confront the challenges from the COVID-19 crisis. We are an open and dynamic economy, home to some of the best companies in the world.

We have an international reputation for science and world-class universities. And we have strengths across many sectors, from financial services to creative industries.

The single most important economic policy in the short term is rolling out the vaccine as quickly as possible, where thanks to our extraordinary NHS, we have already vaccinated over 20 million people across the UK. But as restrictions ease we need to look ahead to the future sources of jobs and growth. Now that we have left the EU we have the opportunity to forge a new path as a fully sovereign trading nation, doing things differently, more nimbly and better.

As we Build Back Better, our plan for growth will focus on three pillars of investment to act as the foundation on which to build the economic recovery, uniting and levelling up the country:

- High quality **infrastructure** is crucial for economic growth, boosting productivity and competitiveness. The UK has historically underinvested in infrastructure, but we are fixing that, starting with £100 billion of capital investment in 2021-22.



■ The best way to improve people's life chances is to give them the **skills** to succeed. The UK has a strong foundation of advanced skills, but lags behind international comparators on technical and basic adult skills. The government is transforming Further Education, encouraging lifelong learning through the Lifetime Skills Guarantee, and building an apprenticeships revolution.

■ **Innovation** drives economic growth and creates jobs. The UK has a world-leading research base, which will be boosted by the government's significant uplift in R&D investment and the creation of the Advanced Research & Invention Agency to fund high-risk, high-reward research. However, too few businesses are able to access the tools they need to translate new ideas into new products and services and to challenge established businesses. We will make the UK the best ecosystem in the world for starting and growing a business. That means having the best access to capital, skills and ideas, as well as a smart and stable regulatory framework.

In pursuing economic growth, this government will do things differently:

■ Our most important mission is to unite and level up the country: tackling geographic disparities; supporting struggling towns to regenerate; ensuring every region and nation of the UK has at least one globally competitive city; and above all, strengthening the Union.

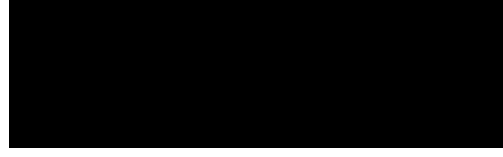
■ We will drive growth that is green: delivering our Ten Point Plan for a Green Industrial Revolution and taking action to fulfil our commitment to be the first generation to leave the natural environment in a better condition than we found it.

■ And our plan for growth will support our vision for Global Britain, taking advantage of the opportunities available to us now we have left the European Union.

**Rishi Sunak**  
Chancellor of the Exchequer

# Build Back Better: our plan for growth at a glance

Withdrawn 23 June 2025



Withdrawn 23 June 2025

**Over the past year, we have faced substantial challenges, and the last few months have been amongst the most difficult yet.**

Businesses and schools have had to close, families and friends have been kept apart, and tragically, lives have been lost.

**The UK Government has put in place an unprecedented economic package,** providing businesses and individuals with support and certainty over the course of the pandemic, spending hundreds of billions to support people's jobs, businesses, and public services across the UK. However, COVID-19 and the restrictions put in place to stop the spread of the virus caused the largest fall in annual GDP in 300 years.

**But we are well placed to confront these challenges, rebounding to build back better: the UK's departure from the European Union presents further opportunities for us to do things differently, opening up new ways to drive growth.** The UK is one of the world's largest economies, open and dynamic, with strong institutions and world-class universities.

**The UK is a great place to start and grow a business,** home to some of the world's best companies. We have an international reputation for science: the development and manufacture of the Oxford/AstraZeneca vaccine demonstrated the strong partnerships that exist between universities and businesses in the UK. This strength extends to sectors such as aerospace, the creative industries, financial services, and emerging industries such as AI and fintech.

The last few decades have seen increased prosperity in London and the South East, but without commensurate improvements in the rest of the UK. **The primary objective of this government is to change that, ensuring no region is left behind as we achieve greater economic prosperity.** Our cities will be the engines for this growth, and our long-term vision is for every region and nation to have at least one internationally competitive city, driving the prosperity of the surrounding region and propelling forward the national economy. Our towns are crucial too - we will ensure that they are places that people are proud to live and raise their families, with good schools, vibrant high streets, and access to jobs that give everyone a fair chance to achieve their full potential.

**Our plan to build back better takes a transformational approach, tackling long-term problems to deliver growth that creates high-quality jobs across the UK and makes the most of the strengths of the Union. We must retain our guiding focus on achieving the people's priorities: levelling up the whole of the UK, supporting our transition to net zero, and supporting our vision for Global Britain.**

Withdrawn 23 June 2015

## We will do this by building on three core pillars of growth:

	We will...
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>■ Stimulate short-term economic activity and drive long-term productivity improvements via record investment in broadband, roads, rail and cities, as part of our capital spending plans worth £100 billion next year.</li> <li>■ Connect people to opportunity via the UK-wide Levelling Up Fund and UK Shared Prosperity Fund, as well as the Towns Fund and High Street Fund, to invest in local areas.</li> <li>■ Help achieve net zero via £12 billion of funding for projects through the Ten Point Plan for a Green Industrial Revolution.</li> <li>■ Support investment through the new UK Infrastructure Bank which will 'crowd-in' private investment to accelerate our progress to net zero, helping to level up the UK. This will invest in local authority and private sector infrastructure projects, as well as providing an advisory function to help with the development and delivery of projects.</li> </ul>
<b>Skills</b>	<ul style="list-style-type: none"> <li>■ Support productivity growth through high-quality skills and training: transforming Further Education through additional investment and reforming technical education to align the post-16 technical education system with employer demand.</li> <li>■ Introduce the Lifetime Skills Guarantee to enable lifelong learning through free fully funded Level 3 courses, rolling out employer-led skills bootcamps, and introducing the Lifelong Loan Entitlement.</li> <li>■ Continue to focus on the quality of apprenticeships and take steps to improve the apprenticeship system for employers, through enabling the transfer of unspent levy funds and allowing employers to front load apprenticeship training.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>■ Support and incentivise the development of the creative ideas and technologies that will shape the UK's future high-growth, sustainable and secure economy.</li> <li>■ Support access to finance to help unleash innovation, including through reforms to address disincentives for pension funds to invest in high-growth companies, continued government support for start ups and scale ups through programmes such as British Patient Capital, and a new £375 million Future Fund: Breakthrough product to address the scale up gap for our most innovative businesses.</li> <li>■ Develop the regulatory system in a way that supports innovation.</li> <li>■ Attract the brightest and best people, boosting growth and driving the international competitiveness of the UK's high-growth, innovative businesses.</li> <li>■ Support our small and medium-sized enterprises (SMEs) to grow through two new schemes to boost productivity: Help to Grow: Management, a new management training offer, and Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.</li> </ul>

**Not all growth is created equal. The growth we drive will:**

### Level up the whole of the UK

- Regenerate struggling towns in all parts of the UK via the UK Shared Prosperity Fund and the UK-wide Levelling Up Fund.
- Realise our long-term vision for every region and nation to have at least one globally competitive city at its heart to help drive prosperity. This includes City and Growth Deals, £4.2 billion in intra-city transport settlements from 2022-23, and continued Transforming Cities Fund investment to 2022-23.
- Catalyse centres of excellence, supporting individuals across the country to access jobs and opportunities by ensuring digital and transport connectivity, by establishing a new UK Infrastructure Bank in the North of England and by relocating 22,000 Civil Service roles out of London.
- Strengthen the Union, creating Freeports across the country – including in Scotland, Wales and Northern Ireland – and delivering the Union Connectivity Review, reviewing options to improve our sea and land-links across the four nations.

### Support the transition to Net Zero

- Invest in net zero to create new opportunities for economic growth and jobs across the country, including supporting up to 60,000 jobs in the offshore wind sector, 50,000 jobs in carbon capture, usage and storage (CCUS) and up to 8,000 in hydrogen in our industrial clusters.
- Grow our current net zero industries and encourage new ones to emerge. This includes working with industry, aiming to generate 5GW of low carbon hydrogen production capacity and capture 10Mt CO<sub>2</sub>/year using CCUS by 2030, and ending the sale of new petrol and diesel cars and vans in 2030.

### Support our vision for Global Britain

- Cooperate with partners to inspire and shape international action on our domestic priorities, including through our G7 Presidency and COP26.
- Role-model openness to free and fair trade, working internationally to strengthen the multilateral system and the World Trade Organization and using preferential agreements and bilateral trade relationships to directly expand trading opportunities for UK businesses.
- Develop a new export strategy to align our support for exporters with our plan for growth and sectoral priorities, opening UK Government trade hubs in Scotland, Wales and Northern Ireland and increasing UK Export Finance lending capacity.

**We will carry this out with a relentless focus on delivery**, using clear metrics to monitor progress and ensure success. Over the next twelve months, we will build on the strong foundation set out in this plan to make real progress.

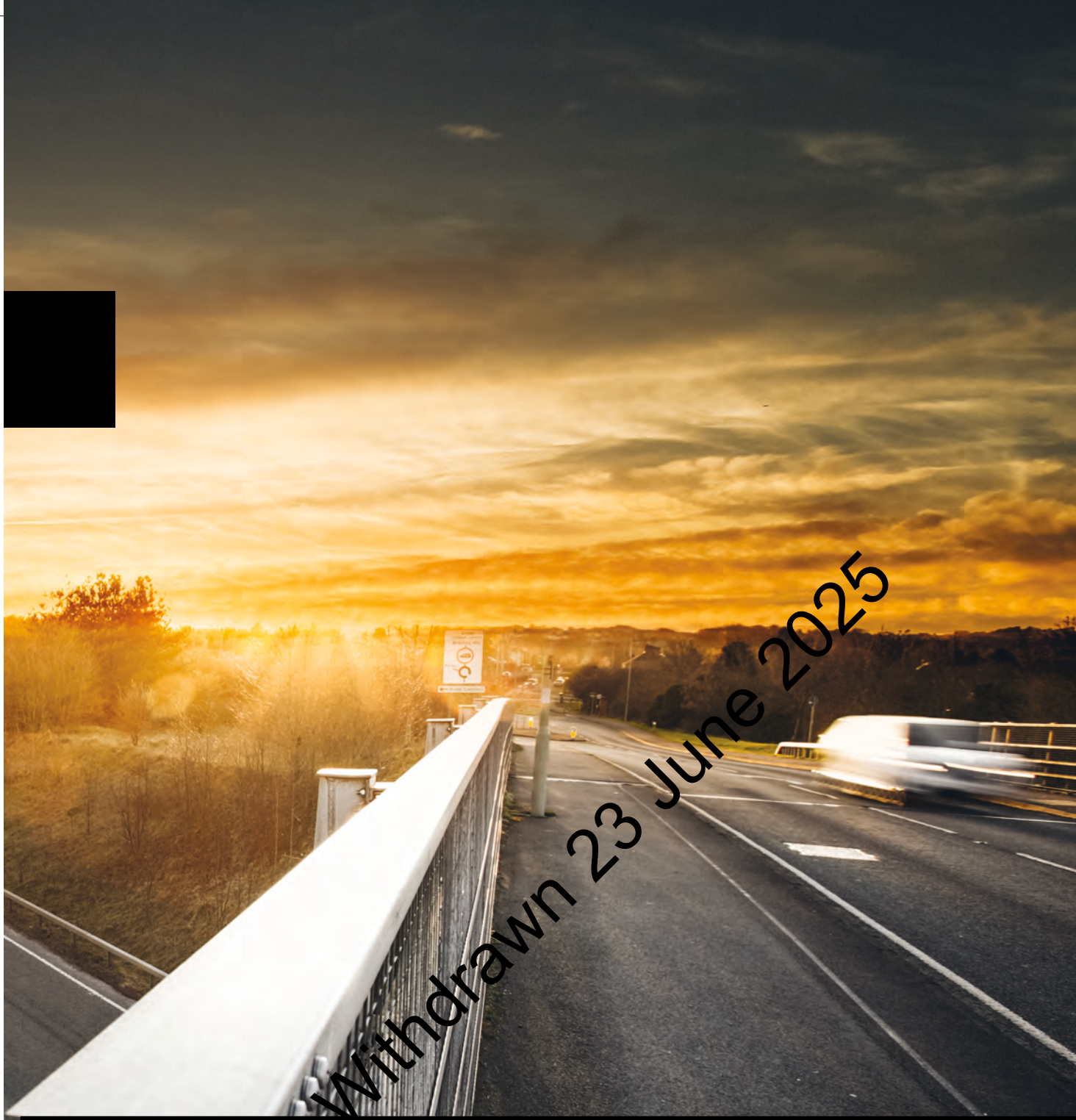
**By combining new approaches with our well-established strengths, we will deliver growth that benefits the whole of the United Kingdom, creates quality jobs, and ensures that we build back better.**



# Economic context

Withdrawn 23 June 2025







**The challenges faced by the UK over the past twelve months have been substantial, and the last few months have been amongst the most difficult yet. Businesses and schools have had to close, families and friends have been kept apart, and tragically, lives have been lost.**

COVID-19 and the restrictions put in place to stop the spread of the virus caused the largest fall in annual GDP in 300 years. The UK Government has put in place significant support measures to limit the rise in unemployment and insolvencies. This includes the furlough scheme, support for the self-employed, government backed loans, and grants for businesses forced to close. This support package, worth hundreds of billions, has helped all regions and nations of the UK.

As the economy starts to recover, we must confront the challenges created by COVID-19 and minimise the risk of lasting economic damage from this crisis across all corners of the UK. Jobs are the key economic priority. There will be a period of adjustment, as some jobs are lost, and people find new work in growing businesses or spot new opportunities to start their own. That is why through the Plan for Jobs the UK Government is focusing on delivering employment support, including work search or support with retraining, to those who need it most, from helping the recently unemployed to swiftly find new work, to offering greater support for people who will find that journey more difficult.

## Plan for Jobs

The UK has one of the most successful labour markets, which pre-COVID-19 delivered record employment rates. The government has taken unprecedented action to protect jobs during the pandemic, most notably through the Coronavirus Job Retention Scheme (CJRS). However, the government is also supporting people who have unfortunately lost their jobs, helping them search for work or retrain, by:

- Significantly expanding Department for Work and Pensions (DWP) Jobcentre support, including doubling the number of work coaches, additional investment into the Flexible Support Fund to provide direct support at a local level, and additional intensive support to those who have been unemployed for at least three months.
- Introducing the £2 billion Kickstart scheme, which will provide young people at risk of long-term unemployment with fully-subsidised jobs to give them experience and skills.
- Introducing the £2.9 billion Restart programme, which will provide regular, personalised support for those on Universal Credit who have been searching for work for over a year.
- Supporting people to build the skills they need to get into work, with a substantial expansion of existing provision, providing funding to expand the number of traineeships and sector-based work academy placements, alongside further support for new apprentice hiring, which enables people to work while training.

These policies are important for the short-term recovery, helping to keep people close to the labour market and develop work experience and skills. They will help to ensure that the wider government labour market and skills offer also helps achieve long-term prosperity.

The scale of the challenge ahead is large. In December 2020 GDP was 6.3% below its February 2020 level; and business investment in the final quarter of last year was 15.2% lower than the year before. At its lowest point in November 2020, the number of employees had fallen by 882,000 (-3%) since February.

The COVID-19 shock has highlighted the great adaptability and resilience of UK businesses. Employers moved at speed to migrate services online, enabled their employees to work from home where possible, and adapted their premises to be COVID-secure. Over 60% of businesses have adopted new digital technologies during the pandemic<sup>1</sup>.

That adaptability and resilience will prove vital in the months and years ahead, as the UK economy continues to transform. Technological innovations will change every sector of the economy, supporting higher earnings and shorter working days. New trading relationships will offer opportunities for our businesses to experience the benefits of exporting. The UK Government, alongside businesses and individuals, will harness the benefits of the transition to net zero, including an enhanced natural environment, cleaner air in our cities and new green jobs. Private sector investment will be a vital complement to planned public sector investment, and so it is crucial that we create the right conditions to unlock that investment and create jobs and growth.

<sup>1</sup> C. Riom and A. Valero (2020), 'The business response to Covid-19: The CEP-CBI survey on technology adoption' (<https://cep.lse.ac.uk/pubs/download/cepcovid-19-009.pdf>)

The 2017 Industrial Strategy set out a cross-economy approach to boost productivity. But much has changed since 2017, so it is right that we create a new framework for how we will build back better. This document details our focus on infrastructure, skills and innovation. It reflects new opportunities available to us following our exit from the European Union, opening up new ways to drive growth and supporting our vision for Global Britain. This plan also demonstrates that we will not pursue growth at the expense of the government's wider objectives - instead we see real opportunities to boost our economic performance while levelling up across the UK and in a way that contributes to reaching net zero emissions.

## Meeting modern challenges and thriving

The UK is well placed to meet both the challenges posed by COVID-19 disruption and to grasp the opportunities from our exit from the European Union, and from the social and economic adjustments due in the coming decades.

- **An open and dynamic economy** – the UK has a flexible labour market that has generally seen lower unemployment than many of its European competitors over the last few decades. The UK has historically attracted international investment, with the largest stock of inward Foreign Direct Investment in Europe<sup>2</sup>. In 2019, our trade to GDP ratio was higher than the world average<sup>3</sup>. Our openness to trade and investment underpins our prosperity and drives opportunity across the UK.

- **World class knowledge and research** – The UK has a high share of the adult population with tertiary education, over seven percentage points higher than the OECD average<sup>4</sup>. Four of the world's top 20 universities are in the UK<sup>5</sup>. The UK punches above its weight on article downloads, citations and world's most highly-cited articles. The UK is ranked 4th on the 2020 Global Innovation Index<sup>6</sup>.

- **A stable framework for growth and strong institutions** – The UK's macroeconomic framework and institutions, for example through the commitment to low, stable inflation and financial stability through an independent central bank, enable the right conditions for the economy to succeed. Macroeconomic stability gives consumers, businesses and financial markets confidence to participate and invest in the real economy. The UK is committed to independent economic regulation and its institutions such as its legal system, are respected around the world.

- **Leading innovative and high growth sectors** – The UK has strengths in a diverse set of industries. An international reputation for science with strengths across sectors, including pharmaceuticals, aerospace, creatives, financial services, and professional and business services; and in emerging industries such as AI and fintech. The UK is home to some of the best businesses in the world and we are leading the way on the path to net zero.

- **A great place to start and grow a business** – The UK is one of the best places in the world to start a business, with a stable regulatory environment and one of the highest birth rates of enterprises in the OECD. The UK has relatively deep capital markets that supports firms to grow. The UK has the lowest level of regulatory barriers to firm entry and competition in the OECD<sup>7</sup> and is ranked 8th on the 2020 World Bank Ease of Doing Business Index<sup>8</sup>.

<sup>2</sup> UNCTAD World Investment Report 2020 ([https://unctad.org/system/files/official-document/wir2020\\_en.pdf](https://unctad.org/system/files/official-document/wir2020_en.pdf))

<sup>3</sup> World Bank Data (<https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>)

<sup>4</sup> OECD Education at a Glance 2020 ([https://www.oecd-ilibrary.org/education/education-at-a-glance\\_19991487](https://www.oecd-ilibrary.org/education/education-at-a-glance_19991487))

<sup>5</sup> Times Higher Education World University Rankings 2021 (<https://www.timeshighereducation.com/world-university-rankings/2021/world-ranking/>)

<sup>6</sup> Global Innovation Index 2020 Report (<https://www.globalinnovationindex.org/gii-2020-report>)

<sup>7</sup> OECD Indicators of Product Market Regulation 2018 (<https://www.oecd.org/economy/reform/indicators-of-product-market-regulation/>)

<sup>8</sup> World Bank Ease of Doing Business Rankings 2019 (<https://www.doingbusiness.org/en/rankings>)

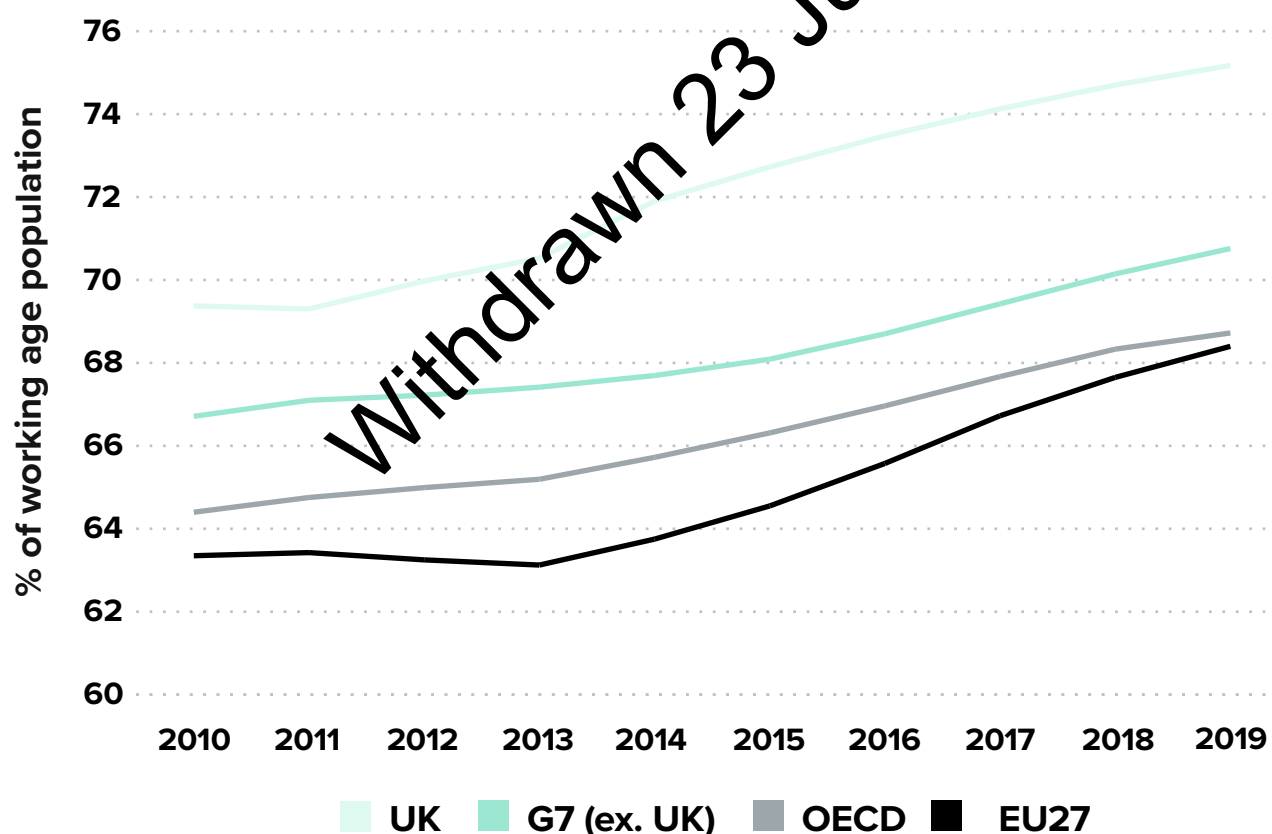
# Creating an environment that enables the UK to succeed

Economic growth is driven by increasing employment and productivity. The UK must return to growing employment and take action to address weak productivity in order to secure a sustainable increase in growth.

UK businesses have a good record in creating jobs, with the UK outperforming most other comparable OECD countries on employment.

At the start of last year, the UK's employment rate was at a record high (76.6% in the three months to February 2020), and 3.5 percentage points higher than its pre-financial crisis peak. This employment growth was led by the private sector. The plan for growth will help to build a business environment that gets UK hiring and investing again.

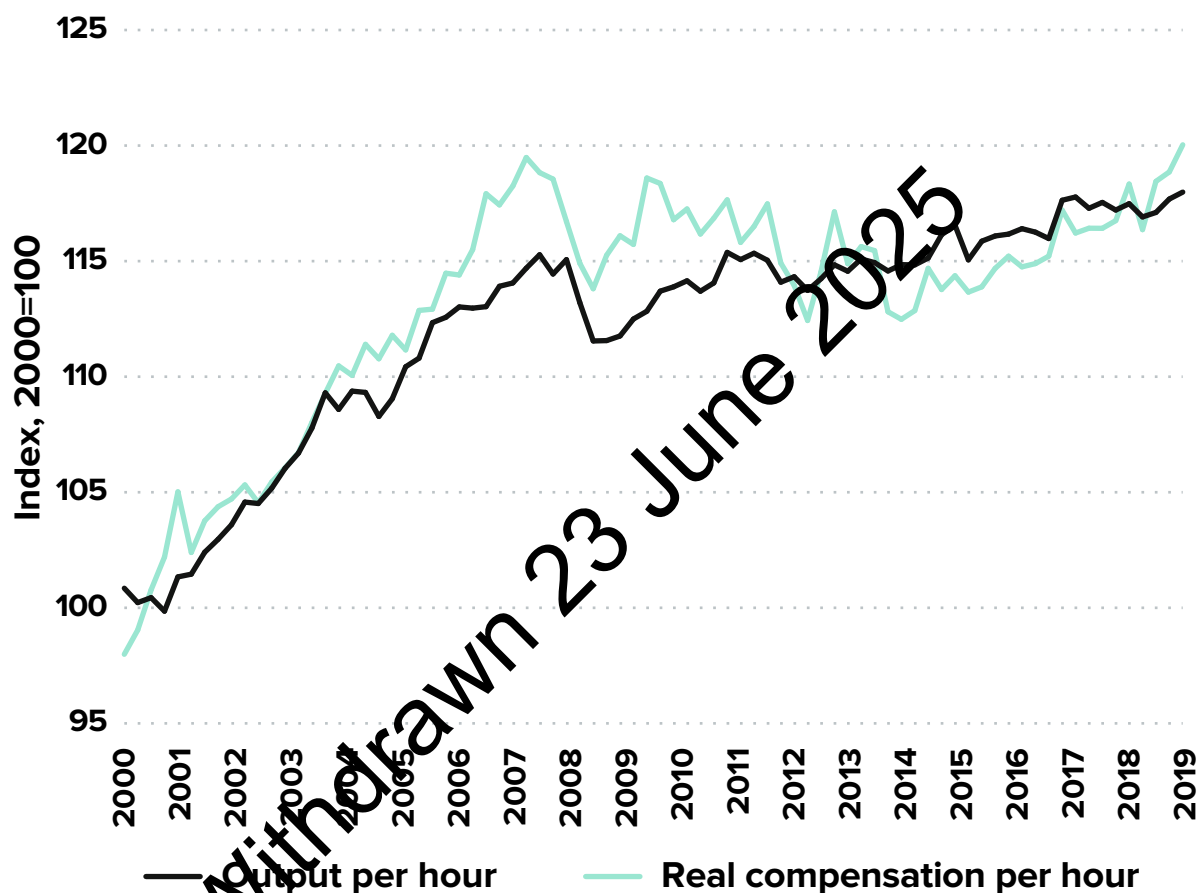
OECD employment rates, 2010-2019



Source: OECD

In the long run, productivity gains are the fundamental source of improvements in prosperity. Productivity is closely linked to incomes and living standards and supports employment. Improvements in productivity free up money to invest in jobs and support our ability to spend on public services.

### UK productivity and total labour compensation, 2000-2019



Source: HM Treasury Calculations

Long-term investment in the country's human and physical capital increases productivity. This means investing in people's skills, the knowledge and capital within businesses, and the economic infrastructure that is the backbone of the economy, such as roads and broadband. We also need the right conditions to enable a dynamic economy that can encourage innovation and allow resources to be used most productively, which in practice means people being able to find high-quality work.

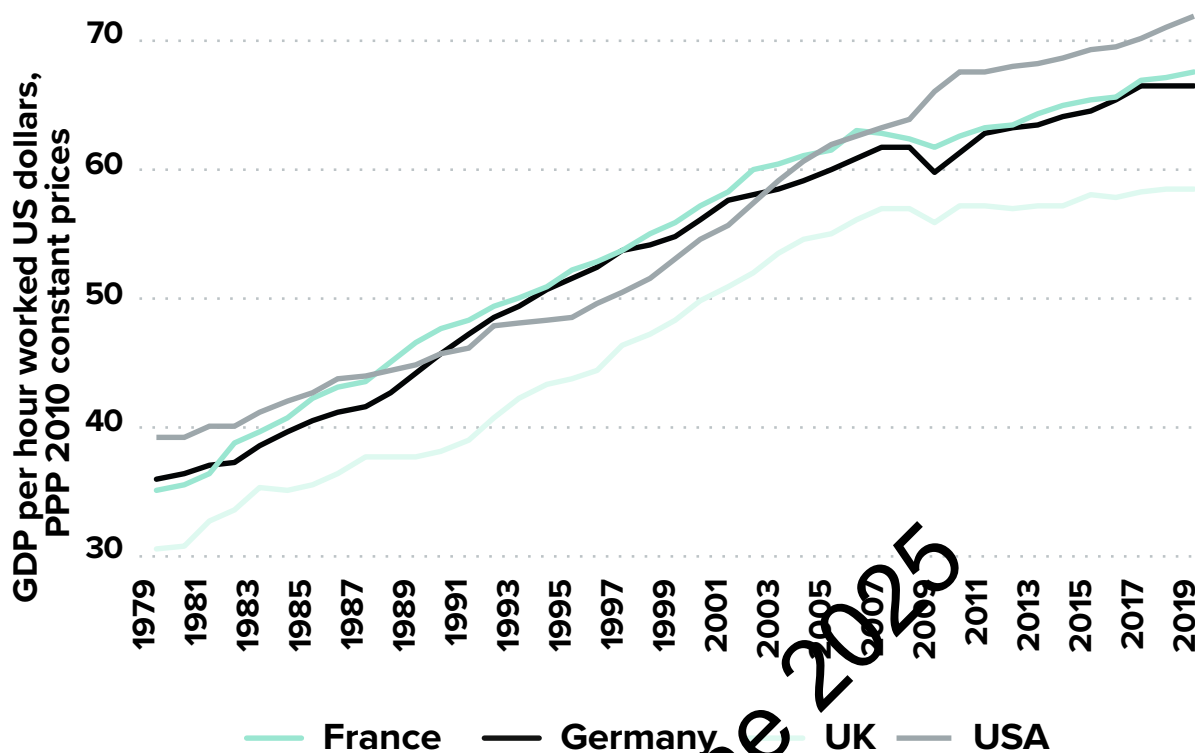
A long-term vision must be backed by action, and the plan for growth makes this possible by focusing on three pillars that are critical to supporting long-run growth and where UK action in the past has fallen short: **infrastructure, skills and innovation**.

The UK has had a long-standing productivity gap to other major economies - in 2019, the gap in output per hour worked between the UK and France was one percentage point different to the gap 40 years before<sup>9</sup>.

<sup>9</sup> OECD (2021), 'GDP per hour worked' (<https://data.oecd.org/lprdy/gdp-per-hour-worked.htm>)



## GDP per hour worked in selected countries, 1979–2019



Source: OECD

Much of the reason for this gap lies in historic low levels of investment in physical capital - from underinvestment in infrastructure and weaker business investment compared to our peers - and lower levels of basic and technical skills. In the last 20 years, average investment as a percentage of GDP has been the lowest in the G7<sup>10</sup>, and 18% of adults have a vocational qualification, compared to the OECD average of 27%<sup>11</sup>.

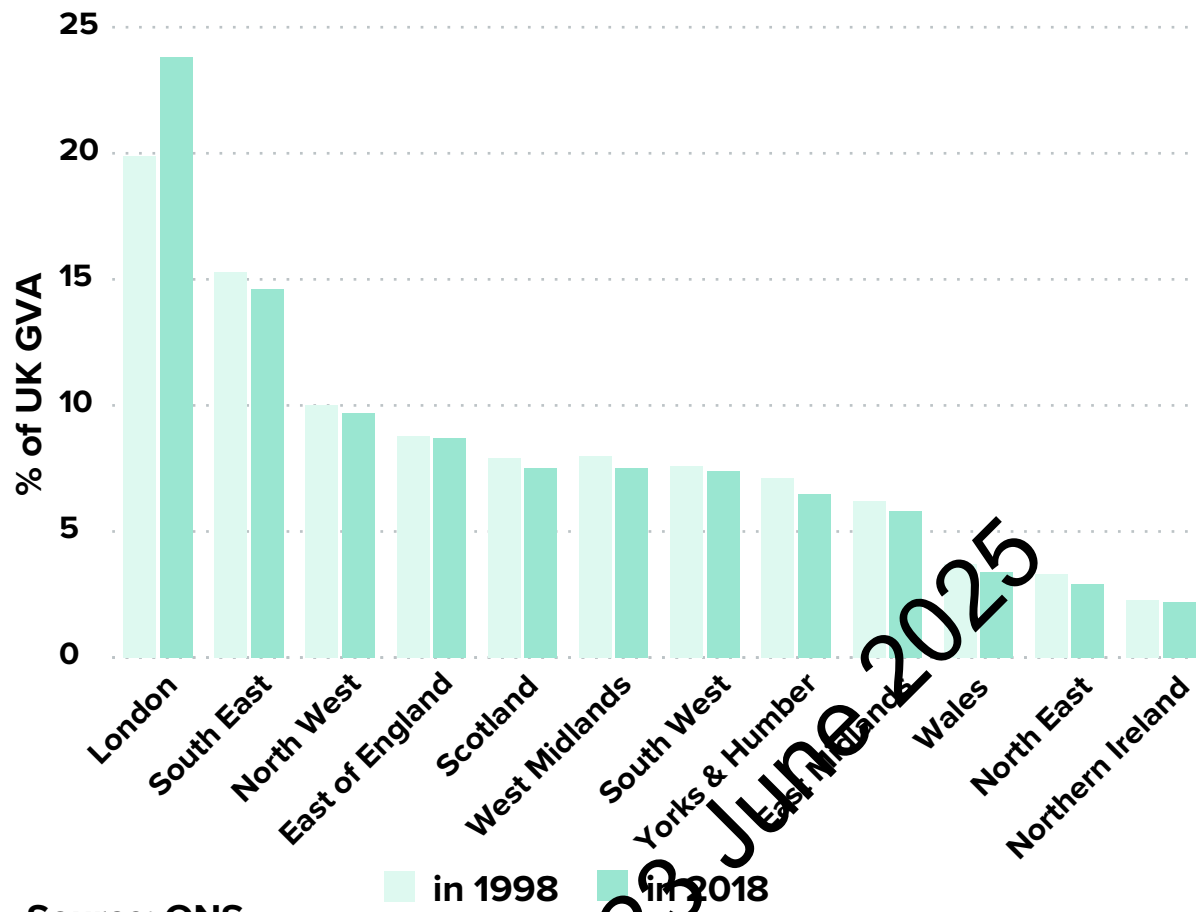
Within the UK itself, there are large disparities both across and within nations and regions, with only London and the South East with productivity above the UK average – this has implications for the relative prosperity of people living outside of those regions.

Our commitment to Levelling Up means tackling these disparities, which are some of the widest of any advanced economy and have been getting wider over time. In 1998, London accounted for 20% of UK GVA, but by 2018 this had risen to 24%. Important explanations for these differences are the distribution of skills between regions, and cities outside London not fully capturing the benefits of their size.

<sup>10</sup> World Bank Data (<https://data.worldbank.org/indicator/NE.GDI.FTOT.ZS>)

<sup>11</sup> OECD Education at a Glance 2020 ([https://www.oecd-ilibrary.org/education/education-at-a-glance\\_19991487](https://www.oecd-ilibrary.org/education/education-at-a-glance_19991487))

## Relative contributions to national output of UK nations and regions



Source: ONS

This is why a radical uplift in infrastructure investment and creating new skills training opportunities across the UK form two of the pillars of our plan for growth. Improving the UK's performance in these areas would help to close the productivity gap between the UK and other countries, and close productivity gaps within the UK.

Productivity growth has also slowed since the financial crisis. While the UK ranks highly as one of the most dynamic economies amongst its competitors, there are signs dynamism has been reducing and played a part in the slowdown.

This is why the third pillar of the plan for growth is fostering the conditions to unleash innovation. This means maintaining a business environment where productive firms are able to scale up, barriers to business investment are removed and the constraints to new ideas and technology spreading through the economy are low.

# Building on the pillars of growth

The quality of our **infrastructure** is lower than many other countries. The UK Government has already announced a record amount of capital and infrastructure investment at the *Spending Review 2020* and in the *National Infrastructure Strategy*<sup>12</sup>. The plan for growth sets out how this investment will help the economy to recover, tackle our long-standing productivity gap, and lay the foundations for our long-term sustainable growth.

**Skills** play a crucial role in shaping people's life chances. The UK has a strong foundation of advanced skills and a number of world-class universities, but lags behind international comparators on technical and basic adult skills. Improving skills opportunities will be important to productivity growth. The plan for growth sets out the range of interventions the UK Government is taking to drive improvements in skills.

**Innovation**, including cutting-edge research and how businesses adapt their products and processes, will be an important part of improving UK productivity growth. The UK has a world-leading research base, and while we have some of the best companies in the world, we also have a lower proportion of innovative firms overall than other advanced economies<sup>13</sup>. The plan for growth outlines measures that support and unlock innovative activity. These measures will support the high-growth businesses that make a significant contribution to employment and allow technology and best practice to diffuse through the economy to the benefit of all.

Delivering improved infrastructure, skills and innovation will be a joint endeavour between local authorities, combined authorities, the devolved administrations and the UK Government.

<sup>12</sup> WEF The Global Competitiveness Report 2019 ([http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf))

<sup>13</sup> OECD Innovation Indicators 2019 (<https://www.oecd.org/innovation/inno/inno-stats.htm#indicators>)



## Growth that delivers the people's priorities

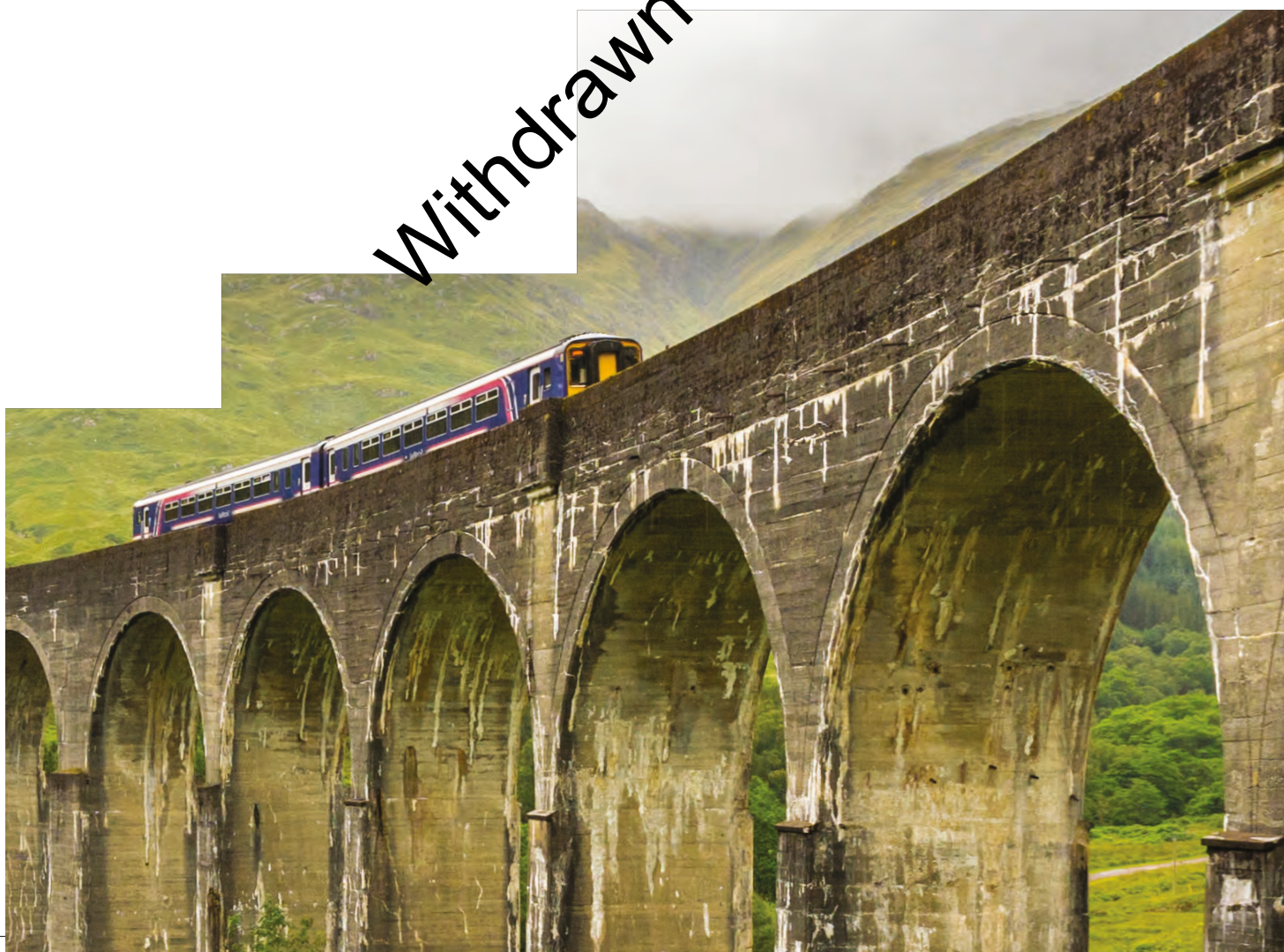
The plan for growth is targeted at building on the UK's strengths and addressing weaknesses in order to boost economic growth and employment. However, we recognise that not all types of growth are equal. The focus of this government is to ensure the benefits of growth are spread to all corners of the UK, driving growth that delivers the people's priorities:

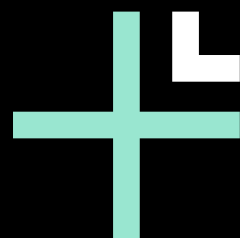
- **Levelling Up:** the UK government's most important mission is to unite and level up the country, improving everyday life for communities throughout the UK and ensuring everyone can succeed regardless of where they live. We will tackle geographic disparities in key services and outcomes, like health, education, and jobs; we will support struggling towns so they see social, economic and cultural regeneration; we want every region and nation of the UK to have at least one globally competitive city, acting as hotbeds of innovation and hubs of high value activity; and we will ensure that this plan builds on the strengths of the Union.

- **Net Zero:** the UK will continue to be at the forefront of tackling climate change and is already a world leader in clean growth. We will deliver the Ten Point Plan for a Green Industrial Revolution, leveraging significant private sector investment and supporting up to 250,000 highly-skilled jobs; we will take action to fulfil our commitment to be the first generation to leave the natural environment in a better condition than we found it; and we will ensure the finance sector can play its role to support the transition to net zero.

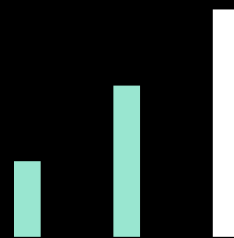
- **Global Britain:** the UK's prosperity is built on our integration into the global economic and financial system. Following our exit from the European Union, we can also take advantage of the opportunities that come with our new status as a fully sovereign trading nation. We will role model free and fair trade, ensure the UK remains a leading destination for global investment, and support opportunities for trade and collaboration.

Withdrawn 23 June 2025

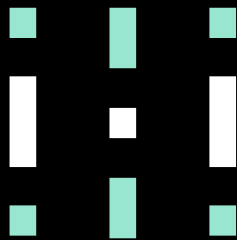




Infrastructure



Skills



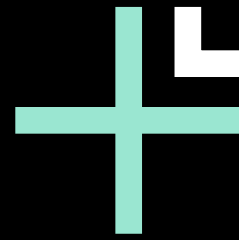
Innovation

# Infrastructure

Build Back Better 30 our plan for growth

Withdrawn 23 June 2025





23 June 2025

High quality infrastructure is crucial for economic growth, boosting productivity and competitiveness. More than this, it is at the centre of our communities. Infrastructure helps connect people to each other, people to businesses, and businesses to markets, forming a foundation for economic activity and community prosperity. Well-developed transport networks allow businesses to grow and expand, enabling them to extend supply chains, deepen labour and product markets, collaborate, innovate and attract inward investment. Digital connectivity is unlocking new and previously unimaginable ways of working, and is now essential to facilitate public services, including healthcare and education.

The government is committed to transforming the UK's infrastructure and increased investment is also a central part of economic recovery. The COVID-19 pandemic has introduced enormous short-term disruption and may have long-term effects on the way people live, for instance with less daily commuting. However, this does not undermine the long-term arguments for infrastructure. Instead, it requires the government to be flexible and adapt to the country's changing needs. Investment in digital, transport and utilities networks is still required to underpin economic recovery and growth.

**A 10% increase in the public capital stock – a measurement of the value of the UK's current infrastructure networks – has been linked to a 1-2% increase in GDP, partly through productivity improvements<sup>14</sup>.**

Infrastructure can also support other UK Government policy objectives. For instance, it can improve skills and education through investment in digital technology and buildings and health outcomes through investment in our health infrastructure. It is a key factor in determining where firms choose to locate and grow, and people's ability to access resources. It unlocks development of housing. It can also support and enable our businesses to integrate into the international economy and trade goods and services across the world.

Last year, the UK Government published the *National Infrastructure Strategy* (NIS)<sup>15</sup>, which brought together the government's long-term infrastructure priorities with the short-term imperative to build back fairer, faster and greener following the COVID-19 pandemic. The NIS committed to:

- Boosting growth and productivity across the whole of the UK, levelling up and strengthening the Union through investment in rural areas, towns and cities, from major national projects to local priorities.

- Putting the UK on the path to meeting its net zero emissions target by 2050 by taking steps to decarbonise the UK's power, heat and transport networks – which together account for over two-thirds of UK emissions – and take steps to adapt to the risks posed by climate change.
- Supporting private investment by providing investors with clarity over the UK Government's plans, so they can look to the UK with confidence and help deliver the upgrades and projects needed across the country.
- Accelerating and improving delivery through wide-ranging Project Speed reforms including streamlining the planning system; improving the way projects are procured and delivered; and greater use of cutting-edge construction technology.

The National Infrastructure Strategy was just the first step of a multi-year process to transform the UK's infrastructure networks and the UK Government is now focused on implementing this vision.

<sup>14</sup> Bom & Lighthart (2014) in OBR Economic and Fiscal Outlook – March 2020 (<https://obr.uk/efo/economic-and-fiscal-outlook-march-2020/>)

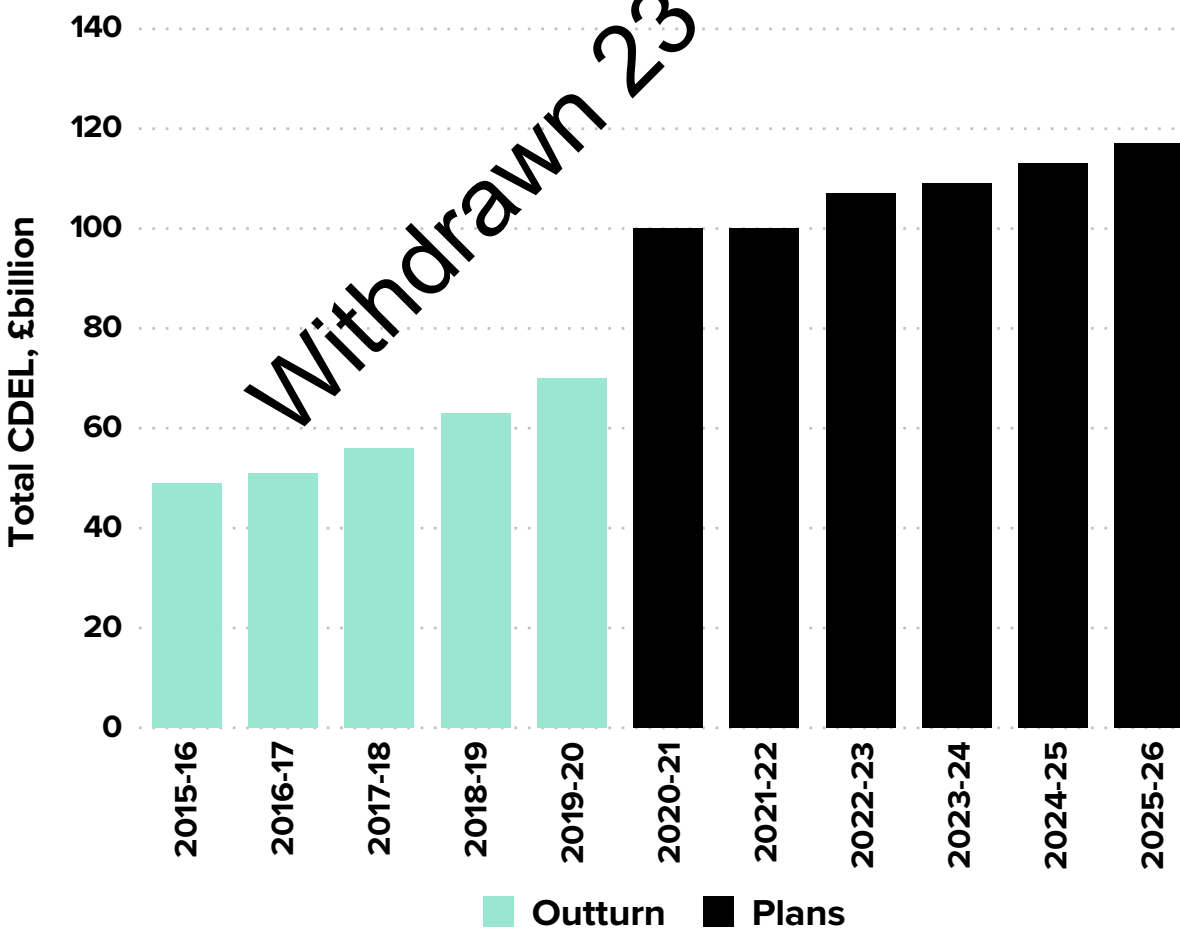
<sup>15</sup> National Infrastructure Strategy, 2020 ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/938539/NIS\\_Report\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938539/NIS_Report_Web_Accessible.pdf))

# Delivering historic levels of infrastructure investment

The UK has historically underinvested in infrastructure, with a smaller capital stock than comparable countries and ranking 11th globally for infrastructure quality, behind both France and Germany<sup>16</sup>. We are fixing that – *Spending Review 2020* committed £100 billion of capital investment in 2021-22, a £30 billion cash increase compared to 2019-20. These plans make progress on delivering the UK Government’s objective of over £600 billion of gross public sector investment over the next five years.

The private sector also plays a vital role in achieving the UK’s infrastructure ambitions. Much of UK’s economic infrastructure is privately owned, with almost half of the UK’s future infrastructure pipeline forecast to be privately financed. Over the past decade alone, over £200 billion has been invested in the water and energy sectors. However, historic levels of investment will be required in UK infrastructure in the coming years, to maintain and upgrade networks to meet the UK Government’s objectives for economic growth and decarbonisation.

UK Government capital departmental expenditure limits (CDEL) outturn and plans, 2015-16 - 2025-26



Source: HM Treasury

<sup>16</sup> WEF The Global Competitiveness Report 2019 ([http://www3.weforum.org/docs/WEF\\_TheGlobalCompetitivenessReport2019.pdf](http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf))

# Building back better, greener and faster

The UK Government needs to deliver infrastructure projects better, greener and faster. That means addressing longstanding challenges such as complex planning processes, slow decision-making, government capability and low productivity in the construction sector.

As set out in the *Prime Minister's Ten Point Plan for a Green Industrial Revolution*, infrastructure investment is fundamental to delivering net zero emissions by 2050. The UK Government will unlock private sector investment to accelerate the deployment of existing technology, such as retrofitting the UK's building stock and electrification of vehicles, while advancing newer technologies such as carbon capture and low carbon hydrogen. The UK Government's approach will create jobs to support the recovery from COVID-19 and support the UK Government's levelling-up agenda by ensuring key industrial areas are at the heart of the transition to net zero. As Glasgow hosts the UN Climate Change Conference COP26 next year, the UK will go even further to promote the importance of low carbon infrastructure and support its commitment to the Paris Agreement.

Our exit from the EU also provides a transformational opportunity to change how this government delivers infrastructure projects, using the flexibility the UK has as a sovereign country to do things differently. The government wants the UK to have the most efficient, technologically advanced and sustainable construction sector in the world. In June last year, the government set up Project Speed to review every part of the infrastructure project lifecycle and identify where improvements could be made, such as on procurement.

As a part of Project Speed, we will rigorously review the cost and delivery times of infrastructure projects. We will transform the way infrastructure is done in this country: it will be more efficiently delivered, driven by new technologies and less bureaucracy. It will be built better, with the construction of world-class schools and hospitals. Infrastructure will also be greener to align with our net zero ambitions.

These reforms will have a material impact on project timelines, bringing forward real benefits to local communities, business and the wider economy across the UK. The A66 Northern Trans-Pennine upgrade connecting the North East and North West of England will be accelerated through Project Speed and is expected to be delivered five years sooner through radical acceleration of the construction schedule. The Budget confirms £135 million development phase funding to get spades in the ground by 2024.

Similar rigorous Project Speed approaches and mindsets will be applied to other critical regional and national projects over this Parliament.

Withdrawn 23 June 2025

## Project Speed Pathfinders

The Project Speed taskforce has focused on a number of high-profile “pathfinder projects” to identify reforms which could accelerate and improve delivery across the UK Government’s infrastructure portfolio. This is an evolving subset of projects, which is kept under review, but examples of current pathfinder projects include:

- The Oxford-Cambridge Arc, led by the Ministry of Housing, Communities & Local Government (MHCLG)
- The New Hospital Programme within the Health Infrastructure Plan, led by the Department of Health & Social Care (DHSC)
- The A66 Northern Trans-Pennine upgrade, led by the Department for Transport (DfT)
- The Northumberland Line, led by Northumberland County Council in partnership with DfT




# Transforming journeys, communities and the environment



The UK Government is implementing the National Infrastructure Strategy and investing in infrastructure to transform delivery and support private investment. This includes:

- over £22 billion for HS2, which will form the spine of the UK's transport network by delivering essential North-South connectivity between some of the UK's biggest and most productive cities;
- £1.5 billion to accelerate the rollout of electric vehicle charging infrastructure, £5 billion for buses and cycling and our forthcoming National Bus Strategy;
- £1 billion of UK-wide funding to support the establishment of carbon capture and storage in four industrial clusters;
- £4.2 billion for intra-city transport settlements to support our largest city regions;
- £5 billion to accelerate UK-wide gigabit broadband roll-out, a Shared Rural Network extending 4G mobile coverage to 95% of the UK and £250 million to ensure resilient and secure 5G networks and £50 million for the continuation of the 5G Testbeds and Trials Programme in 2021-22;
- new UK-wide funds: the £4.8 billion Levelling Up Fund, and the £150 million Community Ownership Fund (over four years from 2020-21) that will invest in local infrastructure;
- £5.2 billion by 2027 to better protect communities from flooding and coastal erosion;
- record amounts of funding provided for national road and rail, including the Lower Thames Crossing – boosting capacity east of London by 90%

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The Union Connectivity Review will assess how the quality and availability of transport infrastructure across the UK can support economic growth and quality of life across the whole of the UK. The review will deliver recommendations in Summer 2021 that set out how best to improve transport connectivity across the UK in the long-term, including bolstering existing connections. These recommendations will be consistent with the UK's wider fiscal strategy. This will help us to consider future strategic investment to better connect our Union.

The UK Government is soon to publish a White Paper setting out the future of the railways. This will respond to the recommendations of *The Williams Rail Review* into rail industry reform.

While the UK Government will be investing record amounts in infrastructure, the private sector will continue to play a leading role. To facilitate this, the government is establishing a new UK Infrastructure Bank in the North of England to bring together public and private support for new infrastructure. The new UK Infrastructure Bank will provide financing and advisory support to local authority and private sector infrastructure projects across the United Kingdom to help meet government objectives on climate change and regional economic growth. It will be able to deploy £12 billion of equity and debt capital and be able to issue up to £10 billion of guarantees. Further details on the mandate and scope for the bank are set out in the *UK Infrastructure Bank Policy Design* document, published alongside Budget 2021.

Maintaining and building on the UK's high-quality system of economic regulation will be crucial to attracting private investment. In the National Infrastructure Strategy, the government reaffirmed its belief in the model of independent economic regulation and committed to refining it, to ensure that it provides a clear and enduring framework for investors and businesses and delivers the major investment needed in decades to come, whilst continuing to deliver fair outcomes for consumers. The UK Government will publish a policy paper on the system of economic regulation, focused on providing a clear and predictable framework which can rise to the challenges and opportunities of the 21st century. As part of this, the UK Government will consider regulator duties to ensure they are coherent, relevant and effective, as well as exploring the benefits of a cross-sector strategic policy statement.

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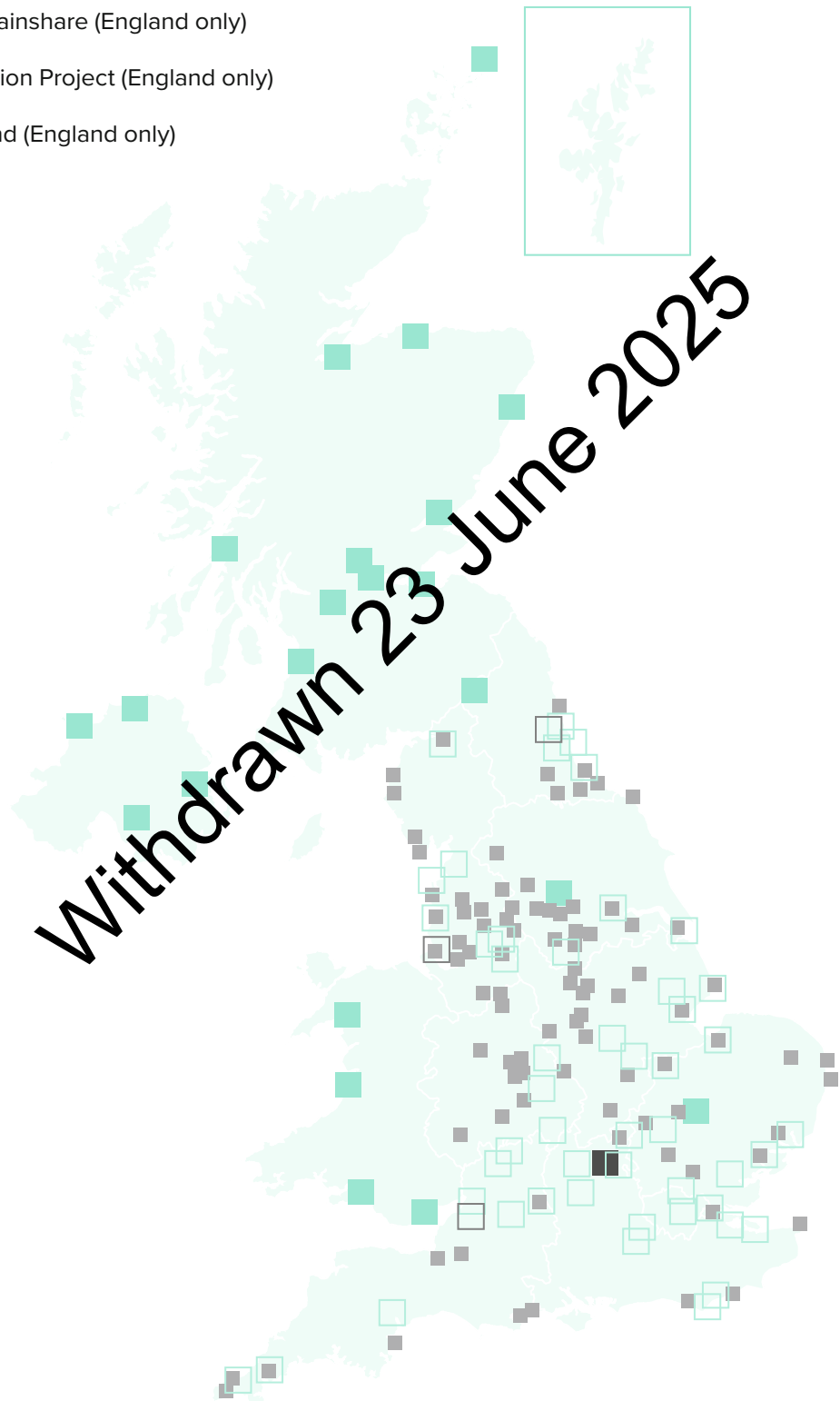
# Investing in places

The UK Government's commitment to ensuring infrastructure investment delivers regional economic growth means we will be investing in:

- City and Growth Deals for Scotland, Wales and Northern Ireland. To accelerate local economic priorities, £25.8 million will be brought forward over the next five years for three City and Growth Deals in Scotland (Ayrshire, Argyll & Bute, and Falkirk) and £58.7 million will be brought forward over the next five years for three City and Growth Deals in Wales (Swansea, north Wales and mid-Wales). The UK Government is also investing £617 million in four City and Growth Deals in Northern Ireland.
- Intra-city transport settlements. Budget 2020 committed to invest £4.2 billion in these from 2022-23, through five-year consolidated funding settlements for eight city regions, including Greater Manchester, Liverpool City Region, West Midlands, West Yorkshire, Sheffield City Region, West of England and Tees Valley, subject to the creation of appropriate governance arrangements to agree and deliver funding. This Budget takes the first step toward delivering the government's commitment - confirming capacity funding in 2021-22 to support those city regions with appropriate governance arrangements already in place to begin preparations for settlements, enabling them to develop integrated investment-ready transport plans that will deliver on local priorities such as tackling congestion and driving productivity.
- The Oxford-Cambridge Arc, where a Spatial Framework, developed with community engagement at its core, will set the long-term, holistic strategy for infrastructure investment to support jobs, unlock clean growth, and achieve net zero alongside environmental sustainability; cultivating the Arc's potential to become a global innovation powerhouse. Earlier this year the government confirmed funding for the next stage of East West Rail, which will connect communities and create jobs. We are also exploring up to four development corporations along its route which can help deliver sustainable, beautiful places to live and work for existing and future communities.
- The Integrated Rail Plan for the Midlands and the North will ensure that Phase 2b of HS2, Northern Powerhouse Rail and other planned rail investments in the North and Midlands are scoped and delivered in an integrated way, bringing transformational rail improvements more quickly and to more places.
- Freeports, where the UK Government is announcing that eight locations have been successful in the Freeports bidding process for England. Subject to the successful completion of their business case assessments, these Freeports will begin operations from later in 2021. Freeports will benefit the whole of the UK, not just England, and we are determined to deliver this as soon as possible. That is why we are continuing to work constructively with the devolved administrations in Scotland, Wales and Northern Ireland to establish at least one Freeport in each nation as soon as possible.

# Local infrastructure schemes

- City and Growth Deal (UK wide)
- Flood Defences (England only)
- Housing Infrastructure Fund - Forward funding (England only)
- Mayoral Gainshare (England only)
- Regeneration Project (England only)
- Towns Fund (England only)



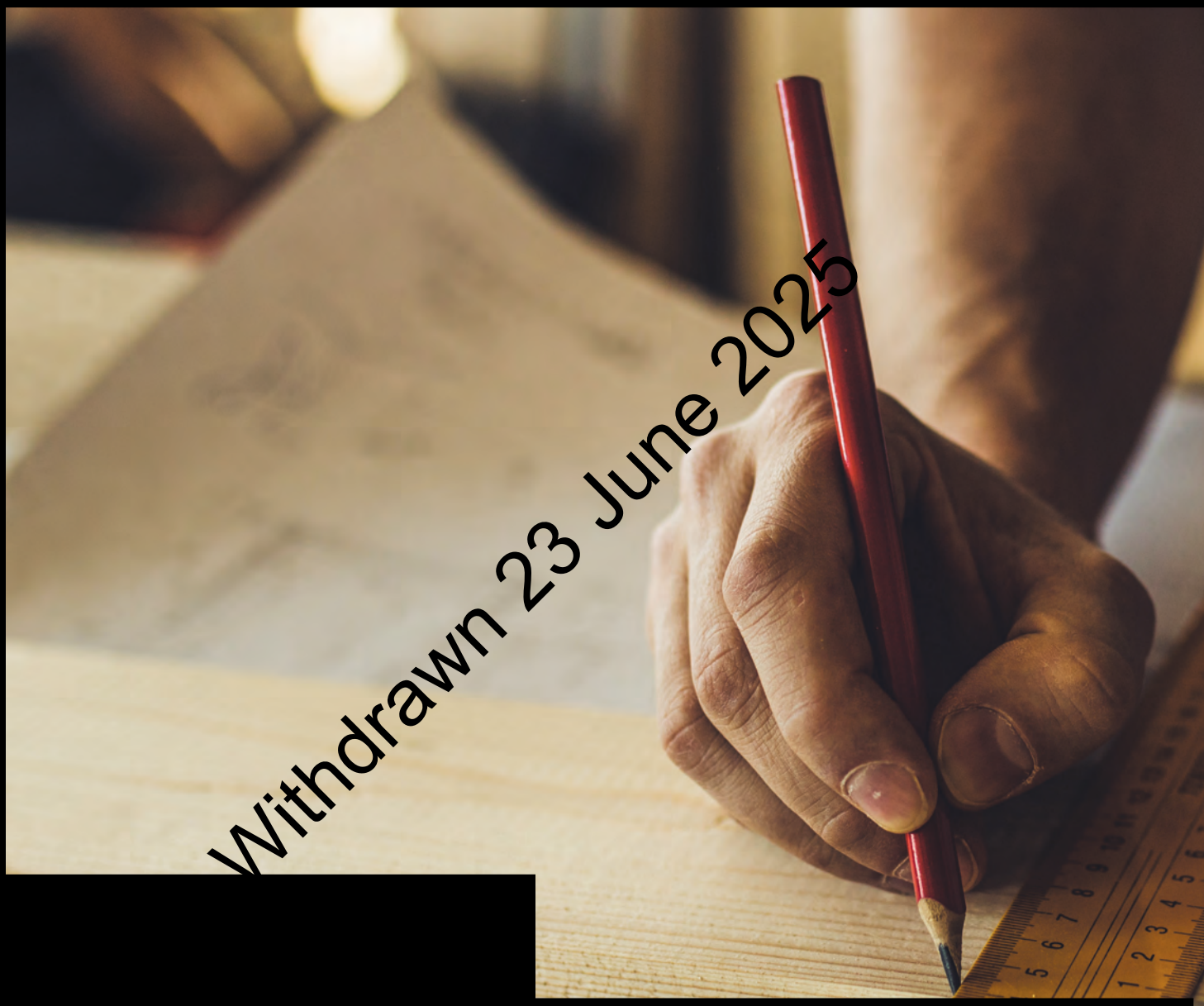
Note: Where policy is reserved for the UK government – for example digital infrastructure – it is taking action to improve infrastructure across the whole of the UK. Where policy is devolved – for example substantial areas of transport – the UK government allocates funding to the devolved administrations through the Barnett formula. This map shows how investment by the UK government in a number of local infrastructure programmes will benefit different regions.

## Our plan for infrastructure

Why infrastructure is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>Investing in infrastructure drives long term productivity improvements, and in the short term stimulates economic activity.</li> </ul>	<ul style="list-style-type: none"> <li>A 10% increase in the public capital stock has been linked to a 1-2% increase in GDP.</li> </ul>	<ul style="list-style-type: none"> <li>Record investment in broadband, flood defences, roads, rail and cities – as part of our capital plans worth £100 billion next year.</li> <li>Project Speed established to accelerate and improve delivery, delivering impacts by the end of the Parliament.</li> <li>£4.8 billion invested at <i>Spending Review 2020</i> for infrastructure, land remediation and land assembly to unlock housing.</li> </ul>
<ul style="list-style-type: none"> <li>The private sector has a big role alongside the government in increasing investment and improving economic outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Almost half of the UK's future infrastructure pipeline is forecast to be privately financed.</li> </ul>	<ul style="list-style-type: none"> <li>A new UK Infrastructure Bank to 'crowd-in' investment and boost the pipeline of projects.</li> </ul>
<ul style="list-style-type: none"> <li>Boosting infrastructure investment in all parts of the country will help connect people to opportunity across the UK and help areas to level up.</li> </ul>	<ul style="list-style-type: none"> <li>People see tangible improvements in their local area, feel more pride in their communities and believe they can succeed wherever they live.</li> </ul>	<ul style="list-style-type: none"> <li>A new Levelling Up Fund, Shared Prosperity Fund, Towns Fund and High Street Fund to invest in local areas.</li> </ul>
<ul style="list-style-type: none"> <li>Infrastructure investment will be central to meeting our net zero objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Over 80% of UK emissions come from infrastructure sectors: power, heat, heavy industry and transport networks.</li> </ul>	<ul style="list-style-type: none"> <li>£12 billion of funding for projects through the Prime Minister's Ten Point Plan for a Green Industrial Revolution.</li> </ul>



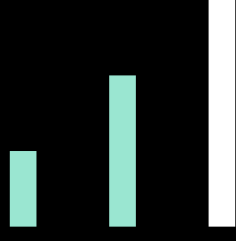
# Skills



High quality education and skills training play a vital role in sustaining productivity growth and our international competitiveness: improvements in skills accounted for 20% of the UK's productivity growth before the financial crisis.<sup>17</sup>

<sup>17</sup> BIS (2015), 'UK skills and productivity in an international context' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/486500/BIS-15-704-UK-skills-and-productivity-in-an-international\\_context.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/486500/BIS-15-704-UK-skills-and-productivity-in-an-international_context.pdf))

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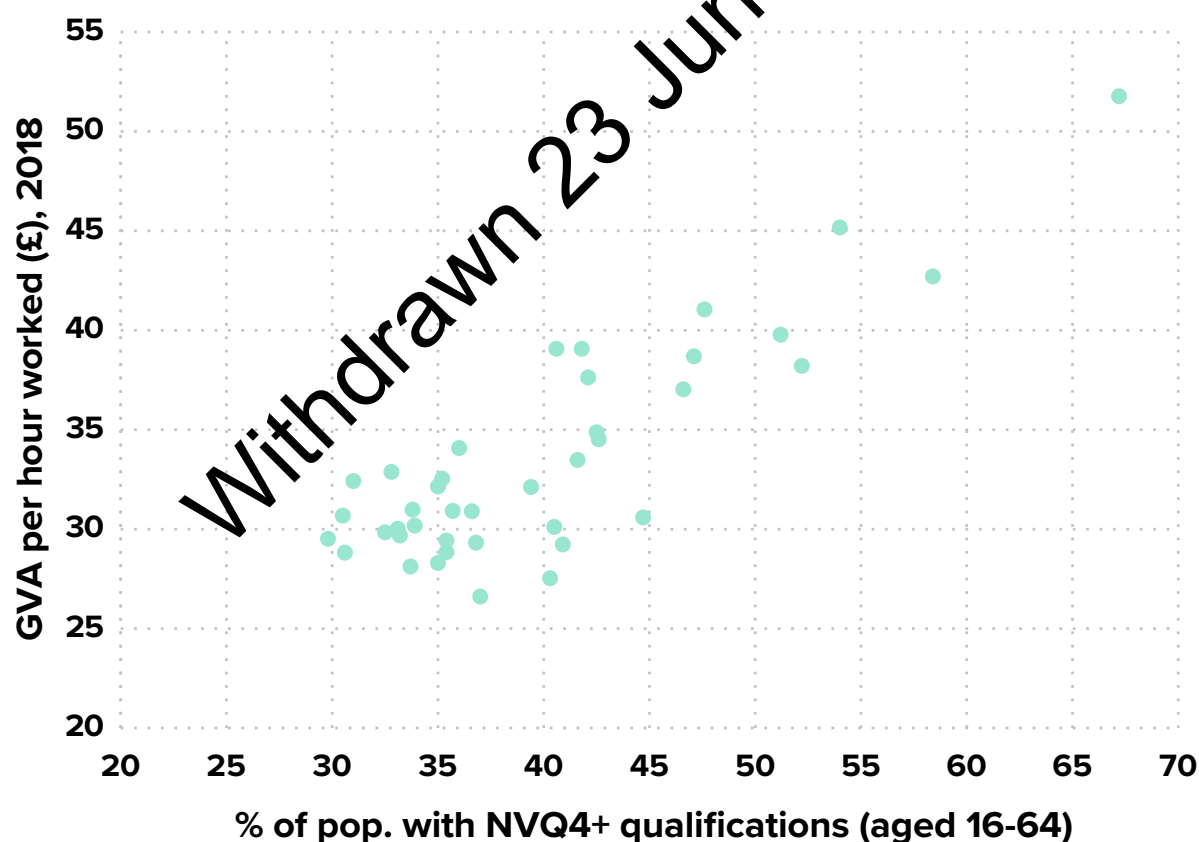
Creating opportunities to improve the skills of people in all regions is critical to the future success of the country and ensuring a strong recovery from the impacts of the COVID-19 pandemic, particularly for young people who have lost out on precious learning and employment opportunities. Improving our skills is also central to levelling up opportunity as differences in skill levels provide a key part of the explanation for differing output and wages across regions.

- 52% of 25-34 year olds in the UK are educated to tertiary level, compared to an OECD average of 45%<sup>20</sup>.
- At school level there have been substantial improvements: between 2005-2017 the proportion of the cohort achieving Level 2 qualifications with English and Maths by age 19 rose from 46% to 69% in England<sup>21</sup>.

## The UK skills system has many strengths:

- Our university sector is world-leading: four of the world's top twenty universities are in the UK<sup>18</sup>. This benefits our economy directly, with UK universities and their international students and visitors supporting over 940,000 jobs in 2014-15 alone<sup>19</sup>.

## Relationship between skills and productivity by region



Level: NUTS2 Regions Source: HMT Calculations

<sup>18</sup> Times Higher Education World University Rankings 2021 (<https://www.timeshighereducation.com/world-university-rankings/2021/world-ranking/>)

<sup>19</sup> Oxford Economics (2017) 'The Economic Impact of Universities UK, in 2014-15' (The Economic Impact of Universities in 2014-15, 2017)

<sup>20</sup> OECD Education at a Glance 2020 ([https://www.oecd-ilibrary.org/education/education-at-a-glance\\_19991487](https://www.oecd-ilibrary.org/education/education-at-a-glance_19991487))

<sup>21</sup> DfE (2018), 'Level 2 and 3 attainment in England: Attainment by age 19 in 2017' ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/709690/Tables\\_6\\_-\\_15\\_2018\\_L2\\_3\\_Attainment.xlsx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/709690/Tables_6_-_15_2018_L2_3_Attainment.xlsx))

The contribution of skills to productivity growth, however, can largely be attributed to higher-skilled cohorts<sup>22</sup>, and the UK's skills system is less competitive internationally in areas such as technical skills and basic adult skills<sup>23</sup>.

A particular challenge is the pipeline of technical skills: the UK has persistent technical skills shortages in key sectors such as construction and manufacturing. Only 4% of young people achieve a higher technical qualification by the age of 25, compared to 33% who get a degree or above<sup>24</sup>. Since the 2000s, higher technical education as a whole has fallen in absolute terms<sup>25</sup>.

On basic skills, more than a quarter of the working-age population in England have low literacy or numeracy skills. The Industrial Strategy Council forecast that five million workers could become acutely under-skilled in basic digital skills by 2030<sup>26</sup>. This holds back those people from employment, limits their ability to progress, reduces economic growth, and makes the UK a less attractive place to invest.

Combined, these factors mean that there are significant levels of mismatch between what the skills system provides and what employers need: the OECD found that the UK could improve its productivity by 5% or more if it reduced the level of skills mismatch to that of high performing international comparators<sup>27</sup>. Reforms to the technical skills system to support providers to respond to employer needs will play an important role in addressing these mismatches and driving growth at a national and regional level.

Overall, while there are notable strengths in the UK skills system, such as universities and apprenticeships, further reform is needed to address these challenges. The UK Government has put in place a package of immediate employment and skills support delivered through the Plan for Jobs, and is taking broader action to ensure people have the support they need to improve their skills over the longer term, as a key enabler of productivity growth.



<sup>22</sup> BIS (2015), 'UK skills and productivity in an international context' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/486500/BIS-15-704-UK-skills-and-productivity-in-an-international\\_context.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/486500/BIS-15-704-UK-skills-and-productivity-in-an-international_context.pdf))

<sup>23</sup> OECD Education at a Glance 2020 ([https://www.oecd-ilibrary.org/education/education-at-a-glance\\_19991487](https://www.oecd-ilibrary.org/education/education-at-a-glance_19991487))

<sup>24</sup> DfE (2018), 'Post-16 education: highest level of achievement by age 25: England' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/705269/Post\\_16\\_education\\_highest\\_level\\_of\\_achievement\\_by\\_age\\_25.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705269/Post_16_education_highest_level_of_achievement_by_age_25.pdf))

<sup>25</sup> Higher technical education: the current system and the case for change' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907144/Higher\\_technical\\_education\\_-\\_the\\_current\\_system\\_and\\_the\\_case\\_for\\_change.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907144/Higher_technical_education_-_the_current_system_and_the_case_for_change.pdf))

<sup>26</sup> Industrial Strategy Council (2019), 'UK Skills Mismatch in 2030' (<https://industrialstrategycouncil.org/sites/default/files/UK%20Skills%20Mismatch%202030%20-%20Research%20Paper.pdf>)

<sup>27</sup> DfE (2020), 'Working Futures 2017-2027: Long-run labour market and skills projections for the UK' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863506/Working\\_Futures\\_Main\\_Report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863506/Working_Futures_Main_Report.pdf))

# Transforming Further Education

Recognising the importance of technical education, the UK Government has invested significant additional funding in Further Education (FE) in England, with an additional £691 million for core 16-19 education at the last two Spending Reviews, and a further £375 million to fund technical education for adults as the first step in a £2.5 billion investment in adult skills over the course of this Parliament through the National Skills Fund. The UK Government has also made significant capital commitments in post-16 education, with £1.5 billion over six years to raise the condition of the FE college estate, £270 million to establish 20 Institutes of Technology, £268 million across three waves to support the roll-out of T Levels with high quality equipment and facilities, and £83 million in 21/22 to ensure post-16 providers have sufficient places.

The UK Government is reforming technical education, making it a true alternative to a degree by delivering the training and education that employers want.

This includes aligning the substantial majority of post-16 technical education and training to employer-led standards, introducing new approved Higher Technical Qualifications as a high quality technical progression option, rolling out T Levels (see box below) and expanding the flagship Institutes of Technology programme to every part of the country by the end of this Parliament – to spearhead the increase in higher-level technical skills in Science, Technology, Engineering and Maths.

## T Level rollout:

T Levels will be the option of choice in England for the majority of 16 to 19 year-olds who want to progress into high-skilled employment or onto higher levels of technical education at college or university. Students spend most of the course in classrooms and specialist training facilities, developing the knowledge, skills and behaviours that employers need for their chosen occupation. They also spend at least 45 days on a meaningful industry placement, putting the skills they have developed into practice and gaining first-hand experience of industry. Around 300 employers have been involved in designing content, and thousands more will be offering industry placements. Students across England started on the first ever T Levels in September 2020; from 2023, we expect that 24 T Levels covering 11 technical education routes will be available.

To ensure that skills provision is aligned to employer needs, the UK Government has published *Skills for Jobs: Lifelong Learning for Opportunity and Growth* which sets out how we will reform further education in England so it supports people to develop the skills throughout their lives, wherever they live in the country<sup>28</sup>. This reform will be delivered by putting employers at the heart of our skills system, supporting excellent teaching in further education, and reforming funding and accountability to ensure a focus on the needs of local labour markets, enabling flexible employer-led provision, and reducing unnecessary bureaucracy.

## Encouraging lifelong learning

Recognising the vital role of training and retraining over the course of an adult's lifetime, and as the Prime Minister set out in his speech in September 2020, the UK Government will help people get the skills they need at every stage in their lives through the Lifetime Skills Guarantee.

These reforms are backed by significant investment in adult skills. The UK Government has committed to a new £2.5 billion National Skills Fund over the course of this Parliament to improve the technical skills of adults in England. The UK Government will also introduce the UK Shared Prosperity Fund (UKSPF) to help to level up and create opportunity across the UK for people and places. A portion of the UKSPF will be targeted at bespoke employment and skills support tailored to local need.

## Lifetime Skills Guarantee

The Prime Minister has introduced a Lifetime Skills Guarantee to give people access to the education and training they need throughout their lives.

Starting from April 2021, adults looking to achieve their first full advanced level (level 3) qualification, which is equivalent to an advanced technical certificate or diploma, or two full A levels, will be able to access a free, fully funded course as part of the Lifetime Skills Guarantee. These courses, in areas including business, engineering, health and social care, and digital, will improve people's employment prospects and open up new opportunities.

Our employer-led skills bootcamps will also be rolled out across England from April as part of the Lifetime Skills Guarantee building on the successful digital bootcamps pilots. Skills bootcamps are 12 to 16-week training courses linked to guaranteed job interviews that support adults to retrain, top up skills, or gain new specialist skills in areas that are in-demand by employers in a bitesize and flexible way.

We will reform student finance to provide individuals with a flexible Lifelong Loan Entitlement from 2025, the equivalent of four years of post-18 education. The loan entitlement will be useable for both shorter modules and full years of study at higher technical and degree levels (levels 4-6), regardless of whether they are provided in colleges or universities, making it easier for people to study more flexibly throughout their lifetime.

<sup>28</sup> DfE (2021), 'Skills for Jobs: lifelong learning for opportunity and growth' (<https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>) Department for Education, Apprenticeship starts by pathway 2014/15 to 2018/19, 2020.

## Building on the apprenticeships revolution

The UK Government has transformed apprenticeships in England to ensure that they better meet the skills needs of employers across the country and provide people of all ages and backgrounds with the opportunity to benefit from a high-quality apprenticeship.

The Apprenticeship Levy is an important part of these changes as it encourages employers to make a long-term, sustainable and high-quality investment in apprenticeship training. As part of these changes, standards have helped make apprenticeships employer-led, and we have seen over 440,000 apprentices start on the new standards between the 2014/15 and 2018/19 academic years<sup>29</sup>.

Building on these reforms, we will continue to focus on the quality of apprenticeships and take steps to improve the English apprenticeship system for employers. *Spending Review 2020* announced the following:

- From August 2021, employers who pay the Apprenticeships Levy will be able to transfer unspent levy funds in bulk to small and medium-sized enterprises (SMEs) with a new pledge function. We will build on good examples of this activity already in existence – for instance the West Midlands Levy Transfer Fund – by also introducing, from August 2021, a new online service to match levy payers with SMEs that share their business priorities.

- From April 2021, the UK Government will allow English employers in construction, health and social care to front-load apprenticeship training, and will explore whether this offer can also be made available in other sectors.

Building on the measures the Government announced at *Spending Review 2020* to improve the apprenticeship system for employers, the Budget outlines a £7 million fund from July 2021 to help employers in England set up and expand portable apprenticeships. This will enable people who need to work across multiple projects with different employers to benefit from the high-quality long-term training that doing an apprenticeship provides. Employers themselves will also benefit from access to a diverse apprenticeship talent pipeline.

The UK Government will also extend and increase the payments made to employers who hire new apprentices. Employers in England who hire a new apprentice between 1 April 2021 and 30 September 2021 will receive £3,000 per new hire, compared with £1,500 per new apprentice hire (or £2,000 for those aged 25 and under) under the previous scheme. This is in addition to the existing £1,000 payment the government provides for all new 16 to 18 year-old apprentices and those aged under 25 with an Education, Health and Care Plan, where that applies.

## West Midlands Levy Transfer Fund:

Employers who pay the Apprenticeship Levy can transfer up to 25% of their unspent levy funds to small to medium-sized businesses who share their business priorities. The West Midlands Combined Authority (WMCA) set up a scheme in 2018 to facilitate these transfers and supercharge apprenticeships in the West Midlands. Employers like Lloyds Banking Group, BBC, National Express and the University of Birmingham have partnered with the WMCA to transfer their unspent levy to smaller employers who want to offer apprenticeships in key skills areas. The fund recently hit a £5 million milestone and has supported over 1,000 new apprenticeships at small to medium-sized businesses across the region.

<sup>29</sup> DfE (2020), 'Apprenticeship starts by pathway 2014/15 to 2018/19' (<https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships>)

## Our plan for skills

Why skills are important	What this means	What we're doing
<ul style="list-style-type: none"> <li>■ Skills and training is central to recovery from the COVID-19 pandemic by supporting people into work.</li> <li>■ Access to high quality training is vital to levelling up.</li> </ul>	<ul style="list-style-type: none"> <li>■ Providing individuals affected by the crisis with the opportunity to build the skills they need to boost their job prospects.</li> </ul>	<ul style="list-style-type: none"> <li>■ Expanding traineeships and improving their quality and progression to apprenticeships; expanding sector-based work academies; incentivising new apprenticeship hires; and boosting the National Careers Service's capacity.</li> </ul>
<ul style="list-style-type: none"> <li>■ High quality education and skills training play a vital role in sustaining productivity growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ Boosting investment in technical education and adult skills, and reforms to better align the skills system with employer demand will support productivity growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ Investing additional resource and capital funding in Further Education in England.</li> <li>■ Reforming technical education, including aligning the post-16 technical education system more closely with employer demand.</li> <li>■ Continuing to focus on the quality of apprenticeships and improving the apprenticeship system for employers.</li> </ul>
<ul style="list-style-type: none"> <li>■ 80% of the workforce of 2030 are already in work today, and we need to offer them the opportunity to upskill and reskill over their careers to progress and adapt to changes such as automation.</li> </ul>	<ul style="list-style-type: none"> <li>■ Providing adults with opportunities to upskill and reskill throughout their lifetime in a way that meets their needs (i.e. is flexible and provides line of sight to a job or career progression).</li> </ul>	<ul style="list-style-type: none"> <li>■ Improving the apprenticeship system for employers building on the all ages, all levels approach.</li> <li>■ Funding for adults without a Level 3 qualification (A levels or equivalent) to take courses in areas that will help boost their job prospects.</li> <li>■ Rolling out employer-led skills bootcamps across England for adults to upskill and reskill in a flexible, bitesize way.</li> <li>■ From 2025, delivering the Lifelong Loan Entitlement to make it easier for adults and young people to study more flexibly throughout their lifetime.</li> <li>■ In the interim, consulting on the scope and detail of the entitlement - and taking action to stimulate higher technical and modular provision and encourage more frequent credit transfer.</li> <li>■ Skills and Employment funding in the new UKSPF programme.</li> </ul>

# Innovation

Build Back Better 50 our plan for growth

Withdrawn 23 June 2025



Withdrawn 23 June 2025

Innovation is a key driver of economic growth and improvements to living standards, through the development of new ideas, products and processes and their adoption and diffusion across the economy. This brings benefits for both citizens and society.

The UK is renowned for its science and innovation strengths, ranking 4<sup>th</sup> out of 131 economies in the Global Innovation Index<sup>30</sup>. We are home to world-leading research institutes and charities, with the UK ranking first in the G7 for field-weighted citation impact in the G7<sup>31</sup>, as well as excellent universities – including four in the world's top 20<sup>32</sup> – which work closely with businesses and international partners. This research ecosystem stimulates innovation through the exchange of ideas, knowledge and talent.

The UK also has the most mature venture capital market in Europe: at least £8.8 billion in 2020 was raised to start and grow innovative businesses, more than France and Germany combined<sup>33</sup>. However, UK companies can still struggle to access capital compared to their US counterparts, especially at later stages of their growth and larger deal sizes. There remains a largely untapped pool of capital from institutional investors, particularly Defined Contribution (DC) pension schemes. Investment also tends to be regionally concentrated in London and the South East, whilst women and entrepreneurs from BAME backgrounds disproportionately struggle to access the finance they need to start and grow their business.

To maximise the economic benefits of the UK Government's significant investments in research and development (R&D) and build a more innovative and productive economy, the UK needs a regulatory system that is pro-innovation. Currently only 29% of businesses believe that the government's approach to regulation supports them in bringing new products and services to market<sup>34</sup>. We are committed to regulatory reform to accommodate new processes, products and business models, and provide a supportive environment to dynamic entrepreneurial business.

The UK has a lower proportion of innovating firms overall than other advanced economies and weaker business investment<sup>35,36</sup>. The diffusion of innovation through the economy requires businesses to update their business models and make investments that embody newer ideas. Our commitments to regulatory reform and a best in class competition regime will raise innovation and investment across the whole economy. Aligning skills provision to employer needs will also ensure that people are equipped to experience the benefits of innovation and help give firms the confidence to invest.

Relatedly, there is evidence that UK firms are relatively slow to adopt basic digital technologies, such as customer relationship and eCommerce tools that have been shown to have significant productivity benefits<sup>37</sup>. When it comes to digital intensity, we are ahead of some of our major European competitors, but lag behind international leaders like Denmark, Israel and Japan<sup>38</sup>. The UK Government is taking steps to help UK businesses significantly improve their adoption of digital technologies.



<sup>30</sup> Global Innovation Index 2020 Report (<https://www.globalinnovationindex.org/gii-2020-report>)

<sup>31</sup> BEIS (2019), 'International comparison of the UK research base, 2019' (<https://www.gov.uk/government/publications/international-comparison-of-the-uk-research-base-2019>)

<sup>32</sup> Times Higher Education World University Rankings 2021 (<https://www.timeshighereducation.com/world-university-rankings/2021/world-ranking/>)

<sup>33</sup> Tech Nation (2020), UK Tech for a Changing World (<https://technation.io/report2020/#11-global-investment-trends>)

<sup>34</sup> BEIS (2020), 'Business Perceptions Survey 2020: Technical Report' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/944423/business-perceptions-survey-2020-technical-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/944423/business-perceptions-survey-2020-technical-report.pdf))

<sup>35</sup> ONS (2017), 'An international comparison of gross fixed capital formation' (<https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/aninternationalcomparisonofgrossfixedcapitalformation/2017-11-02>)

<sup>36</sup> OECD Innovation Indicators 2019 (<https://www.oecd.org/innovation/inno/inno-stats.htm#indicators>)

<sup>37</sup> ONS (2018), 'Information and communication technology intensity and productivity', (<https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/informationandcommunicationtechnologyintensityandproductivity/2018-10-05>)

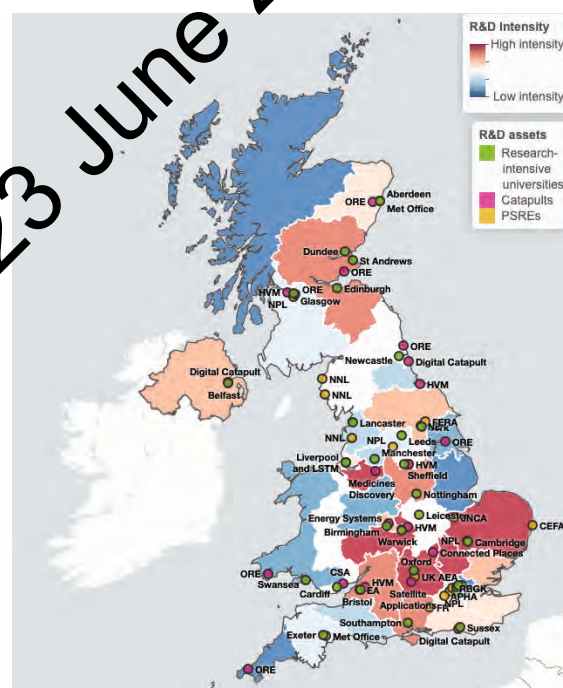
<sup>38</sup> ONS (2018), 'Information and communication technology intensity and productivity', (<https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/informationandcommunicationtechnologyintensityandproductivity/2018-10-05>)

# Supporting and incentivising the development of creative ideas and technologies

The UK Government is increasing its investment in R&D and will use it to boost R&D strengths across the UK. Next year alone we are investing £14.6 billion in research and innovation grants and facilities. This investment will back the priorities set out in the UK Government's *Research and Development Roadmap*<sup>39</sup> and drive progress towards the target for total UK investment in R&D (public and private) to reach 2.4% of GDP by 2027.

Public investment in R&D crowds in private investment<sup>40</sup> at a ratio of around two pounds on average for each pound of government funding. Schemes such as the Biomedical Catalyst - a joint Medical Research Council and Innovate UK grant programme that accelerates innovations in the life sciences - have proven to be highly effective in driving business investment in R&D. The government will build on this, supporting new opportunities to strengthen the innovation ecosystem including through the public procurement reforms planned later this year, investing £800 million in the new Advanced Research and Invention Agency, and publishing an Innovation Strategy in Summer 2021.

Regional R&D intensity and selected R&D assets



<sup>39</sup> BEIS (2021), 'UK Research and Development Roadmap' (<https://www.gov.uk/government/publications/uk-research-and-development-roadmap>)

<sup>40</sup> Oxford Economics (2020), 'The relationship between public and private R&D funding' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/897470/relationship-between-public-private-r-and-d-funding.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/897470/relationship-between-public-private-r-and-d-funding.pdf))

UK R&D expenditure is currently concentrated in a relatively small number of large firms based in particular regions of the country<sup>41</sup>. The UK Government is committed to redressing this balance, by leveraging the capability of the UK's geographically dispersed R&D assets, maximising the benefits of innovation for local economies and building on local strengths. Details of this will be set out in a UK-wide *R&D Places Strategy* this year, focusing on how R&D can contribute effectively to the government's levelling up ambitions.

R&D tax reliefs support businesses to invest in R&D by allowing companies to claim an enhanced corporation tax deduction or payable credit on their R&D costs. In 2017-18, R&D tax reliefs of £5.1 billion supported £36.5 billion of R&D expenditure<sup>42</sup>. The government has now announced it will carry out a review of R&D tax reliefs, with a consultation published alongside the Budget. The government is also publishing at Budget 2021 the summary of responses from the consultation on the scope of qualifying expenditures for R&D Tax Credits. The decision on whether to bring data and cloud computing costs into scope of the reliefs will be made alongside the wider review<sup>43</sup>.

## Life Sciences across the Union

The UK is one of the best places in the world for life sciences. Over many decades the UK has established clusters of the most advanced scientific research facilities anywhere in the world, made possible by top class universities – including in Oxford, Cambridge, Edinburgh, Glasgow, Cardiff and Belfast - globally-renowned clinical research and a unique cradle to grave healthcare system in the NHS. The government has worked closely with industry and scientists to grow the life sciences sector through delivering the 2017 *Life Sciences Industrial Strategy*. This provided a roadmap for the UK to take the lead on cutting-edge, emerging industries such as genomics, early-stage diagnostics, advanced therapies and digital health. The strength of the life sciences sector in these areas and others provides economic opportunity in all parts of the UK:

- in **England** it employs 224,000 people, with a turnover of £73.5 billion;
- in **Scotland** it employs 15,000 people with a turnover of £3.8 billion;
- in **Wales** it employs 12,000 people with a turnover of £2.4 billion;
- in **Northern Ireland** it employs 6,000 people with a turnover of £1.0 billion

Source: OLS/BEIS/DHSC (2020), 'Bioscience and health technology sector statistics 2019', (<https://www.gov.uk/government/statistics/bioscience-and-health-technology-sector-statistics-2019>)

<sup>41</sup> With 59% of total R&D business expenditure (BERD) in East Midlands, East of England, London and South East (UKRI data)

<sup>42</sup> HMRC (2020), 'Research and Development Tax Credits Statistics' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/921817/Research\\_and\\_Development\\_Tax\\_Credits\\_Statistics\\_September\\_2020\\_accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921817/Research_and_Development_Tax_Credits_Statistics_September_2020_accessible.pdf))

<sup>43</sup> OLS/BEIS/DHSC (2020), 'Bioscience and health technology sector statistics 2019', (<https://www.gov.uk/government/statistics/bioscience-and-health-technology-sector-statistics-2019>)

# Backing the sectors and technologies that will shape the UK's future

The pace of technological change and global competition means that we must consider how to support the sectors and technologies that will help shape the UK's future. For example:

- In life sciences we will build on our performance and leadership to date to create the most advanced genomic healthcare system in the world.
- The digital and creative industry sectors are a major success story for the UK, and a critical driver of innovation and growth. We will work to ensure that these sectors can flourish by nurturing a safe, fair and open digital economy, growing more creative businesses around the country and building on our advantages in foundational technologies like AI, quantum computing and digital twins, including through the *National Data Strategy* and upcoming *Digital Strategy*.
- In clean energy, we will bring about a green industrial revolution, targeting investment in technologies like CCUS, hydrogen and offshore wind.
- The fintech sector adds almost £11 billion to the UK economy and employs a workforce of almost 76,500. At Budget 2020, the Chancellor asked Ron Kalifa to lead an Independent Strategic Review of how government, regulators, and industry can maximise the future growth of the UK fintech sector. The Review published its final report *The Kalifa Review of UK Fintech* on 26 February 2021. It addressed a range of priorities for the sector and made recommendations on amendments to UK listing rules, improvement to tech visas, and a regulatory fintech 'scalebox'. The government welcomes the report and is considering the Review's recommendations.
- The Ministry of Defence spends more than £20 billion each year with UK industry, supporting a total of over 200,000 jobs across the UK, and serving as one of the largest providers of apprenticeships. The MOD's Defence and Security Accelerator has supported more than 750 innovations by finding and funding ideas. In the forthcoming *Defence and Security Industrial Strategy*, we will set out further actions we are taking to foster vibrant and innovative UK businesses

Over the coming year, the UK Government will publish an Innovation Strategy and set out a vision for high-growth sectors and technologies where we are well-placed to develop a globally competitive advantage.

# Finance to unleash innovation

The UK Government has supported thousands of R&D intensive and innovative businesses from their early stages to scale and grow, through tax incentives, grants, loans and equity. The Seed Enterprise Investment Scheme (SEIS), the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCTs) target market failures in SMEs' access to growth finance, and together have supported over £31 billion of finance<sup>44</sup>.

The British Business Bank's lending and equity programmes are supporting nearly £8 billion of finance to almost 100,000 smaller businesses, excluding the COVID-19 support schemes. British Patient Capital, established in 2018 within the British Business Bank with £2.5 billion of investment, will crowd in an additional £5 billion of private investment over 10 years and increase the overall supply of funding for companies at later stages of their growth, where capital needs are higher.

The British Business Bank is tackling regional discrepancies in access to finance through the Regional Angels Programme and three regional funds: the Northern Powerhouse, Midlands Engine, and Cornwall and Isles of Scilly Investment Fund. The Bank has also taken concerted steps to address gender and ethnic diversity challenges, including through ensuring diversity in the recipients of its Start Up Loans and its associated mentoring programme.

<sup>44</sup> See HMRC publications, 'Venture Capital Trusts Statistics Commentary: 10 December 2019' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/850880/VCT\\_National\\_Statistics\\_2019\\_Commentary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850880/VCT_National_Statistics_2019_Commentary.pdf)) and 'Enterprise Investment Scheme Seed Enterprise Investment Scheme and Social Investment Tax Relief: May 2020' ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/887546/May\\_2020\\_Commentary\\_EIS\\_SEIS\\_SITR\\_National\\_Statistics.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887546/May_2020_Commentary_EIS_SEIS_SITR_National_Statistics.pdf))



Withdrawn 23 June 2025

# British Business Bank support at every stage

Start up	Scale up	Stay ahead
<p><b>Mentoring and funds to 'be your own boss'</b></p> <ul style="list-style-type: none"><li>■ Start Up Loans</li></ul>	<p><b>Funds for higher growth potential businesses</b></p> <ul style="list-style-type: none"><li>■ Regional Angels Programme</li><li>■ Enterprise Capital Funds</li><li>■ Managed Funds Programme</li><li>■ British Patient Capital</li><li>■ National Security Strategic Investment Fund</li></ul>	<p><b>More funding options and choice of provider</b></p> <ul style="list-style-type: none"><li>■ Investment programme</li><li>■ EVABLE programmes</li><li>■ Enterprise Finance Guarantee</li></ul>

Withdrawn 23 June 2025

Government and financial regulators have removed a range of regulatory barriers to ensure that pension savers can access the returns offered by venture capital and growth equity, as part of a balanced portfolio. Government will consult in the next month on whether certain costs affect DC pension schemes' ability to invest in a broader range of assets. This is to ensure DC pension schemes are not discouraged from such investments and are able to offer the highest possible returns for savers. The Department for Work and Pensions will also come forward with draft regulations that will make it easier for schemes to take up such opportunities.

At this Budget, we will build on our progress to fill financing gaps for companies at all stages. Building on the Future Fund, the UK Government will commit £375 million to introduce Future Fund: Breakthrough, a new direct co-investment product to support the scale up of the most innovative, R&D-intensive businesses. The British Business Bank will take equity in larger funding rounds led by private investors to ensure these companies can access the capital they need to grow and deliver prosperity to communities across the UK.



# Developing a regulatory system for an innovative economy

Withdrawal  
on 23 June 2025

To maximise the economic benefits of the UK Government's significant investments in R&D and build a more innovative and productive economy, a regulatory system for an innovative economy needs to accommodate new processes, products and business models, and provide a supportive environment to dynamic entrepreneurial business. Leaving the EU gives the UK an opportunity to capitalise on our global leadership in areas like clean energy technologies, life sciences, digital services and entertainment.

The UK Government will maximise new freedoms and ensure regulations support science and innovation, enable business to flourish, and boost growth whilst maintaining our high standards, by:

- using regulation to unlock cutting-edge technologies such as drones and autonomous vehicles;
- modernising our approach so that we deliver sophisticated policymaking that benefits citizens and the economy;
- easing the regulatory compliance red tape burden on business;
- hard-wiring competition principles into regulatory decision-making

UK approach to regulatory reform

<b>Unlocking cutting-edge technologies</b>	<ul style="list-style-type: none"><li>■ We have consulted and responded on a regulatory review on the future of transport.</li><li>■ We are consulting on changing the regulatory approach for genetically-modified organisms.</li><li>■ We will look to the recommendations from the <i>Kalifa Review of UK Fintech</i> to unlock financial services innovations.</li></ul>
<b>Modernising our approach</b>	<ul style="list-style-type: none"><li>■ We have established the Regulatory Horizons Council to advise government on regulatory recommendations for emerging technologies.</li><li>■ We are placing up the Better Regulation Committee in the heart of UK Government to drive an ambitious regulatory reform agenda.</li><li>■ We will support regulatory sandboxes and innovation hubs in regulators.</li></ul>
<b>Easing burdens and cutting red tape</b>	<ul style="list-style-type: none"><li>■ We have established a Regulatory Initiatives Grid to ensure better coordination of regulatory initiatives affecting the financial services sector.</li><li>■ We are reviewing and overhauling the detailed technical rules of the energy system (the 'energy codes') with a view to simplifying them.</li></ul> <p>We will harness technology to ease the burdens of engaging with regulation and we will work to convert UK business legislation into machine-readable data to drive development of RegTech apps.</p>
<b>Boosting competition</b>	<ul style="list-style-type: none"><li>■ We have commissioned the Competition and Markets Authority (CMA) to produce regular 'State of Competition' reports on how competition is working across the economy.</li><li>■ We are establishing a Digital Markets Unit in the CMA to oversee a pro-competition regime for digital platforms.</li><li>■ We will consult on strengthening enforcement powers and penalties to deter against anticompetitive behaviour.</li></ul>

# Attracting global talent and boosting investment

High-skilled migration can boost growth and drive the international competitiveness of the UK's high-growth innovative businesses. These businesses disproportionately contribute to innovation and job creation in the UK and disproportionately employ or are founded by migrants. Around 42% of UK fintech workers are from overseas<sup>45</sup> and, whilst only 14% of UK residents are foreign-born, 49% of the UK's fastest growing businesses and nine of the UK's 14 unicorns (start-ups with a valuation of \$1 billion) have at least one foreign-born co-founder<sup>46</sup>. To ensure the continued competitiveness of our high-growth, innovative sectors the UK needs to outpace global competition with a visa offering that can attract and retain the best and brightest from around the world.

At the beginning of this year the UK Government launched the new points-based system to create a single, global immigration system. This fairer, skills-led system delivers a new route for skilled workers and specialist work routes for business founders and those with recognised or high-potential talent in their field.

As international demand for talent grows, the UK Government will build on this new system with a set of targeted and tailored reforms, alongside a proactive global outreach strategy, that will ensure the UK can attract and retain high-skilled, globally mobile talent, particularly in academia, science, research and technology from around the world.

<sup>45</sup> WPI Economics (2018) 'Supporting UK FinTech: Accessing a Global Talent Pool' (<https://www.innovatefinance.com/supportingukfintech/>)

<sup>46</sup> The Entrepreneurs Network (2019) 'Job Creators: The Immigrant Founders of Britain's Fastest Growing Businesses' (<https://www.tenentrepreneurs.org/immigrantfounders>)

We will:

- introduce an elite points-based route to attract the brightest and best to the UK to maintain our status as a leading international hub for emerging and disruptive technologies;
- create a 'scale up' stream within the new points-based route that will allow those with a job offer at the required skills level from a recognised UK scale-up to qualify for a fast-track visa;
- reform our Global Talent route by expanding the criteria in Spring 2021 so that global prize winners automatically qualify and broadening this by Autumn 2021 to include winners of scholarships and other elite programmes for early promise;
- review the Innovator route to make it easier for those with the skills and experience to found innovative businesses in the UK to obtain a visa – the conclusions of the review will be set out in the Innovation Strategy in Summer 2021;
- launch, by Spring 2022, a single sponsored Global Business Mobility route for overseas businesses seeking to establish a presence here or transfer staff to the UK;
- support small firms who are navigating the sponsorship system for the first time;
- modernise the immigration system by streamlining sponsorship processes. The UK Government will publish a delivery roadmap in the summer;
- expand the Global Entrepreneur Programme, actively market our visa offering and explore building an overseas talent network in global talent hotspots

Our HM Trade Commissioners will continue to champion British trade around the world, supporting UK businesses to trade internationally and promoting the UK as a place to invest. This will drive productivity and job creation across the country: in 2019-20 inward investment created over 56,000 jobs across the UK, of which over three quarters were outside London<sup>47</sup>, and in 2018 foreign-owned businesses spent more on R&D (£13.4 billion) than domestically owned businesses (£11.7 billion)<sup>48</sup>. The Office for Investment has been established to support the landing of high value investment opportunities into the UK which align with key government priorities, including our focus on key sectors, reaching net zero, investment in infrastructure and advancing research and development.



Withdrawn 23 June 2025

<sup>47</sup> DIT (2020), 'Inward Investment Results 2019 to 2020' (<https://www.gov.uk/government/statistics/department-for-international-trade-inward-investment-results-2019-to-2020>)

<sup>48</sup> ONS (2019), 'Business enterprise research and development, UK: 2018' (<https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/researchanddevelopmentexpenditure/bulletins/businessenterpriseresearchanddevelopment/2018>)

# Encouraging the adoption and diffusion of innovative ideas and technologies across the economy

Even the most innovative economies are characterised by only a minority of firms engaging in innovation at the cutting edge. The full benefits of innovation are realised when new ideas and technologies are adopted and diffused by firms throughout the economy.

Adoption of a range of common technologies is associated with a productivity improvement of between 7% to 18%, depending on the technology<sup>49</sup>. ICT adopted with good management practices achieves a 20% productivity improvement compared to just a 2% uplift when adopted with poor practices<sup>50</sup>.

COVID-19 has forced businesses to rethink their operations, how they engage with staff and their use of technology. BeTheBusiness estimate that three years' worth of digital transformation took place in three months when the required public health measures began in March 2020<sup>51</sup>. The UK is not in a unique position – globally 72% of SMEs have accelerated their digitisation rates in light of COVID-19<sup>52</sup>.

At Budget 2021 we are announcing a new UK-wide management programme to upskill 30,000 SMEs in the UK over three years. Developed in partnership with industry, the programme will combine a national curriculum delivered through business schools with practical case studies and mentoring from experienced business professionals, equipping SMEs with the tools to grow their businesses and thrive. Improved SME management is strongly correlated with tech adoption.

We are also announcing Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business. Launching later this year, Help to Grow: Digital will combine a voucher covering up to half of the costs of preapproved solutions up to a maximum of £5,000, and free impartial advice delivered through an online platform.

<sup>49</sup> Enterprise Research Centre State of Small Business (2018, 2020) <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2020/12/92744-ERC-State-of-Small-Business-2020-Final.pdf>

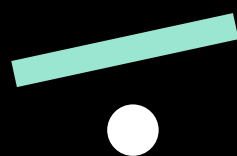
<sup>50</sup> LSE (2016), 'The Power of Productivity'; (<https://www.lse.ac.uk/business-and-consultancy/consulting/assets/documents/Power-of-Productivity.pdf>)

<sup>51</sup> BeTheBusiness (2020), 'The UK's Technology Moment – why 2020 can be the year that changed our trajectory'; (<https://www.bethebusiness.com/wp-content/uploads/2020/09/The-UKs-Technology-Moment.pdf>)

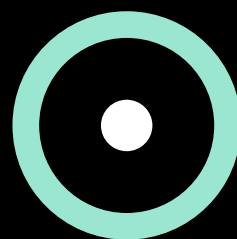
<sup>52</sup> Cisco/IDC (2020), '2020 Small Business Digital Transformation: A Snapshot of Eight of the World's Leading Markets', ([https://www.cisco.com/c/dam/en\\_us/solutions/small-business/resource-center/small-business-digital-transformation.pdf](https://www.cisco.com/c/dam/en_us/solutions/small-business/resource-center/small-business-digital-transformation.pdf))

## Our plan for innovation

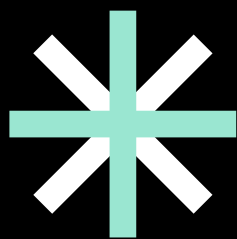
Why innovation is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>■ Innovation is key to economic growth, and firms that consistently invest in R&amp;D are more productive than those which don't.</li> </ul>	<ul style="list-style-type: none"> <li>■ Innovation is key to technological change, and technological change accounted for 70% of UK productivity growth between 1960-2002.</li> </ul>	<ul style="list-style-type: none"> <li>■ £14.6 billion government investment in R&amp;D in 2021-22, boosting existing and emerging R&amp;D strengths across the UK.</li> <li>■ £800 million of funding for the Advanced Research &amp; Invention Agency (ARIA), helping to cement the UK's position as a global science superpower.</li> <li>■ <i>R&amp;D Places Strategy.</i></li> <li>■ <i>R&amp;D People &amp; Culture Strategy.</i></li> <li>■ <i>Innovation Strategy.</i></li> </ul>
<ul style="list-style-type: none"> <li>■ A regulatory system for an innovative economy needs to accommodate new processes, products and business models, and needs to provide a supportive environment for dynamic entrepreneurial business.</li> </ul>	<ul style="list-style-type: none"> <li>■ Adapting our regulatory frameworks to maximise advantage of innovation, especially in sectors such as financial services, health, data, agriculture.</li> <li>■ The government's regulatory approach should unlock cutting-edge technologies, be modern and sophisticated, ease burdens and cut red tape, and boost competition.</li> </ul>	<ul style="list-style-type: none"> <li>■ A new ambitious regulatory reform programme to boost growth and innovation led by the Better Regulation Committee.</li> </ul>
<ul style="list-style-type: none"> <li>■ High-growth firms are disproportionately responsible for economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ 20% of UK growth since 2015 has come from high-growth small businesses.</li> <li>■ The UK leads Europe on early-stage business investment, but lags behind the US on a proportional basis.</li> </ul>	<ul style="list-style-type: none"> <li>■ The British Business Bank is delivering mentoring and funding for innovative businesses starting-up and scaling-up.</li> <li>■ Committing £375 million to introduce Future Fund: Breakthrough, a new direct co-investment product to support the scale up of the most innovative, R&amp;D-intensive businesses.</li> </ul>
<ul style="list-style-type: none"> <li>■ By embracing new technologies and practices, UK businesses can lower costs and become more internationally competitive.</li> </ul>	<ul style="list-style-type: none"> <li>■ By adopting common technologies, productivity can be improved by 7% to 18%, and ICT adopted with best management practice can improve productivity by 20% compared to 2% with poor practices.</li> </ul>	<ul style="list-style-type: none"> <li>■ A new SME management training offer, drawing on the very best from industry and our international peers.</li> <li>■ Launching later this year, Help to Grow: Digital, a new scheme to help 100,000 SMEs save time and money by adopting productivity-enhancing software, transforming the way they do business.</li> </ul>



**Levelling up**



**Net zero**



Global Britain

# Levelling up

Build Back Better 68 our plan for growth



Withdrawn 23 June 2025



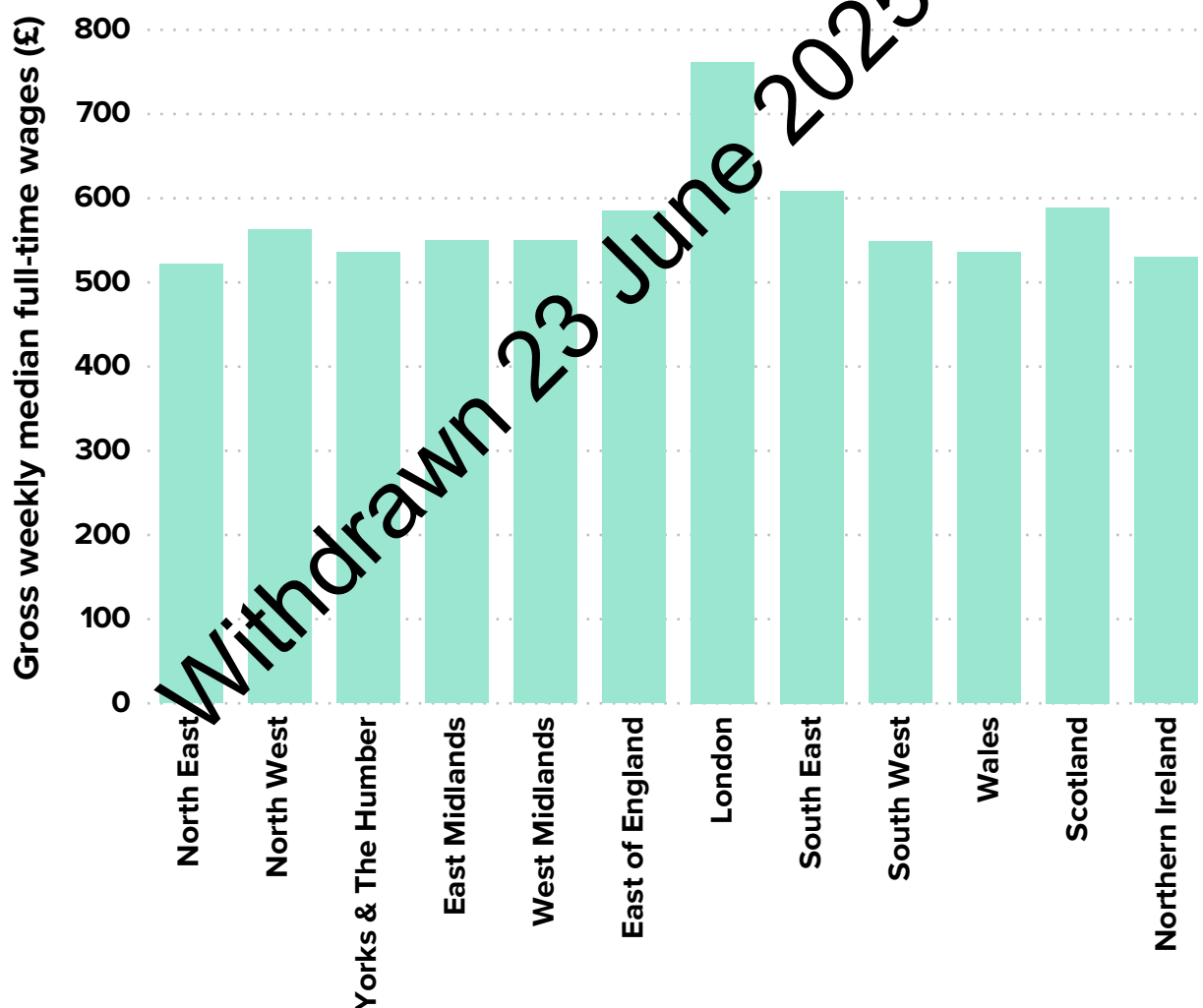
**Place matters. Many people are rooted to their local area because of its civic identity and their social and family connections: over 40% of workers have only ever worked in the same local area as they were born<sup>53</sup>. But there are parts of the country where people feel left-behind, that they are not getting fair access to jobs, wages and skills opportunities, and that their local priorities are not being delivered on by government.**

<sup>53</sup> Bosquet and H.G. Overman (2019), 'Why does birthplace matter so much?', ([http://eprints.lse.ac.uk/100201/1/1\\_s2.0\\_S0094119019300117\\_main.pdf](http://eprints.lse.ac.uk/100201/1/1_s2.0_S0094119019300117_main.pdf))

Levelling up is about improving everyday life for people in those places. It is about ensuring people can be proud of their local community, rather than feeling as though they need to leave it in order to reach their potential.

This is why the UK Government's most important mission is to unite and level up the country. We want to improve everyday life for communities throughout the UK. Where people live should not be a barrier to their life chances.

### Weekly wages across UK nations and regions



Source: ONS - Annual Survey of Hours and Earnings, 2020

We will tackle geographical disparities in key services and outcomes across the UK: improving health, education, skills, increasing jobs and growth, building stronger and safer communities and improving infrastructure and connectivity. We will focus on boosting regional productivity where it is lagging to improve job opportunities and wages.

Our city regions are critical for driving economic growth and long-term prosperity. We want to achieve dynamic regional economies with high-value centres of excellence. The success of these are vital to the success of the wider region, including increasing the opportunities available for the towns and communities surrounding these cities.

Some communities and towns are struggling, from ex-industrial areas to coastal communities. By improving access to services and the outcomes that matter most for life-chances, they will see social, economic and cultural regeneration.

Above all, this is a plan that will build on the strengths of the Union. The Union is core to our economic model and at the heart of our prosperity. We must therefore ensure the whole of the UK is firing on all cylinders. This means delivering on the infrastructure plans the government has set out for places across the UK, including through funding provided to the devolved administrations, and taking forward the *Union Connectivity Review*.

We are working closely with local authorities in every corner of the UK through the UK Shared Prosperity Fund, the Community Renewal Fund, the Community Ownership Fund, and the Levelling Up Fund to strengthen the connection between central government and citizens.

Fundamentally, we are pursuing a new economic approach. We will:

- unleash the potential of our great cities, ensuring they drive growth in every region and nation in the UK;
- invest in public services – the NHS, schools and colleges – to make them high quality everywhere in the country;
- invest in towns across the UK, connecting people and places to high quality jobs, driving private sector investment, and creating places where people feel secure and feel proud to live.

All the themes in our plan for growth play a role in supporting our overarching mission to level up and unite the country.

Withdrawn 23 June 2025

# Supporting individuals across the country to reach their potential

The most important pillar in our approach to levelling up is supporting individuals across the UK to reach their potential, investing in people in every place and region.

Differences in levels of 'human capital' between places and regions, i.e. education, skills, health, are an important explainer of differences in regional outcomes. Research finds that up to 90% of area-level disparities in wages can be explained by the distribution of high-skilled workers<sup>54</sup>. 50% of the population in London have graduate-level qualifications, compared to 33% of the population in the North East of England. But more than this, people's experience with health and education determine life-chances, wellbeing and social connection. In some places outcomes are poor and this undermines belief that government can deliver for a community. We will strengthen these vital public services to address disparities in life-chances driven by key public services like health, education and skills. Some of the main themes of this investment are set out throughout this document.

## Regenerating struggling towns

People across the UK have lost out from structural economic changes simply because of where they live. Our approach to tackling disadvantage in these struggling towns focuses on a three-pronged approach to support the regeneration of struggling towns, underpinned by world-class public services to drive improved outcomes to improve life-chances and deliver on our vision for every town across the UK to be safe, healthy and prosperous.

First, the UK Government is focusing on supporting individuals in struggling towns to have the best possible life-chances by improving outcomes in education, skills, health, and participation in the workforce. Public services in these places often face more challenges than elsewhere and addressing these requires additional intervention to ensure they can best serve the needs of the community. We will use the UK Shared Prosperity Fund to target particular challenges facing individuals and communities in struggling towns across the UK, in collaboration with local authorities, and in a way that empowers local areas and strengthens local public services.

<sup>54</sup> S. Gibbons, H.G. Overman and P. Pelkonen (2013) 'Area Disparities in Britain: Understanding the Contribution of People vs. Place Through Variance Decompositions', Oxford Bulletin of Economics and Statistics 76(5).

Second, we are delivering a step-change in how we support struggling towns by working in partnership with local institutions to invest in local priorities to support the local economy and improve quality of life, showing that government can deliver on local priorities such as improving local infrastructure, driving up the supply of housing where it is needed, and crime reduction. The £4.8 billion UK-wide Levelling Up Fund, will enable places to plan for their future. The Levelling Up Fund consolidates local growth funding streams, reducing the burden on places and breaking down siloes between UK Government departments. The prospectus for the Levelling Up Fund published alongside the Budget sets out how local areas across the UK can apply for funding to invest in local infrastructure priorities, with bids prioritised from places most in need of investment. Through the Towns Fund, we are also supporting the regeneration of towns across England. At Budget 2021, we are announcing 44 new Town Deals with towns across the country, investing in local priorities.



## Towns Fund Case Study: Southport

The Government is investing £37.5 million in Southport through the Towns Fund, supporting Sefton Council and the Southport Town Deal Board to breathe new life into the town.

Southport's economy is characterised by a high proportion of part-time jobs in the retail, leisure and visitor economy which have been exposed to economic shocks both prior to and related to COVID-19. A lack of all-weather, all year-round attractions has resulted in seasonality and a short summer season adding to the vulnerability in the sector. This is compounded by young people leaving the town as a result of the lack of opportunities.

With this funding from Government, Southport plans to create:

- up to 30,000 sqm of new and accessible public space, with priority for walking and cycling, to improve the connections between the waterfront and the town centre;
- a new world-class events centre, light fantastic display and all year-round attraction on the waterfront

This infrastructure will improve the visitor experience on arrival; it will also help to create a year-round, all-weather economy that is not only more diverse but also provides opportunities for young people to see their future in the town and choose to stay.

Third, we are also supporting private sector investment and new jobs in these communities; we are powering up local economies to ensure everyone can share in the prosperity of the UK. For example, the UK Government is backing the development of hydrogen hubs in the Tees

Valley and Holyhead. This will build up the UK's capabilities in the green industries of the future and support the growth of green industrial clusters across coastal and post-industrial communities.

Withdrawn 23 June 2025

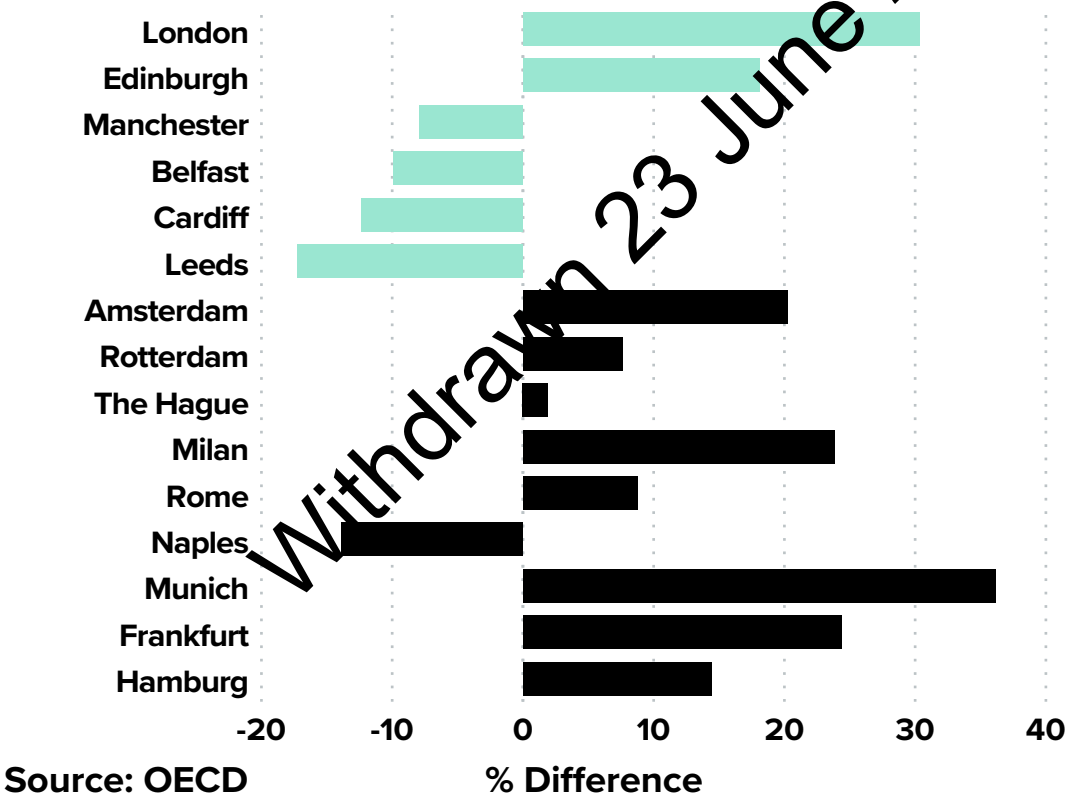
# Helping city regions become globally competitive

Cities are a fundamental driver of productivity growth. They play a critical role in the success of the wider region – successful regions benefit from strong cities to anchor growth. Our long-term vision is therefore for every region and nation of the UK to have at least

one globally competitive city at its heart, helping to drive prosperity and increasing opportunity for all those who live nearby.

But our regional cities underperform:

% Difference in GDP per worker to national average



Successive governments have sought to address long-standing regional disparities. We will back cities as engines of the UK economy, focusing government action on addressing the barriers to growth. We will build strong, enduring partnerships with local institutions, such as universities, businesses and city leaders to deliver our shared vision of globally competitive regional cities, pulling up prosperity in the wider region.

To achieve this vision, our core cities like Birmingham, Manchester and Glasgow must become well-connected, innovative hubs of high-value activity. Government intervention can break down the barriers to this, ensuring strong local and regional transport links, planning policies fit for the future, excellent universities, and a business environment that supports dynamism and inward investment. We will bring to bear the full range of levers available to government, across skills, infrastructure, innovation, the business environment and finance to deliver this vision.

We are already investing to address the barriers to productivity that our core cities face. Budget 2020 committed to invest £4.2 billion in intra-city transport settlements from 2022-23, through five-year consolidated funding settlements for eight city regions, including Greater Manchester,

Liverpool City Region, West Midlands, West Yorkshire, Sheffield City Region, West of England and Tees Valley, subject to the creation of appropriate governance arrangements to agree and deliver funding. Budget 2021 takes the first step toward delivering the government's commitment - confirming capacity funding in 2021-22 to support those city regions with appropriate governance arrangements already in place to begin preparations for settlements, enabling them to develop integrated investment-ready transport plans that will deliver on local priorities such as tackling congestion and driving productivity.

We are investing in the National Home Building Fund (NHBF), with initial funding of £7.1 billion over the next four years to unlock up to 860,000 homes including delivery of the Brownfield Fund announced at Budget 2020 for Mayoral Combined Authorities like Greater Manchester and Liverpool City Region and an additional £100 million for non-Mayoral Combined Authorities in 2021-22. Almost £2.9 billion will be invested in City and Growth Deals to drive forward local economic priorities in Scotland, Wales and Northern Ireland.



## Case Studies: City and Growth Deals

- **Scotland:** The UK Government, working in collaboration with the Scottish Government, is investing £103 million in the Ayrshire Growth Deal to deliver eight projects. One of them is the transformation of the former Johnnie Walker bottling site into HALO, a dynamic commercial, educational and advanced training hub, with a focus on sustainability and low carbon energy and which will create up to 200 cybersecurity job placement opportunities for young people.
- **Wales:** The UK Government, working in collaboration with the Welsh Government, is investing £115.6 million in the the Swansea Bay City Deal which aims to transform the regional economy by building its skills base. Projects include Yr Egin (Creative Digital Cluster), a purpose-built facility with auditorium, professional post-production facilities and spaces for networking and community activities, which has already created 100 jobs and attracted 17 private sector companies to the site.
- **Northern Ireland:** The UK Government, working in collaboration with the Northern Ireland Executive, is investing £350 million in the Belfast Region City Deal to encourage innovation and transform digital capabilities within the region. Projects include the Global Innovation Institute and the Regional Innovators Network, creating a digital ecosystem for researchers and businesses to develop and apply new technology to improve productivity.

Withdrawn 23 June 2025



# Catalysing centres of excellence and helping people connect to opportunity

We are investing across digital and physical connectivity to support growth from corner to corner of the UK and ensure people do not have to relocate to succeed where they live. Infrastructure investment can bring individuals closer to opportunity: connectivity supports flows of trade, information and people from corner to corner of the UK, spreading opportunity and prosperity across regions and nations.

HS2 is this government's flagship national transport project, delivering essential North-South connectivity between some of the UK's biggest cities. The *Integrated Rail Plan for the Midlands and the North*, will set out how best to integrate HS2 Phase 2b with wider transport plans across the North and Midlands, ensuring all parts of the country benefit from opportunities for prosperity. We are delivering the largest ever investment in motorways and major A-roads worth over £27 billion between 2020 and 2025, as well as investing £1.7 billion in our local roads in the next 12 months. The *Union Connectivity Review* is reviewing options to improve our sea, air and land-links across the four nations.

The UK Government's £5 billion UK Gigabit Programme will subsidise the rollout of gigabit-capable broadband to ensure no area will be left behind. In addition, the government is investing £500 million, matched by industry, to deliver high-quality 4G mobile coverage from at least one operator across 95% of the UK by 2025 through the Shared Rural Network. This will have major benefits in rural areas, and for Scotland, Wales and Northern Ireland.

## Changing the way we invest in places

Delivering growth for the whole of the UK over the long-term means doing things differently. We recognise that the existing local institutional framework is complex and fragmented. Working in tandem with local communities and businesses, empowered local institutions will help to drive forward change in their areas, setting strategic direction and delivering for places. Local growth policies must be coherent and coordinated to maximise impact.

This is the context in which we are fundamentally re-wiring the way the UK Government delivers for places to ensure it better reflects the communities it serves. We have refreshed the Green Book to improve the understanding of the impacts of policies on places. We are relocating 22,000 Civil Service roles out of London and the South East by 2030 through the Places for Growth programme, bringing policy-makers closer to the communities they serve. HM Treasury will establish a new economic campus in the North of England, helping to shift policymaking away from Whitehall. We are relocating Civil Service jobs into Scotland, including to Queen Elizabeth House, the newly opened UK Edinburgh Hub. We are creating a new UK Infrastructure Bank in the North of England, and operating across the UK, to catalyse private investment in infrastructure projects.

Eight metro mayors have been elected across the country, with a ninth, for West Yorkshire, planned for 2021. We want to devolve and decentralise to give more power to local communities, providing opportunity across the country. Through devolution deals in England, the UK Government has committed £7.5 billion of unringfenced 'gainshare' investment over 30 years for the nine Mayoral Combined Authorities, to be spent on local priorities. We will bring forward a *Devolution & Local Recovery White Paper* to set out expanded devolution arrangements building on the success of the directly-elected Mayors.

## Making sure our international strategy works for the whole UK

Openness to trade has allowed the UK to participate in and access specialised global supply chains delivering innovative, high-quality products such as smartphones and MRI scanners at more affordable prices. While UK consumers have benefited, this posed a particular challenge to areas with a substantial industrial base, newly exposed to international competition. We have an opportunity to shape our newly independent trade and investment policy to ensure it meets our domestic economic priorities, and that all regions can benefit.

### This means:

- acting decisively to tackle unfair competition and make sure our businesses are able to compete, where necessary taking action to protect UK businesses;
- using new initiatives such as Freeports to level up communities across the UK, support jobs, and turbo-charge our economic recovery;
- targeting our support for inward investment to unlock growth across the whole UK, including through the new Office for Investment

## Our plan for levelling up

Why levelling up is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>Where people live shouldn't be a barrier to their life chances: everyone should get a fair chance to get on in life, wherever they live.</li> </ul>	<ul style="list-style-type: none"> <li>Economic, social, and cultural regeneration of struggling towns.</li> </ul>	<ul style="list-style-type: none"> <li>Investing in local priorities across the UK to increase opportunity in struggling communities, through the UK Shared Prosperity Fund, the Community Ownership Fund, the Community Renewal Fund, the Towns Fund.</li> </ul>
<ul style="list-style-type: none"> <li>We need to address regional economic disparities.</li> </ul>	<ul style="list-style-type: none"> <li>Boosting growth in our regional cities to deliver our long-term vision to have a globally competitive city in every region and nation of the UK and drive up prosperity.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating funding to City and Growth Deals in Scotland and Wales.</li> <li>£4.2 billion in intra-city transport settlements from 22-23; continued Transforming Cities Fund Investment to 2022-23.</li> <li>Investing in housing via the National Home Building Fund and Brownfield housing funding.</li> <li>Delivering Freeports across the country - including in Scotland, Wales and Northern Ireland.</li> </ul>
<ul style="list-style-type: none"> <li>We need to ensure people can access opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Backing regional centres of industrial excellence.</li> <li>Connecting people to opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Backing HS2, the <i>Union Connectivity Review</i>, and the upcoming <i>Integrated Rail Plan</i> for the Midlands and the North.</li> <li>Making the largest ever investment in motorways and A-roads worth over £27 billion.</li> <li>Completing the £5 billion UK Gigabit Programme and the Shared Rural Network.</li> <li>Establishing eight Freeports in England plus at least one in each of Scotland, Wales and Northern Ireland.</li> </ul>

Why levelling up is important	What this means	What we're doing
<ul style="list-style-type: none"><li>■ We need to embed lasting change in outcomes across the UK.</li></ul>	<ul style="list-style-type: none"><li>■ Changing the way we deliver for places.</li></ul>	<ul style="list-style-type: none"><li>■ Relocating 22,000 Civil Servants outside of London and the South East by 2030.</li><li>■ New UK Infrastructure Bank.</li><li>■ Bringing forward the <i>Devolution and Local Recovery White Paper</i>.</li></ul>

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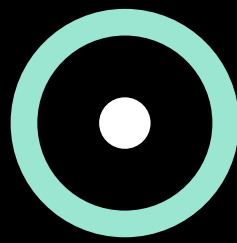
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# Net zero

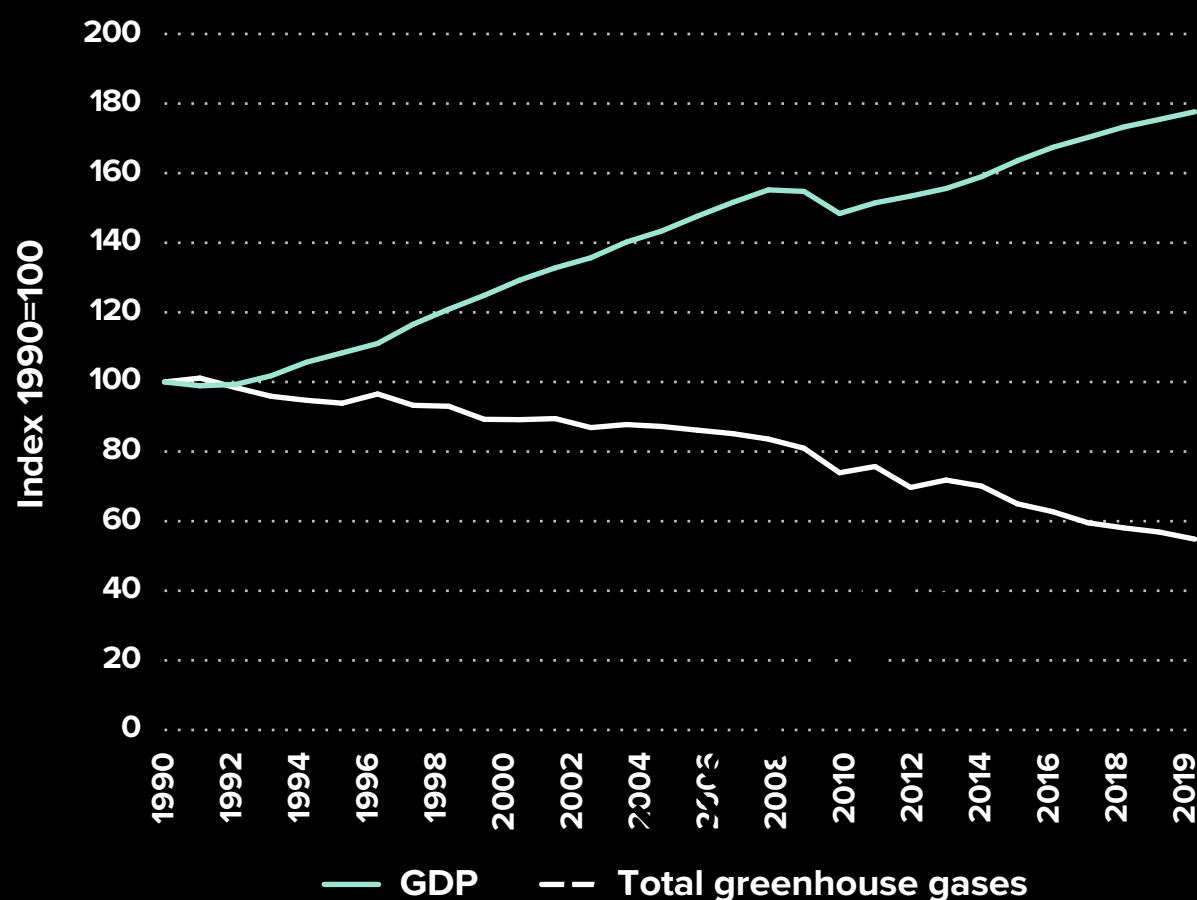
The UK has long been at the forefront of tackling climate change - the 2008 Climate Change Act was the first legislation in the world to provide a comprehensive framework to tackle global warming. In 2019 Parliament amended the act to commit the UK to net zero emissions by 2050. The UK is already a world leader in clean growth and has made considerable progress, reducing greenhouse gas emissions by over 40% between 1990 and 2019<sup>55</sup> while growing the economy by almost 80%. This has been achieved while minimising cost and causing a net reduction in average household energy bills.

<sup>55</sup> BEIS (2019), 'UK Provisional Greenhouse Gas Emissions', (<https://www.gov.uk/government/statistics/provisional-uk-greenhouse-gas-emissions-national-statistics-2019>)

Withdrawn 23 June 2025



## UK GDP vs greenhouse gas emissions



Source: ONS, BEIS

Reaching our upcoming carbon budgets and net zero target will require significant investment and is a major opportunity for economic growth and job creation across the country. The demand for low carbon goods and services will encourage new industries to emerge, with the potential to boost investment levels and productivity growth. Co-benefits from decarbonisation, such as improved air quality, can also be economically significant.

Future policies will set a clear direction for millions of people and businesses, shifting incentives to favour low carbon technologies and tackling barriers to action. Moving decisively in areas of comparative advantage could generate new future-proofed jobs and export opportunities, and establish the UK as a global leader across the low-carbon economy.

The Treasury's *Net Zero Review* will further consider where the UK might have comparative advantages and how the UK can maximise the economic benefits from the transition. Policies like those in the *Ten Point Plan for a Green Industrial Revolution* will have an important role in ensuring the UK is able to make the most of those potential opportunities.

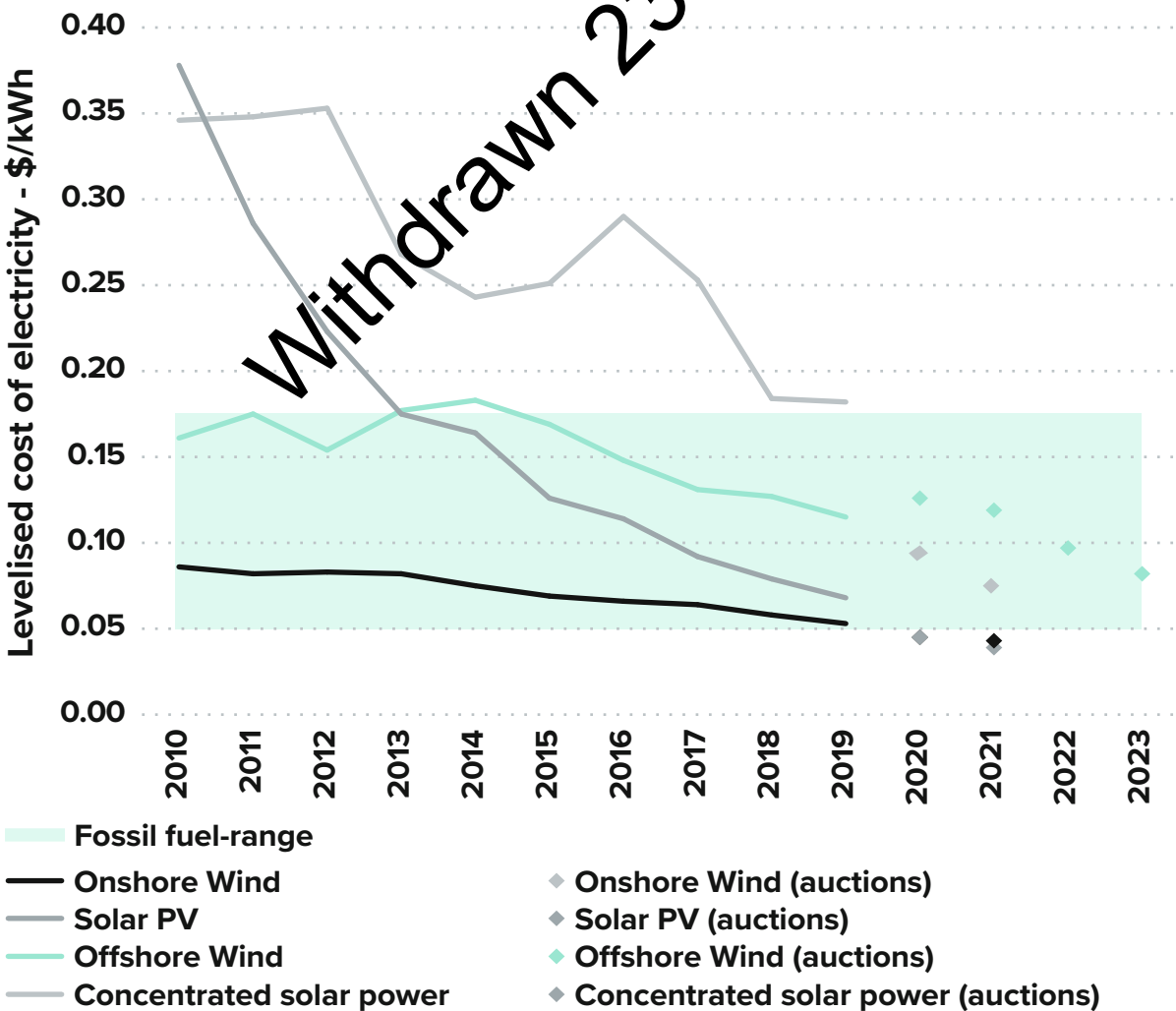
# Delivering our Ten Point Plan for a Green Industrial Revolution

In 2020 we published the *Ten Point Plan for a Green Industrial Revolution*, setting out how the UK can make the most of the opportunities presented by the shift to net zero. This announced £12 billion of UK Government investment, and the ambition to leverage three times that amount of private investment by 2030 across key technologies such as hydrogen, offshore wind, nuclear, electric vehicles, heat and buildings. We will now focus on delivering the plan, which will support up to 250,000 highly-skilled green jobs, including through:

- producing enough offshore wind to generate more power than all our homes use today, quadrupling how much we produce to 40GW by 2030, supporting up to 60,000 jobs in 2030;
- working with industry, aiming to generate 5GW of low carbon hydrogen production capacity by 2030 for industry, transport, power and homes; and aiming to develop the first town heated entirely by hydrogen by the end of the decade;

- becoming a world-leader in technology to capture and store harmful emissions away from the atmosphere, with a target to remove 10Mt of carbon dioxide per year by 2030, equivalent to all emissions of the industrial Humber today, or taking around four million cars off the road. We will establish four CCUS (carbon capture, usage and storage) clusters, two by the mid-2020s and a further two by 2030;
- aiming for 600,000 heat pump installations per year by 2028, creating a market-led incentive framework to drive growth and innovation in low carbon heating, and bringing forward regulations to support this, especially in off-gas grid properties;
- ending the sale of new petrol and diesel cars and vans in 2030, backed by up to £2.8 billion to support the transition; investing £2 billion over this Parliament to make cycling and walking easier and safer; and committing £120 million in 21-22 for over 500 zero-emission buses

## Falling costs of renewable electricity since 2010



Source: IRENA (2020) Renewable Power Generation Costs in 2019

## Carbon Capture Usage and Storage and Low Carbon Hydrogen

- CCUS and hydrogen will play an important role in the UK achieving net zero emissions by 2050. In recognition of this, the Ten Point Plan announced an aim to capture 10Mt CO<sub>2</sub>/year using CCUS and, working with industry, generate 5GW of hydrogen, both by 2030.
- To help achieve these targets, at *Spending Review 2020*, we increased the size of the CCUS Infrastructure Fund to support the deployment of four CCUS clusters, two by the mid-2020s and a further two by 2030. This has the potential to support up to 50,000 jobs by 2030 in some of the country's industrial heartlands, in areas such as the North East, the Humber, the North West, Scotland and Wales. The UK Government recently published further information on business models for CCUS<sup>56</sup>.
- The UK Government also announced £240 million for the low carbon hydrogen fund to help develop the UK's hydrogen capacity, whilst supporting up to 8,000 jobs across the UK. We will bring forward a Hydrogen Strategy and hydrogen business models to drive private sector investment later in 2021.

<sup>56</sup> BEIS (2021), 'Carbon capture, usage and storage: an update on business models' (<https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-ccus-business-models>)



## Ensuring the finance sector can play its role

As the Chancellor set out in his vision for financial services, the UK Government's ambition is for a greener industry, using innovation and finance to tackle climate change and protect our environment. The UK Government intends to fully implement a 'Green Taxonomy' to provide a common standard for measuring firms' environmental impact and will require firms to disclose the climate risks they face in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD). We have joined the International Platform on Sustainable Finance to ensure standards can operate internationally. We are ensuring the remits of both the Monetary Policy Committee and the Financial Policy Committee reflect the UK Government's economic strategy for delivering an environmentally sustainable net zero economy, and that market participants have the skills they need by launching the Green Finance Education Charter and its toolkit. We will issue the UK's first sovereign green bond this summer, with a further issuance to follow later in 2021 as the UK looks to quickly build out a green yield curve in the coming years. Green gilt issuance in the financial year 2021-22 will be a minimum of £15 billion.

These green gilts will help fund critical projects to tackle climate change and other environmental challenges, finance important infrastructure investment, and create green jobs across the country. In addition, the UK will issue a green retail product linked to the green gilt programme providing all UK savers with the opportunity to take part in the collective effort to tackle climate change.

## Prioritising our natural environment

We are taking action to fulfil our commitment to be the first generation to leave the natural environment in a better condition than we found it. The first round of the £80 million Green Recovery Challenge Fund is already supporting green jobs and nature recovery through 68 successful project applications. Meanwhile, the Nature for Climate Fund will scale-up tree planting and peatland restoration in England, harnessing the power of nature in support of net zero. We are taking advantage of our new freedoms to fundamentally reform our system of farm payments in England to prioritise climate and environmental benefits while boosting productivity and animal welfare. And we are progressing major waste reforms which will drive new jobs and investment in a more circular economy.

Withdrawn 23 June 2025

## Creating deliverable plans to meet our targets

The Ten Point Plan has laid the foundation for a Green Industrial Revolution that will work with industry to help deliver our net zero target. Further progress on deliverable plans for sectors will follow in the coming year. The *Energy White Paper* built on the Ten Point Plan, providing further detail on how the energy sector can support the economic recovery while transitioning to net zero. Other sector strategies such as the *Heat and Buildings Strategy*, *Transport Decarbonisation Plan* and *Industrial Decarbonisation Strategy* will be published in due course, followed by the *Net Zero Strategy* later in the year. The Treasury's *Net Zero Review* will consider further how the UK can maximise the economic benefits of the transition and ensure an equitable balance of contributions from households, businesses and taxpayers.

## Ensuring the route to net zero creates jobs

Regardless of the size or direction of the impact on the economy, the transition will lead to structural changes. Employment opportunities in green industries will emerge, while high carbon sectors will have to adapt. Some of these effects will be regionally concentrated. New green jobs are already appearing in sectors such as offshore wind, with growth and opportunities centred around regional clusters. Targeted investments in strategically important sectors will help enable a more sustainable long-term path, while protecting jobs and supporting levelling up across the UK.

### Case studies of sectors in transition to net zero

**Automotive** - To support the UK's electric vehicle manufacturing industry, the UK Government has committed to spend nearly £500 million in the next four years, as part of our commitment to provide up to £1 billion for the development and mass-scale production of electric vehicle batteries and associated EV supply chain. This funding is available UK wide and will boost investment into the UK's strong manufacturing bases.

**Aerospace** - The Jet Zero Council is a partnership between industry and UK Government to drive the delivery of new technologies and innovative ways to cut aviation emissions. It launched in 2020, with the aim of delivering net zero aviation by 2050. Earlier this year UK Government and industry announced an £84.6 million investment to develop zero-emissions flights, using alternative energy sources of hydrogen or electricity, which have the potential to unlock nearly 5,000 jobs across the UK.

**Agriculture** - The Agricultural Transition Plan published in November sets out our ambition for a renewed agricultural sector in which farming and the countryside make a significant contribution to our climate and environmental goals. To support this transition, we are maintaining the current annual budget to farmers throughout this Parliament while phasing in Environmental Land Management and other new schemes that will support increased agricultural sustainability and productivity.

**Oil and Gas** - The UK Government will provide £27 million for the Aberdeen Energy Transition Zone, helping to support North East Scotland to play a leading role in meeting the UK's net zero ambitions. A further £5 million for the Global Underwater Hub, on top of the £1.3 million committed last year, and up to £2 million to further develop industry proposals for the North Sea Transition Deal will support areas like Aberdeen transition to a low-carbon future.

The net impact of the transition on local labour markets will depend on the costs of decarbonising for individual firms and the flexibility of the labour market to match vacancies with the necessary skills. The investment and demand for low carbon goods and services will also require innovation and encourage new industries to emerge, creating jobs across the country. The Treasury's *Net Zero Review* will assess how the UK can maximise economic growth opportunities from its transformation to a green economy, as well as mechanisms to create an equitable balance of contributions from households, businesses and taxpayers. The Green Jobs Taskforce forms part of the Ten Point Plan, and the government will work in partnership with businesses, skills providers and unions to develop plans as we transition to a high-skill, low carbon economy.

## Encouraging others to follow our lead

Tackling climate change and reversing biodiversity loss is a global challenge. As the recently published independent *Dasgupta Review on the Economics of Biodiversity* highlights, protecting and enhancing our natural assets, and the biodiversity that underpins them, will also be crucial to achieving a sustainable, resilient economies globally. The UK led the world in becoming the first major economy to legislate to eliminate our net contribution to climate change by 2050. It is critical that we work with our international partners to ensure the world follows our lead. Through our upcoming Presidency of COP26, and our Presidency of the G7, the UK Government is putting tackling climate change and environmental issues at the top of the international agenda. We have announced that we will end direct government support for the fossil fuel energy sector overseas, including trade promotion, export finance and aid funding, other than for a limited range of exceptions. To support our international partners to meet the global challenge, we have committed to providing at least £11.6 billion in International Climate Finance (ICF) support to developing countries between 2021 and 2025. As the world moves towards net zero, there will be opportunities for innovative UK industries to grow and export their expertise.

Withdrawn 23 June 2025

## Our plan for net zero

Why net zero is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>The right transition to net zero will present new opportunities for economic growth and job creation across the country and support our levelling up agenda.</li> </ul>	<ul style="list-style-type: none"> <li>A strong sustainable future economy.</li> <li>Up to 250,000 highly skilled green jobs in stable industries of the future.</li> <li>Net zero clusters in our industrial heartlands.</li> </ul>	<ul style="list-style-type: none"> <li>Aiming for 600,000 heat pump installations per year by 2028, creating jobs as we do it.</li> <li>Supporting up to 60,000 jobs in the offshore wind sector.</li> <li>Supporting up to 50,000 jobs in CCUS and up to 8,000 in hydrogen in our industrial clusters.</li> <li>Building net zero ready homes and expanding the 14,000 jobs already in the energy efficiency sector.</li> </ul>
<ul style="list-style-type: none"> <li>Building on our current net zero strengths will encourage new industries to emerge, growing demand for low carbon goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>£12 billion to support hydrogen, carbon capture and storage, offshore wind, nuclear, electric vehicles, heat and buildings.</li> </ul>	<ul style="list-style-type: none"> <li>Producing enough offshore wind to generate more power than all our homes use today, a target of 40GW offshore by 2030, including 1GW of advanced floating rigs.</li> <li>Working with industry to generate 5GW of low carbon hydrogen production capacity by 2030.</li> <li>Working with industry to capture 10Mt CO<sub>2</sub>/year using CCUS by 2030, installing four CCUS clusters by 2030.</li> <li>Ending the sale of new petrol and diesel cars and vans in 2030, accelerating EV charging rollout and unlocking the potential of the growing UK charge point industry.</li> </ul>

Why net zero is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>The private sector will lead the transition to net zero, within a policy environment designed to support investment and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>The private sector will be responsible for most of the investment required to reach net zero.</li> <li>The Treasury's <i>Net Zero Review</i> is looking at how the UK Government can reduce policy uncertainty to encourage innovation, technological development and investment.</li> </ul>	<ul style="list-style-type: none"> <li>The new UK Emissions Trading Scheme creates a market incentive for the private sector to invest. We have committed to explore expanding the scheme to new sectors.</li> <li>Developing other levers such as regulation to 'crowd-in' investment.</li> <li>Introducing the UK Infrastructure Bank to provide financing support and crowd in private capital to help develop and scale net zero infrastructure.</li> <li>Issuing a Green Gilt and building a green yield curve to build the Green Finance Market.</li> <li>Providing a common definition for green investment through a Green Taxonomy.</li> <li>Requiring firms to disclose the climate risks they face through TCFD.</li> <li>Ensuring financial regulators take climate change and the environment into consideration in exercising their statutory functions.</li> </ul>

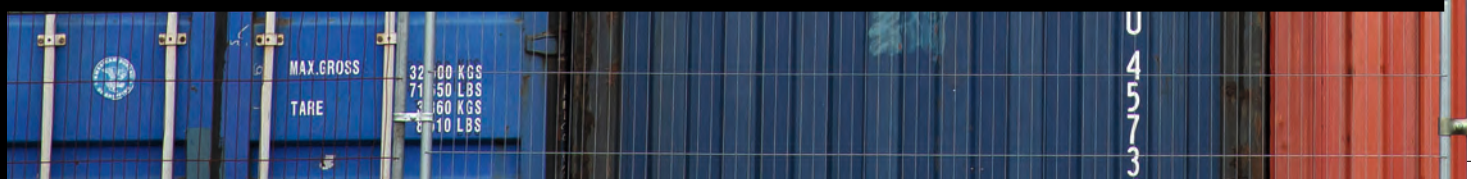
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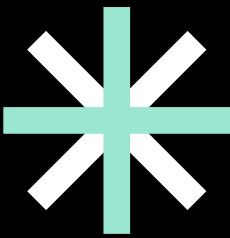
# Global Britain

Build Back Better 92 our plan for growth



Following our exit from the European Union, an independent Global Britain can take advantage of the opportunities that come with our new status as a fully sovereign trading nation. We have the opportunity to reinvigorate international cooperation and institutions, working with others to tackle global challenges head on.





Withdrawn 23 June 2025

The UK's prosperity is built on our integration into the global economic and financial system. An open economy, which permits the free flow of ideas, goods, services and data based on adherence to a mutually agreed set of rules and principles, will drive long-term prosperity and innovation. It provides UK consumers, businesses, producers, workers and investors with access to cheaper, better quality goods and services, offering greater choice, creating jobs and freeing up resources for innovation and investment at home. In 2019-20, new inward investment projects supported over 56,000 jobs across the UK<sup>57</sup>.

The UK's success as a trading nation will depend on its ability to use its comparative strengths to anticipate evolving demand at both a country and sector level. Trends such as continued rapid growth in emerging economies, the expansion of the global middle class, as well as the growing demand and increasing tradability of more sophisticated sectors of the global economy all provide potential opportunities for UK businesses. Openness to international markets ensures UK access to multiple diverse sources of supply for the goods and services we need, improving the resilience of our supply chains and benefitting prosperity. According to the OECD, a 10 percentage point increase in trade exposure is associated with a 4% increase in income per head.

However, the open global economy is facing significant challenges. Global economic growth has been slower since the 2008-09 financial crisis and the pace of globalisation – openness to trade and investment – has stalled. Momentum for trade liberalisation is slowing and cases of protectionism increasing, in part due to states' more aggressive use of trade policy as a lever in international competition. COVID-19 may accelerate the trend towards more regional and national approaches, although trade flows recovered relatively quickly following the initial shock.

We will use our global influence and all the policy levers available to us to demonstrate the benefits of openness, propose and develop solutions to challenges facing the international order. We will build agile alliances and coalitions of like-minded partners to create global action that will deliver on our domestic priorities.

As the upcoming *Integrated Review of Security, Defence, Development and Foreign Policy* (Integrated Review) will set out, our international actions support and underpin our domestic goals. Our infrastructure, skills, and innovation will benefit from an open and resilient international system and our integration within it. At the same time, our global leadership derives strength from our ambitious positions on the issues of the day, including important priorities such as climate, digital, or services.

<sup>57</sup> DIT (2020), 'Inward Investment Results 2019 to 2020' (<https://www.gov.uk/government/statistics/department-for-international-trade-inward-investment-results-2019-to-2020>).

# Demonstrating international leadership on our domestic priorities

The Integrated Review will set the vision for Global Britain to 2030. In the context of our plan for growth this means working with international partners and cooperating on global issues in the interest of our domestic priorities for growth. We will take leading positions and encourage global action on the most important issues in the international environment, and advance UK priorities to build back better including:

- **Economic recovery and future prosperity:** we will work with partners, including through our G7 Presidency and our trade programme to develop a shared agenda for international and national economic recoveries that deliver jobs, prosperity and wellbeing for all our citizens in a way that previous recoveries from international crises have not.
- **Health:** we will provide continued leadership in the global response to COVID-19, charting the way out for our citizens and the planet, whilst seizing the opportunity to better prepare for any future pandemics. We will show continued leadership in closing the COVAX funding gap, as well as ensuring secure supply of medicines and critical medical products, building on our recent suspension of tariffs for COVID-19 critical products. The UK has committed to share the majority of any future surplus COVID-19 vaccines from our supply with the COVAX procurement pool to support developing countries, in addition to the UK's £548 million funding for the scheme.

- **Climate change and biodiversity:** We are committed to placing climate and nature at the heart of the multilateral agenda. We will:

- Demonstrate global leadership as we convene COP26 discussions in Glasgow, including by taking ambitious action to meet our Paris Agreement commitments and reverse global biodiversity loss.

- Encourage partners to follow our lead with ambitious commitments to net zero and significantly increase their climate finance commitments.

Examine and respond to the findings of the *Dasgupta Review on the Economics of Biodiversity*, and encourage international partners to do the same.

# Role modelling free and fair trade

We can encourage and inspire other countries to act through our domestic actions. By demonstrating the prosperity and innovation benefits to those that would follow our lead, we lend credibility to our work to uphold and improve the international trading system.

By taking a twin track approach we will position the UK as a global service, digital and data hub to seize international opportunities to drive domestic growth:

- We will work to strengthen the international trading system and reform the WTO to update the global trading rules in support of free and fair trade and progressing further liberalisation, promoting openness and cooperation in the face of collective challenges, including through our G7 Presidency.
  - We will work with partners to break the current impasse at the WTO, developing a shared approach on Dispute Settlement Mechanism reform, WTO rulemaking and tackling unfair practices.
  - We will support the development of global principles, norms and standards on those emerging areas that are not fully part of the existing international rulebook, at the frontier of the future global economy in areas such as services, digital and data.
  - We will leverage our reputation as a trusted regulatory leader and innovator to influence global rules, norms, and standards to improve regulatory outcomes and market access for our firms globally.
- Using preferential agreements and bilateral trade relationships to promote an open international order, opening markets and driving domestic prosperity through new opportunities for UK businesses.
  - We have agreed the Trade and Cooperation Agreement (TCA) with the EU, the first free trade agreement the EU has ever reached based on zero tariffs and zero quotas – a deal that will help unlock investment and protect high value jobs right across the UK. We are continuing to support businesses to make best use of these new arrangements.
  - We have transitioned trade agreements with 64 countries, securing existing relationships preferences and supply chains. This includes agreements with Japan, Turkey, Vietnam and Singapore, which together accounted for £71 billion of UK trade in 2019. We will put the UK at the centre of a network of modern deals spanning the Americas and Pacific. Negotiations are currently ongoing with Australia, New Zealand, and the US on deals that will have significant opportunities for the whole of the United Kingdom. We are seeking to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), recognising the growing importance of the Indo-Pacific to the UK economy, and supporting our aim to agree trade agreements covering 80% of UK trade by 2022. We have also launched an Enhanced Trade Partnership with India.
  - We will deepen our bilateral relationships and remove market access barriers outside of trade agreements, for example through our successful engagement with the US to lift the historic ban on UK beef imports, and through seeking to negotiate agreements such as the UK-Switzerland Mutual Recognition Agreement on financial services and the UK-Singapore Digital Economy Agreement.
  - Official Development Assistance will help build trading and investment partners of the future. We will focus on those partners where UK development, security, and economic interests align, helping countries to trade and creating better investment environments, infrastructure and access to finance.
  - We will continue Economic and Financial Dialogues with China, India and Brazil to discuss bilateral and multilateral economic issues, and to support increased financial services cooperation and trade and investment with these major emerging markets.



## Case study: UK Global Tariff

On 31 December 2020 the UK Government implemented the UK Global Tariff (UKGT). Replacing the EU's Common External Tariff (CET), it is the UK's first independent tariff schedule in almost 50 years and applies to all goods imported from trading partners that we do not have a preferential trading agreement arrangement with (such as a Free Trade Agreement).

The UKGT was designed to support growth: it is generally simpler, easier to use and lower than the EU's CET, and it is in pounds not euros. It has been tailored to the needs of the UK economy, supporting businesses and their supply chains by making it easier and cheaper to import goods from overseas.

The UKGT almost doubles the number of tariff lines that have zero import tariffs relative to the CET – with just under 50% of products lines now zero-rated compared to 27% in the EU's CET. Specifically, the UKGT:

- removes tariffs on around £30 billion worth of imports of inputs to production, supporting supply chains for UK businesses;
- removes tariffs on £10 billion worth of imports that have little to no UK production, lowering costs for UK consumers<sup>58</sup>;
- removes tariffs on 100 'green goods' to promote a sustainable economy, e.g. removing tariffs on thermostats, vacuum flasks and LED lamps;
- removes all 'nuisance tariffs' below 2%, e.g. on fire extinguishers and school pencils, cutting down on red tape;
- simplifies by rounding tariffs down into set bands (e.g. reading glasses from 2.9% to 2% and alarm clocks from 4.7% to 4%) and removing the complex tariff calculations

The UK Government has sought to balance objectives by maintaining tariffs on certain sensitive products, to underpin our free trade agreement ambitions and to protect preferential access for developing nations. This includes certain agricultural products, road vehicles and ceramics.

<sup>58</sup> Overall values, based on historical trade (HMRC 2017-2019 average data). Note that some of the products already come in tariff free from the EU and preferential partners, subject to meeting rules of origin.

# Ensuring the UK remains a leading destination for global investment

Inward investment brings economic benefits to the UK – in 2019-20 inward investment created over 56,000 jobs across the UK, of which over three quarters were outside London<sup>59</sup> – and it can also play a role in supporting the UK Government's key priorities, such as levelling up and net zero. The UK is open for investment and continues to encourage and support investors from around the world. The Government is committed to ensuring that the UK continues to be one of the top destinations in the world for investment.

To achieve this, we are reaffirming the UK Government's commitment to maintaining the strengths that make the UK an attractive location for investment. The UK is consistently ranked in the top 10 of globally respected investment indices, including the World Economic Forum's Global Competitiveness Index (GCI). This reflects the UK's competitive environment, including:

- a high skilled workforce with the UK ranked 5th globally for our ability to grow talent<sup>60</sup>;
- world-leading research institutions with four of the world's top 20 universities based in the UK<sup>61</sup>;
- our reputation for innovation with the UK ranked fourth globally in 2020<sup>62</sup>;
- a highly regarded legal system and reputation for upholding the coming years rule of law<sup>63</sup>;
- the UK's position as a global financial centre

The UK Government has established a new Office for Investment which is now operational. It will support high value investment opportunities into the UK which align with key government priorities, including our focus on key sectors, reaching net zero, investment in infrastructure and advancing research and development.

The GREAT Britain and Northern Ireland campaign showcases all four nations to encourage people to visit, do business, invest and study in the UK.

## Supporting UK businesses to participate in trade

We will make use of the full range of policy tools available to us as an independent trading nation to improve our openness to trade and investment, supporting our key growth sectors, on the basis of free and fair competition. Exporting will play a key role in developing our pioneering sectors and technologies to become world-leading, driving growth and creating jobs. As part of this, we will support UK business to make the most of the opportunities that come with exporting and participating in an integrated global trade and investment system through:

- A UK tariff policy tailored to the needs of UK businesses and consumers, almost doubling the amount of tariff lines that are zero-rated relative to the EU Common External Tariff, upholding our principles and supporting businesses by eliminating nuisance tariffs, removing tariffs on inputs to production, and simplifying the schedule.

<sup>59</sup> DIT (2020), 'Inward Investment Results 2019 to 2020' (<https://www.gov.uk/government/statistics/departments-for-international-trade-inward-investment-results-2019-to-2020>)

<sup>60</sup> Times Higher Education World University Rankings 2021 (<https://www.timeshighereducation.com/world-university-rankings/2021/world-ranking/>)

<sup>61</sup> GTCI 2020 Global Talent Competitiveness Index (<https://gtcistudy.com/>)

<sup>62</sup> Global Innovation Index 2020 Report (<https://www.globalinnovationindex.org/gii-2020-report>)

<sup>63</sup> World Justice Project Rule of Law Index 2020 (<https://worldjusticeproject.org/our-work/research-and-data/wjp-rule-law-index-2020>)

- A refreshed Export Strategy to align our support for exporters with our plan for growth and sectoral priorities.
- New Trade and Investment Hubs in Scotland, Wales and Northern Ireland to help businesses across all parts of the UK to grow and thrive internationally.
- A £38 million Internationalisation Fund to support up to 7,600 SMEs to grow their overseas trading and strengthen their business.
- Our HM Trade Commissioners, who will continue to champion our trade around the world, supporting businesses to trade internationally and promoting the UK as a place to invest.
- The Export Academy, which will provide a series of activities to build the capabilities of smaller businesses to trade internationally.
- Expanded UK Export Finance support, comprising:
  - Increased lending with £8 billion overall capacity, including £2 billion dedicated to clean growth exports.
  - New Export Development Guarantee and General Export Facility products launched providing working capital support for large and small exporters.
- Freeports, comprising tax incentives to boost investment, easier customs processes, and a range of other support for businesses to trade with the world.

## Case studies: UK Export Finance support for UK exporters

### England and Scotland: Renewable energy projects in Taiwan

UK Export Finance (UKEF) has provided a £200 million buyer credit guarantee to help finance the Greater Changhua 1 Offshore Wind Farm in Taiwan, unlocking the export potential of the UK's offshore wind sector. Two renewable energy companies, Seajacks and Trelleborg, have already capitalised on UKEF's support by winning multi-million-pound export contracts with Ørsted in Taiwan. Seajacks, an East Anglian-based company, will ship the material needed to install the turbines and Trelleborg's applied technologies operation in the West Midlands will provide protection systems for the cables which connect the turbines to the mainland. UKEF has now provided £500 million of financing for three offshore wind projects in Taiwan alone since late 2019.

### Midlands: Bombardier Transportation trains for new Cairo monorail

UKEF provided a £1.7 billion guarantee to the Egyptian Government to unlock a deal for Bombardier Transportation to supply UK-built trains to a new monorail system in Cairo, the largest amount of financing UKEF has ever provided for an overseas infrastructure project. UKEF support for Bombardier Transportation, which was recently acquired by Alstom, will directly support a new production line in Derby and 100 UK jobs, as well as many more in the UK supply chain. The monorails are a part of Egypt's plans to build a sustainable transportation infrastructure that can cope with its growing population while reducing emissions.

# Addressing risks and unfair competition

Support for an open and resilient international order also means acting robustly to address unfair competition and those that undermine the rules. We will be proactive to address risks to our national security and economic resilience, and the international order, ensuring our open approach supports our strategic priorities:

- delivering a new National Security and Investment Bill which will give the UK Government decisive powers to intervene in transactions to protect against national security risks whilst increasing certainty for investors;
- assurance of critical supply chains to ensure our sources of supply are sufficiently diverse and resilient;
- establishing the Trade Remedies Authority (TRA) as an independent body, enabling businesses to seek redress against unfair trading practices, such as dumping and subsidisation, and surges of imports. This will support stability and predictability for exporters and investors alike;
- using our independent voice at the WTO to highlight and tackle priority risks, including launching trade disputes where necessary

## Our plan for growth - Global Britain

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>■ Working in cooperation with partners can inspire and shape international action on our domestic priorities</li> </ul> | <ul style="list-style-type: none"> <li>■ Global action on issues important for the UK to build back better such as climate change and health resilience.</li> </ul> | <ul style="list-style-type: none"> <li>■ Taking a leading role in international discussions and placing UK priorities at the heart of the multilateral agenda, including through our G7 Presidency and COP26 in Glasgow.</li> <li>■ Supporting an open and fair trading system including building consensus on WTO reform.</li> <li>■ Initiatives to enhance competition and procurement in the defence industry.</li> </ul> |
|--|---|--|

Why this is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>Free trade provides UK consumers, businesses and investors with access to cheaper, better quality goods and services.</li> </ul>	<ul style="list-style-type: none"> <li>Creates greater choice and competition, improving productivity, creating jobs and freeing up resources for innovation and investment at home.</li> </ul>	<ul style="list-style-type: none"> <li>Transitioned trade agreements with 64 countries, securing existing relationships.</li> <li>Pipeline of four new Free Trade Agreements (FTAs) to reach 80% of UK trade coverage aim by end 2022.</li> <li>A tailored UK tariff policy.</li> <li>Engage bilaterally to remove market access barriers overseas.</li> </ul>
<ul style="list-style-type: none"> <li>Openness to inward investment enables the UK to benefit from international capital and knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>Improved productivity and the creation of jobs across the UK.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring the UK remains a leading destination for global investment by reaffirming the UK Government's commitment to maintaining the strengths that make the UK an attractive location for investment.</li> <li>New Office for Investment to land high-value opportunities aligned with key government priorities, including high-growth sectors, net zero, infrastructure and R&amp;D.</li> <li>New National Security and Investment Bill to provide certainty for investors while ensuring mitigation of security risk.</li> </ul>

Withdrawn 23 June 2025

Why this is important	What this means	What we're doing
<ul style="list-style-type: none"> <li>■ UK businesses able to seize the opportunities to sell goods and services around the globe.</li> </ul>	<ul style="list-style-type: none"> <li>■ More productive businesses that are able to compete and succeed internationally, supporting jobs and UK economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ Developing a new export strategy to align our support for exporters with our plan for growth and sectoral priorities.</li> <li>■ Opening UK Government trade hubs in Scotland, Wales and Northern Ireland.</li> <li>■ Increasing UK Export Finance lending capacity and introducing new products.</li> <li>■ Deepening bilateral relationships outside FTAs: e.g. the Swiss Financial Services mutual recognition agreement.</li> <li>■ Internationalisation Fund to support exporters.</li> <li>■ Promoting the UK via the GREAT Britain and Northern Ireland campaign.</li> </ul>

Withdrawn 23 June 2025



Withdrawn 23 June 2025

# The way ahead



This plan has set out our ambitious objectives to capitalise on the UK's dynamic and open economy, tackle long-term problems and drive new growth that will enable us to achieve the people's priorities.

Withdrawn 23 June 2025



We must ensure our plan is carried through with a relentless focus on delivery. To drive this, the Prime Minister and Cabinet Secretary have asked Sir Michael Barber to conduct a rapid review of government delivery to ensure that it remains focused, effective and efficient and to suggest how it could be strengthened.

This review builds on reforms to the government's planning and performance framework already underway that aim to embed a new focus on the delivery of outcomes. As part of implementing the Public Value Framework (PVF), the UK Government published provisional priority outcomes and metrics for UK government departments alongside SR20<sup>64</sup>. These outcomes capture the government's long-term policy objectives, including the people's priorities of levelling-up, net zero and global Britain. This plan details how the UK Government will deliver them through economic growth.

These outcomes are now being embedded by departments into Outcome Delivery Plans, which will set out strategy and planning information for delivering the priority outcomes and for delivering on strategic "enabling" activities that are crucial to successful delivery. A new focused performance reporting system at the centre will provide an ongoing picture of departmental activity, with regular reporting to the Cabinet Office and HM Treasury on progress enabling greater shared understanding of performance and early action where delivery is off track. This information will support decisions made at future Spending Reviews, creating a greater link between financial allocations and the delivery of real-world outcomes that matter to citizens.

The Prime Minister has also refreshed the Cabinet Committee structure to reflect the Government's priorities and to drive the delivery of the plan for growth. The Prime Minister will chair the new National Economy and Recovery Taskforce with a focus on catalysing growth, levelling up across the UK and driving public service performance and delivery. A new National Economy and Recovery Taskforce (Public Services) committee chaired by the Chancellor of the Duchy of Lancaster will focus on public sector recovery and reform, and the Better Regulation Committee (BRC) chaired by the Chancellor of the Exchequer will coordinate an ambitious programme of regulatory reform over the parliament.

<sup>64</sup> The PVF, developed with Sir Michael Barber, is a practical tool for maximising the value delivered by public spending and improving outcomes for citizens, which can be used across government to identify ways to strengthen the process of turning inputs into outcomes: <https://www.gov.uk/government/publications/public-value-framework-and-supplementary-guidance>

<sup>65</sup> Available at: <https://www.gov.uk/government/publications/spending-review-2020-documents>

We will take action over the coming months, building on this strong foundation to make real progress. Further details will be set out in forthcoming publications, including:

In the next three months...	<ul style="list-style-type: none"><li>■ Getting Smarter: Knowledge Assets Implementation Strategy</li><li>■ Heat and Buildings Strategy</li><li>■ Industrial Decarbonisation Strategy</li><li>■ Integrated Rail Plan for the Midlands and the North</li><li>■ Integrated Review of Security, Defence, Development and Foreign Policy</li><li>■ National Bus Strategy</li></ul>
In the next six months...	<ul style="list-style-type: none"><li>■ Hydrogen Strategy</li><li>■ Innovation Strategy</li><li>■ Lifelong Loan Entitlement Consultation</li><li>■ National Space Strategy</li><li>■ Research &amp; Development Places Strategy</li><li>■ Research &amp; Development People and Culture Strategy</li><li>■ Transport Decarbonisation Plan</li></ul>
In the next twelve months...	<ul style="list-style-type: none"><li>■ Devolution and Local Recovery White Paper</li><li>■ Digital Strategy</li><li>■ Export Strategy</li><li>■ Full Conclusion of the Post-18 Review of Education and Funding</li><li>■ Net Zero Strategy</li><li>■ Procurement Reform</li><li>■ Sector Visions</li><li>■ Union Connectivity Review</li></ul>

By combining new approaches with our well-established strengths, we will deliver growth that benefits the whole of the United Kingdom, creates quality jobs, and ensures that we build back better.

# Annex: Opportunities for growth from EU exit

The UK's departure from the European Union presents opportunities for us to do things differently and better going forward. We have already acted in a number of areas, for example, establishing the new Points Based System on migration and replacing the Common Agricultural Policy. We can capitalise on new regulatory and policy freedoms, and on the UK's ability to operate on the international stage, finding new ways to drive growth that will enable us to achieve our priority outcomes.

■ **Attracting the brightest and best:** Taking back control of our borders means we decide who can come to the UK, as demonstrated by the new, global Points Based System. Our fairer, firmer and skills-led migration system, with further targeted reforms to high-skilled visa routes planned this year, will enable companies to attract recognised and high-potential talent from around the world, creating jobs and driving growth in the UK.

■ **Making the most of regulatory flexibility:** Our newfound control of our law will free the UK to regulate and support our industries in a way that suits our specific needs and creates a dynamic and competitive economy that is fit for the future. We can stimulate growth, innovation and competition in the UK, whilst attracting new investment, enabling businesses to grow dynamically, and maintaining the high standards that the UK has consistently championed. For example, our Transforming Public Procurement green paper shows how we will speed up and simplify our processes and unleash opportunities for small businesses. We will regulate technologies in an innovation-friendly way, driving growth by boosting competition, keeping people safe and secure, and promoting our democratic values.

■ **Building our strongest sectors:** Ending the Transition Period gives us the ability to supercharge the sectors where we already have competitive advantage, driving economic growth, unleashing investment, creating jobs, and building on our international competitiveness in sectors such as financial services and fintech, automotive, digital, green energy and the creative industries. For example, in Life Sciences, the UK can offer unique opportunities to global companies: we are one of the world's best research and science bases, underpinned by top class universities, globally renowned clinical research and a uniquely cradle to grave healthcare system in the NHS. New freedoms from being outside of the EU will allow the Medicines and Healthcare products Regulatory Agency (MHRA) to become a globally leading innovative, regulator, acting as an enabler for innovation – as demonstrated by the swift work in approving COVID-19 vaccines.

■ **Driving growth across the whole UK:** We are replacing the overly bureaucratic EU Structural Funds with a new UK Shared Prosperity Fund that will be used to bind together the whole of the United Kingdom, tackling poor outcomes and spreading opportunity in each of the four nations. We are introducing Freeports which will become hives of entrepreneurialism, trade and investment, and we are ensuring that UK companies can trade unhindered in every part of the UK while maintaining world-leading standards for consumers and workers. An agile, futureproofed UK economy with an ambitious global agenda will enable us to level up towns, regions and nations across the whole of the United Kingdom, boosting jobs and ensuring every place shares in the prosperity of the UK.

■ **Supercharging green growth:** The UK will also set its own climate and energy policies, based on our ambitious domestic and international climate objectives. We want to break away from the pack with ambitious targets and faster progress. The landmark Environment Bill will tackle the biggest environmental priorities of our time and change the way we protect and enhance our precious natural resources in England. The Bill will require the government to set long-term legally binding environmental targets, establishing a new independent public body, the Office for Environmental Protection (OEP) to hold the UK Government to account. The Environment Bill will also introduce a number of measures for England further improving our environment, from mandatory Biodiversity Net Gain and Local Nature Recovery Strategies, to the power to introduce a Deposit Return Scheme and increase our resource efficiency. We are actively exploring opportunities to cut emissions and boost innovation in the aviation sector, including through the Jet Zero Council and the CAA consultation on opportunities for UK General Aviation. We are replacing the Common Agricultural Policy with a system in England that will enable better environmental outcomes. By taking back control of our territorial waters, we will be able to manage our fisheries and precious marine environment in a more sustainable way.

■ **A world leader in free trade:** Internationally, the UK will operate an independent trade policy for the first time in 50 years. We have introduced the UK Global Tariff tailored to the needs of the UK economy, almost doubling the number of goods that are tariff free relative to the EU Common External Tariff, and supporting businesses and their supply chains by making it easier and cheaper to import goods from overseas. We will use our independent voice at the World Trade Organization to champion free and fair trade, the rules based international system, and promote openness and cooperation in the face of collective challenges. The new Free Trade Agreements we strike – like those we are already negotiating with the US, Australia and New Zealand – will increase our trade with the rest of the world, create new opportunities for our exporters and deliver better choice and value for our consumers.







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