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BSA Summary - Budget 2026

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Overview

On Wednesday 28 October 2026, the Chancellor delivered the Budget in the House of Commons. This briefing summarises the main announcements relevant to BSA members.

Responding to the Budget, BSA Chief Executive Mark Fox said "The Chancellor has delivered a Budget which contains a wide range of proposals in a very difficult economic environment. He has specifically addressed new defence funding models and support for innovative service providers which we welcome. We continue to urge the Government to keep a tight control of public spending borrowing and debt, and to try and resist the temptation to raise national taxation any further."

Below is a summary of the main announcements from the Budget, which the Chancellor described as "a Budget for working people, for the working people of Britain, for British businesses, big and small. Delivered at a time when global uncertainties and pressures are swirling worldwide and hitting people here at home. A Budget built on fiscal discipline, which matches immediate action today with clear direction for the future."

He said that this will be done "First, by giving Britain some breathing space on the cost of living and the cost of business, second, backing the enterprise of British business to unleash innovation and growth in every postcode, and third, tackling the big challenges on energy, national security, public service transformation and housing."

Mr Healey was clear on the impact that the conflict in the Middle East is having on the UK economy and on public services. "Inflation, which was due to fall earlier this year to the 2 per cent target, has now risen, driven by higher oil and gas prices. Oil is up from around $70 a barrel to well over $100, and gas prices have nearly tripled since February." He said that the Office for Budget Responsibility (OBR) will say borrowing costs have risen £14bn this year and he repeated that fiscal discipline was he first priority as Chancellor.

The prevailing theme of the Budget was "breathing space for now and fresh hope for the future".

Many decisions have been deferred until next year's Spending Review.

Main document: Budget 2026.

Supporting and supplementary documents: Budget 2026 in full.

Independent forecasts: OBR Economic and fiscal outlook, October 2026. An independent overview is available from the House of Commons Library.

Pre-Budget Announcements

The Budget builds on measures announced earlier in 2026, including the temporary removal of VAT on domestic electricity from 1 October. Progress on previously announced devolved-nation investments is recorded in the relevant sections at the end of this briefing, separately from new Budget commitments.

OBR Forecasts

The OBR published updated economic and fiscal forecasts alongside the Budget. Higher energy prices and interest rates weaken the near-term outlook and increase debt-servicing costs. The fiscal rules are forecast to be met, but the margins remain sensitive to economic developments. See the OBR October 2026 forecast presentation, alongside the full Economic and fiscal outlook.

Growth

Real GDP growth is forecast at 1.2% in 2026, 1.0% in 2027, 1.6% in 2028, 1.8% in 2029, 1.7% in 2030 and 1.6% in 2031. The 2026 forecast is slightly higher than in March, while the 2027 forecast is lower.

Headroom

The current budget is forecast to be in surplus by approximately £15 billion in 2029-30, rising to around £22 billion in 2030-31. The OBR estimates a 56% probability of meeting the current-budget rule in 2029-30; the investment rule is met with a margin of approximately £24 billion and a probability of 54%.

Debt

The debt measure used for the investment rule is public sector net financial liabilities, rather than headline public sector net debt. On the figures supplied for this briefing, net financial liabilities are 83.2% of GDP in 2026-27, 83.8% in both 2027-28 and 2028-29, then fall to 83.1% in 2029-30, 82.3% in 2030-31 and 81.7% in 2031-32. The OBR highlights that debt remains elevated and exposed to borrowing-cost risks.

Borrowing

Borrowing is forecast to fall from 4.2% of GDP in 2026-27 to 3.4% in 2027-28, 2.9% in 2028-29, 2.1% in 2029-30 and 1.8% in 2030-31. The near-term pace of fiscal consolidation is slower than previously forecast. The Treasury reports that debt interest is forecast to average £14 billion a year more than in the spring forecast.

Inflation

The OBR forecasts CPI inflation of around 3.5% in 2027, compared with 2.0% in March. Inflation is expected to fall and growth to recover over the medium term. Important risks include energy prices, productivity, the labour market, debt-servicing costs and pressures on departmental and welfare spending.

Public Sector Finances

The Government has increased its target for reducing departmental administration budgets to 20% in real terms by 2029-30. Greater use of AI and digital technology is intended to support a further £600 million of back-office savings, alongside measures to reduce duplication between central and local government.

GovAI will receive £35 million to give civil servants access to advanced AI tools and strengthen government capability, including procurement of external solutions. A £50 million Civil Service AI Transformation Fund will support deployment in 2027-28 and 2028-29, including process automation and workflow improvements.

Procurement and Innovation

A new definition of a ‘UK supplier’ in public procurement is due by January 2027, to improve identification and tracking of UK suppliers and subcontractors across supply chains. A new National

Procurement Policy Statement is due to be laid in Parliament in March 2027, prioritising high-quality jobs, fair pay and skills opportunities, including pathways for young people.

The Government will look to expand challenge-led procurement so that public bodies can act as early customers for innovative firms. The Cabinet Office has published further guidance on PPN 026: The Social Value Model; further detail, including Community Programmes, is expected later in 2026. The BSA has produced a separate summary on the guidance which can be read here.

The Budget documents also include reference to a target for larger government construction and infrastructure projects will be required to have apprentices account for at least 3% of their workforces.

Defence and Ukraine

Headline defence funding

The Government states that the Defence Investment Plan is fully funded. Of the additional £15 billion identified for 2026-27 to 2029-30 in June, the residual £4.7 billion is to come from capital reprioritisation: a further 1% reduction in departmental capital budgets from 2027-28 to 2029-30, raising £3 billion, and £1.7 billion from unallocated Treasury capital Reserve contingency.

The Government will set out at next year's Spending Review how it intends to meet the NATO commitment to spend 3.5% of GDP on defence by 2035, with a target of 3% by 2030; this remains a direction of travel rather than a fully costed set of announcements.

Defence procurement and commercial reform

A new definition of a 'UK supplier' in public procurement will be published by January 2027 to improve understanding and tracking of UK suppliers and subcontractors across public supply chains. A new National Procurement Policy Statement, to be laid in Parliament in March 2027, will prioritise high-quality jobs, fair pay and skills opportunities, including pathways for young people. The Cabinet Office has published further guidance on using PPN 026: The Social Value Model, with further detail, including the list of Community Programmes, expected later this year.

Procurement reform under the National Armaments Director will be accompanied by a new Counter Fraud Strategy and more than £500 million of productivity-improving investment this year.

An additional £24 million will be invested between 2026–27 and 2029–30 through the expanded Public Sector Defence Programme to harden public-sector AI defences and make AI-enabled cyber-defence tools available across public services.

Financing and investment

A new Treasury-led Innovative Defence Financing Taskforce will seek to maximise private and international finance for UK defence and support further procurement reform, bringing together government, finance and investment experts until the next Spending Review. Its work is expected to examine barriers to investment, international joint procurement and new domestic approaches to financing and contracting, potentially broadening opportunities beyond conventional equipment procurement to financing, advisory, commercial, programme-management, digital and assurance services.

The Government will develop a pipeline of private-finance opportunities, including public-private partnerships where these offer value for money. The settlement continues to rely partly on more

efficient defence procurement and MOD reprioritisation, meaning suppliers should expect sustained pressure on delivery confidence, cost control, productivity, open-book evidence and measurable outcomes.

The Defence Investment Plan will proceed through contracts with industry intended to support skilled jobs, strengthen UK supply chains, expand industrial capacity and drive growth. The Government will establish new Defence Technical Excellence Colleges in Scotland and Wales and work with the Northern Ireland Executive on a region-wide defence skills and apprenticeship programme.

Treaty negotiations are under way among partners, including the UK, with the aim of making the Multilateral Defence Mechanism operational in 2027. The National Wealth Fund and British Business Bank will deploy up to £5 billion over the next four years into defence, dual-use and other sectors supporting national security, sovereign capability and resilience.

Ukraine

The Government is providing a further £500 million of military support this winter for Ukraine's air defences, as part of more than £10 billion in future UK support from 2026–27 onwards, including up to £7 billion through World Bank lending, £3 billion in additional UK Export Finance capacity, £17 million for Chornobyl repairs and £3 million to support efforts to return stolen children to Ukraine.

Taxation and Pensions

Business taxation and investment

The bank corporation tax surcharge will rise from 3% to 6% for 15 months from 1 January 2027 to 31 March 2028, applying to profits above the £100 million allowance. The Government links the temporary increase to funding immediate energy-bill support.

Tariffs will be suspended on a further 101 food products and kerosene for heating oil from 26 November 2026 until 31 December 2028, and on fertiliser until 31 December 2027. These measures follow suspensions on 135 food products introduced on 21 June 2026. Business tariff measures include suspensions on 72 products from 5 August 2026 and extensions for 361 products in 2027-28.

Machine Games Duty on higher-stakes machines will increase from 20% to 25% from April 2027, with protections for pubs and seaside arcades. A separate consultation covers moving liability to machine suppliers for supplier-owned machines operated under profit-share arrangements from April 2028; premises operators would remain liable for machines they own outright or operate under fixed rental or lease arrangements.

Pensions

A new Pension Tax Allowance will be introduced from April 2027, set at the annual value of the full new State Pension. The Government intends that pensioners whose income does not exceed that amount will not pay income tax during this Parliament.

Trading income and tax administration

The income tax trading allowance will increase from £1,000 to £3,000 from 6 April 2027. The Government will strengthen online marketplace requirements to address VAT non-compliance and introduce further HMRC compliance measures, including changes to the timing of self-assessment payments.

Capital Gains

The Business Asset Disposal Relief lifetime limit will be reduced from £1 million to £500,000. The Government also announced greater upfront relief for new investment and changes to the treatment of profits extracted from companies, with protection intended for genuine commercial transactions and family business succession. Detailed eligibility and commencement provisions should be checked against the relevant tax documents.

A new Founders' Relief will apply a 10% Capital Gains Tax rate to qualifying share disposals by founders and significant early investors in high-growth, innovative UK companies, up to a £10 million lifetime gains limit per individual. It is intended to apply from 6 April 2027. A technical consultation, closing on 30 November 2026, will inform the final eligibility and administrative rules ahead of legislation. The Government also published its response to the Tax Support for Entrepreneurs call for evidence.

Business Rates

In England, the threshold for 100% Small Business Rate Relief for retail, hospitality and leisure properties will rise from £12,000 to £18,000 from April 2027; the upper threshold for tapered relief will rise from £15,000 to £21,000. Other eligible businesses in these sectors will receive a two-year real-terms bills freeze.

Relief for pubs, social clubs and eligible live music venues will increase from 15% to 35% from April 2027. The transitional relief supplement will be extended for two years. Vape shops will be excluded from specified reliefs, alongside changes affecting gaming premises.

Business rates are devolved; the England-specific relief changes should not be read as applying automatically in Scotland, Wales or Northern Ireland. Local retention reforms are covered in the devolution section below.

Regulation and inward investment

The Government will re-establish the Better Regulation Executive and legislate for a regulatory carve-out to support controlled testing and scaling of innovative products. It will also modernise the tax treatment of investment by foreign sovereigns.

Increases to National Minimum Wage

From 1 April 2027, the National Living Wage will increase by 3.9% to £13.21 per hour. The National Minimum Wage for 18- to 20-year-olds will increase by 3.9% to £11.27 per hour.

The rate for 16- to 17-year-olds and eligible apprentices will increase by 3.9% to £8.31 per hour. The Government estimates that around 2.3 million workers will benefit from the increases.

Public Private Partnerships

The Government will develop a pipeline of opportunities for private finance, including public-private partnerships where these offer value for money. Defence is a specific area of focus, with financing and contracting approaches to be examined ahead of the next Spending Review.

A Treasury-led Innovative Defence Financing Taskforce will bring together government, finance and investment expertise to examine barriers to investment, international joint procurement and

domestic financing models. Specific projects and contractual structures remain subject to development.

Health

NHS Productivity

An independent review of NHS productivity and AI, led by Mark Bailie, will report in early 2027. It will examine practical opportunities for AI and technology to improve productivity and transform services.

A new £15 million AI Challenge Prize will focus each year on a public-service challenge. The first competition will focus on the NHS, with a top award of up to £2.5 million. Wider public-service AI security funding is covered in the technology section.

Energy and Fuel Duty

Fuel Duty

The temporary 5p-per-litre fuel duty cut and the freeze in rates will be extended until 1 July 2027. The published policy costings provide for reversal of the temporary cut and an RPI increase from that date.

The 3.7p-per-litre reduction in red diesel duty, introduced on 15 June 2026, will continue until July 2027. This is an extension of the existing temporary reduction, rather than a further 3.7p cut.

Household energy support

The temporary zero rate of VAT on domestic electricity, introduced on 1 October 2026, will continue until 1 July 2027. The Government estimates this will lower the annualised Ofgem price cap in April 2027 by around £50 relative to the rate otherwise applying.

A further £2.6 billion will support a £100 Household Energy Payment from January 2027 for up to 20 million households in council tax bands A–D in England, including funding for devolved governments to provide support in their nations.

Gas standing charges will be abolished in 2027, or as soon as possible thereafter, with targeted mitigations. The Government estimates that around 60% of account-holding households will save an average of £45 a year; this is not a universal bill reduction. Electricity standing-charge reforms will be detailed in 2027.

Energy costs and market reform

A Cost Control Framework at the 2027 Spending Review will set budgets for components of energy costs. Until then, the Government says no further policy costs will be added to bills unless they reduce bills or are essential for security of supply. New generation procurement will be assessed against costs, system benefits and grid readiness.

Business energy costs and investment

The British Industrial Competitiveness Scheme will provide eligible energy-intensive manufacturing firms with electricity discounts of around 20–25% from April 2027, including backdated support for 2026-27. The Government expects around 10,000 firms to benefit.

The main Climate Change Levy rate on electricity will be frozen from April 2028, and Carbon Price Support removed from the same date. The Government estimates the latter will reduce business energy costs by £235 million over five years.

DESNZ funding will be reprioritised, including reductions to capital grants for the Warm Homes Plan, carbon capture and hydrogen projects. Funding for the Boiler Upgrade Scheme and £8.3 billion for Great British Energy and Great British Energy – Nuclear across the Spending Review period will be maintained.

The planned Gas Shipper Obligation will not proceed; hydrogen project costs will instead be funded by government. An Energy Debt Circuit Breaker is intended to address domestic energy debt, with estimated savings for billpayers of around £30 by 2030.

A consultation on wholesale Contracts for Difference proposes fixed-price arrangements for some existing renewable projects to reduce exposure to gas prices. An Energy Independence Bill and a forthcoming 10 Year Plan will set out further measures. The Government reaffirmed the 2050 net-zero objective.

Grid connections

Strategically important projects will be prioritised for electricity grid connections. Further market and institutional reforms are planned, including through GB Grid and the forthcoming 10 Year Plan. Strategic data centres satisfying the new Data Centre Covenant will be eligible for enhanced support, including faster access to power.

Welfare, Immigration and Employment Rights

Welfare and support

The Government will respond to the final reports of the Milburn and Timms reviews before the end of 2026. A White Paper is planned for early 2027, ahead of legislation later that year.

The Chancellor signalled further changes to assessments, Universal Credit and Motability. Detailed design and implementation remain subject to the review responses and subsequent policy documents; these statements should not be treated as a fully specified reform package.

The policy costings also provide for a taper of Carer's Allowance payments on earnings above the Weekly Earnings Limit, to be introduced within 2030-31. The £2,500 Universal Credit surplus earnings threshold will be extended for a further year from 1 April 2027.

Immigration

The Government announced plans to reform skilled worker visas. Detailed requirements and commencement dates will depend on subsequent immigration policy and rule changes.

Employment rights

The Government plans to reform non-compete clauses to support labour mobility. It also announced paid parental support for eligible self-employed fathers and partners; the policy costings provide for a Parental Allowance in Great Britain from April 2029.

Housing and Property Taxes

The Budget confirmed the Your First Home scheme for first-time buyers. Scheme eligibility, delivery arrangements and financial terms should be read alongside the detailed housing announcements rather than inferred from the Budget speech alone.

The Budget collection includes the Government's response to consultation on the High Value Council Tax Surcharge and the First Time Buyer ISA. These supporting documents provide the relevant implementation detail.

Justice and Home Affairs

The Chancellor announced further work to prevent violence against women and girls, including a new prevention fund involving private-sector partners.

Education and Skills

NEETs and the Youth Guarantee

The Budget confirms the Youth Employment and Skills Package, including a £3,000 Youth Jobs Grant for businesses hiring eligible young unemployed people and an extension of the Jobs Guarantee to 22- to 24-year-olds.

The Milburn review forms part of the wider work on youth inactivity. The Government will set out its response before the end of 2026, with further welfare and employment proposals to follow.

Apprenticeships

£100 million over two years will expand local apprenticeship services, enabling current mayors to support young people and employers. Non-levy-paying employers in England taking on eligible new young apprentices will receive a £2,000 hiring payment. At least 3% of the workforce on large government construction and infrastructure projects will be required to be apprentices.

Workplace learning and specialist skills

The Union Learning Fund will be re-established in England.

Defence Technical Excellence Colleges in Scotland and Wales, and a proposed region-wide defence skills and apprenticeship programme in Northern Ireland, will support specialist training. Local investments include £15 million for Leeds College of Building and £3 million to help young people in Plymouth enter defence-sector employment.

Devolution and Local Government

A Fiscal Devolution Roadmap sets out plans for regional leaders to control the allocation of a share of national tax revenues. The Government intends that 100% of business rates will be retained locally by the end of the decade. From 2027, 20% of business rates revenue is intended to go to mayors, followed by a share of income tax receipts from 2028.

New Good Growth Funds will provide flexible funding for mayors. Incubator capital will support areas moving towards Strategic or Mayoral status, alongside a further £1.5 billion of devolved loans for

Mayoral Authorities. Mayors and other Strategic Authorities will gain powers to introduce an Overnight Visitor Levy.

The Government reaffirmed reforms to the Green Book, the Treasury's investment appraisal guidance. It will also work with devolved governments and local and regional stakeholders in Scotland, Wales and Northern Ireland to explore further regional empowerment.

Local growth allocations include £10 million for a new market hall in Stafford; £10 million for Bristol Temple Quarter; £10 million for Bury's indoor market; £20 million for Liverpool's Littlewoods Building; and £3 million for a Don Valley technology incubator. The Cambridge Development Corporation will gain access to government borrowing.

Tech and Digital

AI security and cyber resilience

The Government announced an AI package of over £700 million covering security, resilience, sovereign capability, adoption and infrastructure. The allocations below include related components and should not be totalled without checking overlaps. Civil Service transformation and the NHS review are covered earlier in this briefing.

£120 million additional funding for the AI Security Institute; £70 million for a National Exposure and Real-Time Vulnerability Centre at the NCSC; £24 million additional funding for public-sector AI defences; and £60 million for the first phase of a national Cyber Shield, including a £25 million AI and Cyber Security Challenge Fund and plans for a deployment sandbox.

A new National Agentic Security Unit will receive £40 million to develop capabilities to detect, investigate and respond to rogue agentic systems. A £165 million National AI Biosecurity Initiative includes £100 million for an AI Biosecurity Lab.

AI adoption

£30 million will pilot local AI partnerships in West Yorkshire, South Yorkshire, and York and North Yorkshire, supporting small businesses, skills and local public services. A £60 million AI Pathfinder Fund will address emerging cross-government barriers and opportunities.

Sovereign capability

An additional £60 million for the Sovereign AI Fund from 2027-28 will support promising UK companies, including physical AI, robotics, autonomous systems and advanced manufacturing. A further £80 million for Sovereign AI's R&D Procurement Scheme will support solutions to government challenges, including healthcare, security, assurance and safe adoption.

Evidence and skills

£23 million for the AI Economics Institute to assess productivity, growth, jobs and living standards.

Data centres and hardware

A new Data Centre Covenant will set expectations on economic contribution, energy, communities, environmental standards, jobs, apprenticeships and resilience. Qualifying strategic projects will receive enhanced support, including power connections and, where necessary, on-site generation while awaiting connection. A £20 million hardware package includes an £18 million UK Advanced Chip

Design Academy led by the University of Edinburgh and an advanced market commitment for British chips in public compute; these are components, not separate additive national allocations.

A draft National Policy Statement for Data Centres was published for consultation alongside the Budget. It proposes the planning policy framework for nationally significant data-centre projects in England, complementing the Data Centre Covenant and grid-connection measures. It remains a draft subject to consultation, rather than a final designated statement.

Public-service innovation

A £138 million quantum sensing and positioning, navigation and timing Procurement Catalyst, including £30 million from the Ministry of Defence, will support military-relevant innovation and public-service applications. The £15 million AI Challenge Prize begins with an NHS challenge.

Transport

The Budget provides £30 million to progress Cardiff Parkway railway station and £11 million to replace Port Talbot's Aberavon Bridge, with the latter subject to business case. Details are included in the Wales section.

A rail infrastructure costs review has been published alongside the Budget. Fuel duty support and electricity-network reforms are covered in the energy section.

For employees and employers using cars and vans for business travel, the policy costings increase the tax-free and tax-deductible mileage rate to 55p for the first 10,000 business miles from 6 April 2026, and the higher-mileage rate to 35p from 6 April 2027.

Savings and Rental Income

The planned reduction in the cash ISA allowance will not proceed. The annual cash ISA limit will remain £20,000 from April 2027 for savers of all ages.

Income tax rates on property and savings income will rise by two percentage points from April 2027. These measures are separate from the tax-free treatment of savings held within ISAs.

Scotland

New announcements

Budget 2026 investments include £18 million for a UK Advanced Chip Design Academy led by the University of Edinburgh, supporting semiconductor design capability and skills from October 2026 to March 2032, and £6 million to expand Glasgow's Scottish Event Campus, subject to business case. The £18 million academy allocation forms part of the UK-wide hardware package described above and should not be counted twice.
The Government will establish an Energy Wealth Fund to support Scottish clean-energy jobs. The Budget also confirms £20 million of co-funding with the Scottish Government for two Defence Technical Excellence Colleges in the east and west of Scotland.

Approving the full business case for Forth Green Freeport, which aims to leverage £7.9 billion of investment over 10 years and create up to 16,000 direct jobs. A Memorandum of Understanding can now be signed with the Scottish Government, enabling the release of £25 million of government seed

capital funding. Green energy and advanced manufacturing businesses located on the Freeport's tax sites will benefit from a range of tax reliefs and incentives. The Freeport will boost UK production of clean energy and sustainable fuels, including offshore wind energy.

The North Sea Future Plan, published alongside the Budget, sets out the action the government is taking to support ongoing investment in oil and gas and the management of existing fields for the entirety of their lifespan. North Sea Future Plan for fair, managed and prosperous transition - GOV.UK

£783 million for a new local growth programme over three years to support regeneration across Scotland, Wales and Northern Ireland.

Confirming the details of a permanent windfall tax mechanism, to replace the Energy Profits Levy (EPL) when it ends.

Investing up to £14.5 million of funding in Grangemouth to support industrial projects that can create new jobs.

£20 million from the government's Growth Mission Fund to upgrade Inchgreen Dry Dock, subject to business case.
Up to £20 million from the Growth Mission Fund for the redevelopment of Kirkcaldy town centre and seafront, subject to final business case.

The Scottish Government will receive an additional £600 million in Total Departmental Expenditure (TDEL) through the Barnett formula as a result of decisions at Budget 2026.

Separately, the Government reports that since the previous Budget it has released the first £52 million of a £140 million Local Growth Funding package across Glasgow City Region, Edinburgh and South East Scotland, Tay Cities, Ayrshire and Forth Valley. It also reports over £2.5 billion of defence investment this year and the rollout of the first two Type 31 frigates at Rosyth.

Other developments reported since the previous Budget include approval of the Jackdaw gas field; the opening of Aberdeen Energy Transition Zone's EnergyWorks, supported by £5.7 million of government investment; over £120 million of support as part of a joint investment with INEOS for Grangemouth chemical production and 500 jobs, alongside supply-chain employment; £20 million of R&D funding for Tay Cities' creative technology sector through the Local Innovation Partnerships Fund; and over £12 million committed to the Montrose Port Offshore Wind Project.

Wales

New announcements

The Welsh Government will receive an additional £450 million in Total Departmental Expenditure (TDEL) through the Barnett formula as a result of decisions at Budget 2026.

New investment includes £2.5 million to expand the M-SParc science park in Anglesey, providing additional space and support for SMEs. A UK-wide £20 million AI hardware investment will support reindustrialisation and high-value jobs, building on semiconductor clusters including South Wales; this is not a Wales-only allocation.

Transport commitments comprise £11 million to replace Port Talbot's Aberavon Bridge and £30 million to progress Cardiff Parkway railway station, working with the Welsh Government and private sector to support the wider development's growth potential.

A £5 million bridging payment from the Wales Defence Growth Deal budget will enable a Wales Defence Technical Excellence College to prepare for its next intake of students.

The UK Government will work with devolved governments and local and regional stakeholders in Scotland, Wales and Northern Ireland to explore how the benefits of regional empowerment can be extended across the country.

Progress since the previous Budget

The Government reports that all four Welsh Industrial Strategy Zones are now live, unlocking up to £370 million of government funding for sectors including clean energy, advanced manufacturing and digital technology.

Construction has begun on the £28 million SWITCH Harbourside research facility, supported by £8.2 million from the UK Government-backed Tata Transition Fund. Grant terms have also been agreed for Associated British Ports to complete design and engineering work for a proposed floating offshore wind port in Port Talbot.

Northern Ireland

New announcements

The Northern Ireland Executive will receive an additional £270 million in Total Departmental Expenditure (TDEL) through the Barnett formula as a result of decisions at Budget 2026. New funding comprises £7.5 million of R&D investment for Queen's University Belfast's Centre for Secure Information Technologies (CSIT) Cyber AI Hub and £1 million for a Northern Ireland Investment Summit.

Progress since the previous Budget

The Government reports that Northern Ireland's Enhanced Investment Zone has moved into delivery. It is expected to support around 1,000 jobs and attract around £230 million of private investment. A recently announced £2 million investment in advanced manufacturing skills is expected to deliver over 400 qualifications across engineering, core sciences, digital and business.

The £50 million Defence Growth Deal for Northern Ireland has been launched. Almost £7 million has also been announced for defence-related skills, with work continuing with the Northern Ireland Executive's Department for the Economy on a region-wide defence skills and apprenticeship programme.

The Full Deal Document for the Causeway Coast and Glens Growth Deal was signed in April 2026. It confirms £129 million of investment, comprising £36 million from the UK Government, matched by £36 million from the Northern Ireland Executive, alongside an anticipated £57 million from local delivery partners.