BUILDING BRITISH INDUSTRY · PAPER 06

Paper VI: The Conditions for Production

Permission in advance, fast permits and procurement designed for resilience.

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The missions in this series give Britain's strongest industries customers, shared facilities, capital and skilled people. None of that will be enough if it still takes years to win permission for a factory, months to obtain a permit, longer still to clear a regulator and if the state that is meant to be helping moves at the pace of an annual spending round. A firm deciding where to build its next plant compares these things directly with the alternatives in Germany, the United States or Asia, and in too many cases Britain loses on speed and certainty before the question of cost arises.

This paper sets out the conditions that every mission depends on, so that they are dealt with once rather than repeated in each paper. It covers permission to build, the speed and coordination of regulators, the rules on subsidy and procurement, the recognition of British products abroad, access to the specialists that critical industries need and the freedoms the state needs to deliver at commercial pace.

Two conditions matter more than any other, the price of energy and the taxation of investment and employment, and a third, the depth of British capital markets, determines how far private investment follows public money. They are addressed in the energy papers and in Capital for Britain, and the missions depend on them. This paper does not repeat them, but it sets out in its final section what the missions need from each.

1 The barriers that remain

Recent reforms have begun to address some of these problems. The Planning and Infrastructure Act 2025 has streamlined consent for major infrastructure, the government has consulted on modernising environmental permitting following the Corry review of regulators, new streamlined routes have been created under the subsidy control regime and the Procurement Act 2023 has given public buyers more flexibility. But these reforms were not designed around the needs of advanced production, and the barriers that remain fall hardest on exactly the kinds of facility the missions are trying to build.

BARRIER	EFFECT ON THE MISSIONS
Planning consent for industrial facilities	Uncertain timescales for plants, laboratories, test facilities and pilot lines outside the regime for nationally significant infrastructure
Environmental permits	Delays of many months for new or expanded installations, which the regulator itself acknowledges

BARRIER	EFFECT ON THE MISSIONS
Multiple regulators	Biologics plants, magnet factories, reactor component lines and autonomous systems each need consents from several regulators that rarely coordinate
Subsidy control	Case-by-case assessment of awards that slows support for strategic investments
Procurement rules	Uncertainty about how far public buyers can give weight to domestic production and supply resilience
Recognition abroad	British certification is worth less if allies do not recognise it, and new carbon border taxes add cost and paperwork to exports
Specialist talent	Critical industries need scarce specialists now, while the domestic pipeline takes a decade to build
Delivery capacity	Programmes run through annual budgets and standard civil service pay and procurement rules

2 Principles

Speed is a competitive advantage. The country that can approve a sound new facility fastest will win investment that a slower country loses, whatever its other merits.

One door, one timetable. A firm building a facility in a production region should deal with one service that coordinates every consent it needs to a single published timetable.

Certainty before generosity. Clear rules, firm deadlines and predictable decisions matter more to investors than incentives that may change.

Open to talent, independent in skills. Britain should welcome the specialists its critical industries need while it builds the domestic pipeline that will make it less dependent on them, and should reduce its reliance on low-skilled imported labour through training and automation.

Deliver at commercial pace. The bodies running the missions should have the freedoms over pay, procurement and budgets that the work requires.

3 Permission to build

C1 Give production regions permission in advance

Each production region designated under P1 of the first paper will adopt a production development order granting planning permission, subject to conditions set in advance, on designated sites for facilities that serve the region's specialism, such as pilot lines, laboratories, test facilities, manufacturing plants and their supporting infrastructure. The orders will be prepared by mayoral and local authorities using their existing development order powers, with design and environmental standards fixed when the order is made, and the government will make them where an authority does not.

Larger facilities will use the integrated infrastructure consent regime set out in the build reform paper, so that a major plant is consented through the same machinery, under the same infrastructure minister and with the same national delivery office, as a power station or a transmission line. Production facilities will not have a separate or competing route to consent.

C2 Make environmental permits fast and predictable

Complete the modernisation of environmental permitting proposed in 2025, including registration for low-risk installations and permits that cap emissions for a whole site rather than each process. For facilities in production regions, the Environment Agency will offer a funded pre-application service and will determine standard permit applications within statutory deadlines.

The deadlines will be enforceable. The regulator may extend a deadline once, by no more than three months, and only on defined grounds: that the applicant has not provided information the regulator has requested, that the applicant has materially changed the application or that the installation uses a process for which no standard rules exist and which needs site-specific assessment. Where a deadline for a standard permit passes without a decision or a valid extension, the application will be treated as approved on the standard conditions. Where an extended deadline passes for any other permit, the decision will transfer under the build reform paper's mechanism for overdue decisions to the Secretary of State, who already decides permit appeals, and who will determine it on the Environment Agency's technical advice within a further fixed period. The regulator's performance against deadlines will be published each quarter.

4 Regulators that work together

C3 Create a single consents service for mission facilities

Establish a production consents service as the specialist case-management function for production facilities within the national delivery office set out in the build reform paper. It will give every mission facility a single case manager and a single timetable, set by the delivery office, covering all the consents the facility needs, from planning and environmental permits to approvals from the Health and Safety Executive, the Office for Nuclear Regulation, the Medicines and Healthcare products Regulatory Agency and the Civil Aviation Authority. The infrastructure minister will hold final authority over the timetable and the resources committed to it, so that there is one timetable rather than competing ones. Decisions on safety, environmental protection and the approval of medicines will remain with the regulators that have the statutory duty and the expertise to make them, and the minister will have no power to direct their outcome.

Regulators will be required to work to the timetable, to accept evidence already accepted by another regulator where it meets their standards, assessing only what differs in a facility's design or operation, and to report their performance publicly. Where a regulator misses the timetable, the case will be escalated under the build reform paper's mechanism. For planning and other consents without a safety function, the decision will transfer. For safety regulators, including the Office for Nuclear Regulation, whose independence Britain is bound by international convention to protect, the delay and its reasons will be published and reported to Parliament and the regulator will be given the resources to clear it, but the decision will not be taken from it. This extends to facilities the principle already set out for materials in M2 of the third paper and for autonomous systems in R5 of the fifth.

5 Subsidy and procurement

C4 Create a streamlined subsidy route for the missions

Create a streamlined route under the Subsidy Control Act 2022 for support given under the mission programmes, with conditions that reflect each mission's published scheme. Awards that meet the route's conditions will not need to be assessed individually against the subsidy control principles, as is already the case for research and innovation, energy use and local growth. Transparency rules will continue to apply, so that every award is published.

C5 Design procurement for resilience

Publish guidance for public buyers, issued by the Production Missions Board, on how to give lawful weight to supply-chain resilience, security of supply, whole-life cost and the performance of new products, using the flexibilities of the Procurement Act 2023 and the defence and security exemptions where they apply. The demand compacts in the mission papers will specify requirements by performance and resilience rather than by origin, so that they are consistent with Britain's international procurement obligations while giving domestic producers a fair route to win.

6 Markets abroad

C6 Secure recognition of British products and approvals

Make the mutual recognition of testing, certification and approvals for mission products a priority in trade negotiations with the European Union, the United States and other allies, so that a product certified in Britain can be sold abroad without repeating the work.

Carbon border charges need a clear objective. Under the energy settlement proposed in this manifesto, Britain will abolish its own carbon border adjustment mechanism and replace emissions trading with a carbon tax of £10 a tonne, from the start of year two, and the inherited arrangements will apply until then. British exporters will still face the European Union's carbon border charge, which now applies to imports of some industrial goods. Britain will therefore negotiate for that charge to recognise the carbon tax paid in Britain, to be calculated on the verified emissions of British plants rather than default values, which matters for producers using low-carbon power, and to involve the minimum of reporting, so that exporters pay no more than the difference and face no unnecessary paperwork.

7 People

C7 Open a fast-track route for specialists in critical industries

Expand the Global Talent visa into a fast-track route for scarce specialists in the industries identified as critical in this series and in the sovereign artificial intelligence programme, including artificial intelligence, life sciences, advanced materials, semiconductors, power electronics, autonomous systems, space and nuclear. Eligibility will be limited to applicants who demonstrate expertise against a defined shortage or exceptional capability. That will mean endorsement by a designated endorsing body in the relevant field, or a senior specialist role in an occupation on a published shortage list, with

experience and pay well above the norm for that occupation. Ordinary roles that the skills papers are designed to fill through domestic training, including technician and graduate-entry roles, will not qualify, so that employers in the critical industries cannot use the route to bypass the incentive to train.

Successful applicants will receive a decision within weeks, will need no sponsor and, as with the Global Talent visa now, will pay no Immigration Skills Charge, consistent with the third skills paper. The shortage list and the endorsing bodies will be reviewed every three years on the advice of Skills England, and occupations will leave the list as domestic training catches up.

The route reflects a clear distinction. Britain's dependence on low-skilled imported labour has held down wages and investment, and the training and automation measures across this series are designed to reduce it. Highly skilled specialists are different. They create the firms, train the people and build the capabilities that make Britain less dependent over time, and the country should compete to attract them.

8 Delivery

C8 Give the Production Missions Board freedom to deliver

Give the Production Missions Board and the delivery teams of each mission freedoms over pay, recruitment and procurement comparable to those of the Advanced Research and Invention Agency, so that they can recruit people with industrial experience and commission work at commercial speed. Each mission will be funded through a multi-year budget released in five-year blocks against published gates, rather than through annual allocations, and the board will report its outcomes to Parliament each year.

9 What the missions need from energy, tax and capital

The missions depend on three further conditions that are set out in other papers.

CONDITION	WHAT THE MISSIONS NEED	WHERE IT IS ADDRESSED
Energy	Industrial electricity at a price competitive with the countries Britain competes with for investment, eligibility for support based on the products a firm makes rather than broad sector codes, and priority grid connections for facilities in production regions	The energy papers
Tax	A tax system that does not penalise investment in plant and machinery or the employment of skilled people, and stable reliefs for research and development that firms can plan around	The manifesto's tax proposals
Capital	Deeper pools of domestic capital, including pension savings, willing to invest in growing British firms and to keep them listed in Britain	The manifesto's capital market proposals

Without competitive energy, a tax system that rewards investment and capital markets that back growth, the missions will deliver less than they could. With them, the measures in this series will compound.

10 Cost

The measures in this paper are largely changes to rules and ways of working rather than new spending. The main costs are additional capacity at the regulators to meet statutory deadlines, the production consents service within the national delivery office and support for authorities preparing production development orders. The gross cost is estimated at about £375 million over ten years, including a contingency of a quarter, of which around £100 million is expected to be recovered through fees for pre-application and permitting services, leaving a net cost of about £275 million. The cost appears as its own line in the funding note.

11 Territorial application

Planning and environmental regulation are devolved, while immigration, trade and subsidy control are reserved. The Procurement Act 2023 applies in England, Wales and Northern Ireland, and Scotland has its own procurement regime.

FIELD	APPLICATION
Production development orders and environmental permits	England, with the devolved administrations invited to adopt equivalent arrangements for production regions in their nations
Production consents service	United Kingdom for reserved regulators, and by agreement for devolved regulators
Streamlined subsidy route	United Kingdom
Procurement guidance	England, Wales and Northern Ireland, with Scotland invited to adopt equivalent guidance
Recognition abroad and the fast-track route for specialists	United Kingdom

12 Legislation and delivery

INSTRUMENT	MEASURES	CONTENT
Industrial Strategy Bill	C1, C2, C3 and C8	Powers to make production development orders, enforceable permit deadlines with defined grounds for extension and deemed approval, the duty on regulators to work to the delivery office's timetable and the freedoms of the Production Missions Board
Subsidy control streamlined route	C4	A new route for mission programmes made under the Subsidy Control Act 2022
Procurement guidance	C5	Guidance on resilience and performance in public procurement
Trade negotiations	C6	Mutual recognition agreements and carbon border arrangements
Immigration rules	C7	The fast-track route for specialists in critical industries

Britain does not need to be the cheapest place in the world to build. It needs to be one of the fastest, the most predictable and the most open to the people who build the industries of the future.