Modern Industrial Strategy: 12-month review:
Progress, delivery, and the opportunities ahead
CBI briefing - September 2026

About this assessment

This is not an assessment of commitments delivered, or investment secured through the Industrial Strategy, the government's quarterly reporting already provides that. Instead, it captures the lived experience of the Industrial Strategy from the perspective of business.

To build that picture, we have spent time across every region and nation of the UK, engaging businesses across the eight named high growth sectors through 12 events, hundreds of attendees and thousands of conversations about what is and isn't working.

That insight has been complemented by the CBI's UK Competitiveness Committee, bringing together cross-economy representation from Industrial Strategy sectors and foundational industries, and informed by evidence from the Industrial Strategy Advisory Council, academics and industry leaders.

Together, this provides the basis for our assessment of how the Industrial Strategy is landing with business, one year on. It is as much a qualitative judgement as a quantitative one, and the voices of business run throughout.

Headline assessment – The architecture is in place, but delivery must catch up with ambition

One year after its publication on 23 June 2025, the Modern Industrial Strategy has moved from concept to operating framework. All eight sector plans are published, quarterly delivery reporting is established, and the Strategy now sits within a coherent policy regime spanning infrastructure, trade, regulation, planning and patient capital. This represents real progress, and a more institutionally grounded approach than most previous UK industrial policy efforts.

The Strategy remains stronger on architecture than on the delivery outcomes businesses can feel today. The most pressing gaps are electricity costs, grid access, skills supply, and the translation of national priorities into investable local projects. Several policy tensions also need to be resolved if the growth ambition is to be fully realised.

The past year has also seen a change of administration. Andy Burnham became Prime Minister on 20 July 2026, Jonathan Reynolds returned as Secretary of State for the enlarged Department for Business, Innovation, Science and Trade, and John Healey was appointed Chancellor of the Exchequer. Business will look above all for continuity of direction, a credible and funded delivery plan for year two, and confidence that public and private investment will work together to drive growth.

The Strategy under a new administration

The Modern Industrial Strategy: continuity into its next phase

The Modern Industrial Strategy has been designed, launched and delivered through its first year, and now passes to a new administration. The central message is one of continuity: the plan endures, and its next phase can build on foundations already in place.

Institutional knowledge as the key to delivery

Delivery now depends on institutional knowledge. The loss of some key officials through transition is offset by two senior political sponsors with credibility in this space, together they provide reassurance that the long-term direction will be sustained by a government that understands the machinery of regional delivery.

The priority now is to carry momentum through the transition and translate it into demonstrable outcomes within nations and regions. The role of No.10 North will be critical in driving this.

Strengthening the next phase: a renewed place agenda

One of the clearest opportunities in the Strategy's next phase is to give it stronger delivery capability from the bottom up. The new administration is committed to reindustrialisation, and the Modern Industrial Strategy must sit at the heart of this ambition ensuring all regions and nations are able to benefit from place-based growth, building on new and existing economic assets and industry clusters whilst delivering skills and unlocking the other barriers to growth such as planning and grid connectivity. **Whilst reindustrialisation will resonate with many, we must also not lose sight of the strengths which exist across our services and digital economy which is distributed across the UK**.

The UK has drawn on regional economic development bodies before, including Regional Development Agencies (1998–2012). Rather than recreating past models, the aim should be to build on today's mayoral and Local Growth Plan architecture, drawing on the most effective features of previous approaches. Several developments would help:

A single, multi-year regional funding settlement for all Mayoral Strategic Authorities. Consolidate regional funding into single, multi-year settlements. Ministry of Housing, Communities and Local Government (MHCLG), with HM Treasury (HMT), to consolidate today’s fragmented funding streams into integrated, multi-year settlements for Mayoral

Strategic Authorities, giving businesses greater certainty and moving away from short-term, competitive bidding.

Building capacity and capabilities. Ahead of proposed fiscal devolution of income tax from April 2028, Mayoral Strategic Authorities, alongside MHCLG and HMT must develop the capacity to design investable propositions, with empowered business-led boards convening universities, investors and local government to deliver credible investment pipelines.

Back the foundational industries that underpin the priority sectors. Department for Business, Innovation, Science and Trade to continue backing steel, construction, ports, chemicals, glass and ceramics to reinforce regional rebalancing and complement commitments already in train

The lesson from previous approaches is to focus on delivery and accountability rather than additional institutional layers. The test for any strengthened place-based architecture is whether it accelerates investment and delivery on the ground.

Where progress has been made

A credible ten-year framework, now operational. The full Strategy was published on 23 June 2025, followed by all eight sector plans covering advanced manufacturing, clean energy, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services. Quarterly updates are now embedded, giving business a continuous reporting cycle the UK has historically lacked, and the Strategy is reinforced by the 10-Year Infrastructure Strategy and the UK Trade Strategy, both published alongside it.

Institutions and patient capital beginning to function. The Industrial Strategy Advisory Council is operating with published minutes and a clear research agenda. The National Wealth Fund has a formal strategic steer and a plan to help drive more than £100bn of investment across priority sectors including ports, carbon capture, hydrogen, batteries, steel, grid and nuclear. The Mansion House Accord commits pension providers to invest a greater share of their portfolios in productive assets, potentially unlocking around £50bn of new capital, while pension reforms consolidate funds into larger vehicles better able to invest at scale.

Planning, place and skills moving into delivery. The Planning and Infrastructure Act 2025 accelerates consenting for major infrastructure and prioritises grid connections for clean power. Ofgem's connections reform is underway, supported by a settlement intended to unlock significant transmission investment. Local Growth Plans are being developed to align regional priorities with the sector plans, and 19 new Technical Excellence Colleges have been announced in advanced manufacturing, clean energy, defence and digital. The British Industrial Competitiveness Scheme, finalised in April 2026, will cut electricity bills by up to 25% for more than 10,000 manufacturers.

Industry feedback

"Industrial strategy really does matter, particularly for business, it provides the long-term confidence needed to invest, to innovate and to grow. But too often we see strategies that do not make it from paper to reality. They need to be living documents, shaped by what is happening on the ground."

Manufacturing leader, Advanced Manufacturing sector event

"It always comes back to planning, that is the biggest problem we see. Positive signals one day and negative the next come back to uncertainty, and uncertainty and investment are inextricably linked."

Built-environment adviser, delivery roundtable

"It is great that we have an industrial strategy. But having got it, please make best endeavours to deliver it, even when it is hard, because that is what creates global investment credibility. A strategy that is bypassed when it becomes inconvenient actively damages the UK's standing."

Professional services leader, PBS sector event

Where government needs to go faster

Cut the cost of industrial energy. Industrial electricity prices remain among the highest in Europe and are consistently cited as the single biggest barrier to investment. The British Industrial Competitiveness Scheme is the right intervention, but its main provisions only begin in April 2027, and business would welcome faster relief. The CBI and Energy UK set out how the government can tackle this issue in a recent report[1] citing:

1. Convene a cross-government forum that brings together DBT, DESNZ, HMT and Ofgem for regular ministerial reviews of business energy costs and actions being taken to address them.
2. Conduct a comprehensive review of the effects of current and future policy and network charges on business energy costs and resilience, identifying options to mitigate these impacts.
3. Evaluate the performance of current and future business energy bill support mechanisms, from capital programmes and funds to targeted sector support, to identify where enhancements or new measures are required.
4. Introduce tools that help businesses to develop robust energy strategies and improve energy efficiency.
5. Collaborate with the energy industry to assess market design options and regulatory change that could cut energy costs.

[1] Cutting business energy costs: the case for action | CBI

Turn the connections pipeline into delivered capacity. The expediting of £2.5bn of projects through the Connections Accelerator is welcome, but many developers still face multi-year delays. Continued reform is needed to turn a large pipeline into delivered capacity.

Build the workforce for the industries of the future. Government estimates that around 600,000 additional workers will be needed by 2030 in priority sectors. Accelerate employer-led skills provision to meet immediate workforce shortages in priority sectors, while ensuring longer-term reforms create a pipeline of workers equipped for future industrial demand, and without overlooking the foundational and non-IS-8 sectors that supply much of that workforce

Unblock planning so investment can land. Consistent, predictable planning decisions are the difference between committed investment and stalled projects. Business needs the reforms in the Planning and Infrastructure Act translated into faster, more certain consents on the ground. The role of Mayoral Strategic Authorities must play an important role in the design of Spatial Development Strategies, taking full advantage of the new powers they will receive.

From frameworks to bankable projects. The next year should focus on delivery sequencing rather than further strategy documents, with an emphasis on National Wealth Fund deal flow, mayoral investment pipelines, infrastructure throughput and the go-live of key schemes. The government should consider greater use of public-private partnerships to drive investment into regional projects.

Policy tensions to resolve

Match skills supply to industrial ambition. The Strategy depends on rapid scale-up in sectors with real technical and engineering shortages, while recent immigration reforms have tightened access to overseas talent. Aligning the two more closely will be important while the domestic skills pipeline develops.

Make the industrial strategy toolkit genuinely UK-wide working together across devolved nations and regions. A year on, Scotland, Wales and Northern Ireland still run their own economic strategies, which the UK framework coordinates with but has yet to knit into a single, coherent toolkit. The next phase must give the devolved nations a defined delivery role, turning parallel strategies into one UK-wide growth engine

Legislate to lock in long-term stability. Put the Industrial Strategy Advisory Council on a statutory footing by prioritising the Industrial Strategy Bill in the forthcoming session. This delivers the clearly defined duties, functions and enhanced data-access powers the Government committed to in the June 2025 Modern Industrial Strategy, giving industry confidence that Government will be held to account on certainty, stability and delivery.

Ensure foundational sectors share in the gains. Industries such as steel, chemicals, construction and energy networks supply the inputs, infrastructure and skilled jobs the frontier sectors depend on, yet increasingly feel undervalued, with concern that gains for the eight growth sectors are being funded by a worse environment elsewhere. The outcome to secure is balance: foundational sectors sharing in competitive energy costs, skills investment and delivery attention, with explicit standing in the Industrial Strategy Bill and its monitoring framework.

Stop trade measures undermining the Strategy. Since the March steel measures, supply-chain concerns have grown, job losses, cost multiples and pressure on SMEs hit hardest. Shorten the regime review from twelve to six months, with scope to act sooner where UK steelmakers cannot meet downstream demand, and convene BIST, DESNZ and Cabinet Office officials bi-monthly to map cross-economy risks. Without these measures, the current framework risks undermining the Industrial Strategy itself.

The Industrial Strategy has begun to take shape, but progress remains uneven. Government has established much of the enabling architecture needed for long-term success, including significant R&D commitments and refocusing of R&D investment and strategy, the Digital and Technologies Sector Plan, greater alignment of innovation policy with growth priorities, and a stronger focus on frontier capabilities such as AI, cyber and quantum. In areas such as quantum, the shift towards clearer demand signals and procurement pathways is a welcome sign of a more mature approach to commercialisation and catalysing demand. Cyber matters both as a growth opportunity in its own right and an enabler of secure technology adoption, particularly AI, and resilience across all eight growth sectors.

The challenge for year two is delivery. While there has been considerable focus on supporting high-growth sectors and scaling frontier businesses, the Industrial Strategy will ultimately be judged on whether it can translate technological strength into productivity, investment, resilience and growth across the wider economy. Artificial intelligence will be central to that, and for most firms the barrier now is confidence rather than capability. The UK has genuine research and innovation strengths, but the growth prize lies in diffusion, getting proven AI tools into the hands of the broad base of firms across every sector, region and nation. Realising it means accelerating the secure adoption of new technologies, strengthening commercialisation pathways, and using strategic procurement and partnerships between large and scaling firms to improve access to customers and markets, alongside improvements to the wider business environment that give firms the headroom to invest in new avenues of growth and competitiveness. Trusted, responsible and human-centric adoption is an enabler of pace rather than a brake on it, giving firms, workers and customers the assurance to move from pilots to scale.

The creation of the new Department for Business, Innovation, Science and Trade provides an opportunity to accelerate delivery, but business will expect to see the benefits quickly. Success will depend on maintaining momentum through institutional change, establishing clear accountability at ministerial and official level, providing clear routes for business engagement and ensuring technology and innovation can be a genuinely cross-cutting enabler of all eight growth sectors, rather than solely the responsibility of the Digital and Technologies Sector Plan.

Build resilience against future shocks. Economic security is rightly embedded in the Modern Industrial Strategy. As geopolitical risks grow, Government should work more closely with business to map critical dependencies, strengthen supply chains and prepare for disruption. The year-two priority is stronger cross-government coordination and systematic business engagement, including scenario planning to identify exposure and mitigate its impact. Working with international partners to de-risk and diversify critical dependencies, while balancing national security with economic opportunity, will turn resilience into a driver of investment, growth and long-term competitiveness.

Regulation: enabler of growth or brake on it? A central tension for year two is whether regulatory reform retains the momentum needed to make regulation an enabler of growth rather than a constraint. Regulation underpins the competitiveness of key UK sectors, including financial services, professional and business services, the creative industries and life sciences, yet as global competition for investment intensifies, international business will favour jurisdictions offering stable, proportionate and predictable regimes. The risk is that focus slips and the Regulatory Action Plan stalls, undermining confidence just as certainty matters most. Resolving this means holding firm to the Plan's commitments, to cut regulatory administrative costs by 25% this Parliament, streamline the regulatory landscape and deliver regulator-specific reforms, with clear accountability and renewed ambition. Get the balance right and a modern, resilient regime becomes a magnet for investment; lose momentum and the UK's eight growth sectors, and the wider economy, pay the price.

Overall assessment

The first year has created a solid foundation. Government has done the institutional work the UK has often struggled to sustain: a published strategy, sector plans, a quarterly delivery cadence, aligned infrastructure and trade strategies, and significant fiscal backing.

Year two must be the delivery year, and it begins with the Strategy well placed to continue under new leadership. Faster progress on energy costs, grid connections, skills and governance remains essential, and the transition offers a valuable opportunity to strengthen delivery at the level of place. Handled well, this next phase can give the Strategy the delivery capability it needs to translate a strong framework into lasting improvements in UK competitiveness.

CBI priorities for the year ahead

- Sustain continuity and momentum through the transition, ensuring the Strategy and its sector plans continue seamlessly.
- Support an active role for the state that attracts and complements private investment.
- Seize the opportunity to strengthen place, working with the Chancellor and mayors to design long-term regional funding and business-led delivery.
- Keep the focus on delivery, judging year two on outcomes rather than new documents.
- Resolve outstanding policy tensions on skills, governance and UK-wide reach.

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