

British shipbuilding, steel, AI and energy infrastructure to be prioritised for government contracts for national security

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Shipbuilding, steel, AI and energy infrastructure will be recognised as critical for national security, with new guidance prioritising contracts for British business where necessary to protect our national security.

- Government to prioritise money to boost UK resilience, with recent events highlighting the fragility of global supply chains.
- Value for money delivered as departments will consider whether contracts over £1 million could be done better in-house.
- Companies encouraged to deliver local jobs, skills and apprenticeships to strengthen bids for public sector contracts, supporting our Modern Industrial Strategy.

Shipbuilding, steel, AI and energy infrastructure will be recognised as critical for national security, with new guidance prioritising contracts for British business where necessary to protect our national security.

Recent events have shown the fragility of global supply chains, and the importance of ensuring domestic capacity in key sectors which are vital for national security.

For the first time, the government is introducing clear guidance on how departments can protect the UK's economic security and build resilience in four critical sectors: steel, shipbuilding, AI and energy infrastructure. This guidance will ensure the government does everything in its power to facilitate strong and sustainable industry in the UK.

With further requirements set for steel, departments will either use British steel or be required to provide a justification if the steel is to be sourced from overseas, in a further boost to the UK Steel Strategy launched last week.

The changes come as part of a major package of reforms that will back British business, workers and communities; protecting national security, cutting waste and giving more public money to British companies.

This will support our Modern Industrial Strategy to provide the certainty needed to drive long-term investment across the country, including our skills pipeline, and ensure our domestic supply chains are more resilient.

And it follows the government publishing its National Security Strategy, which aligns our national security objectives and plans for economic growth in a way not seen since 1945.

Cabinet Office Minister, Chris Ward said:

This Government is backing British businesses and the working people who power them. These reforms are about using the full weight of Government spending to support British jobs, protect our national security and grow our economy.

Whether you make steel in Scunthorpe, build ships on the Clyde or run a small tech firm in the Midlands, this Government is on your side.

For decades, previous governments have defaulted to outsourcing public services without properly asking whether they could be done better and more cost-effectively by public sector workers.

This will change with a new Public Interest Test, with departments now being asked to assess whether outsourced service contracts over £1 million could be delivered more effectively in-house. This test will cover over 95% of central government contracts by value. This will deliver taxpayers a fairer deal and end outsourcing by default.

This government believes its spending should do more than buy a product or service. It should create jobs, build skills and strengthen communities.

This is why community impact will now be placed at the heart of buying decisions, with companies encouraged to integrate national and regional schemes into their bids, creating local jobs and apprenticeships.

To ensure accountability, departments will publish and annually report on a specific social value goal for all contracts valued over £5 million. This will cover over 90% of central government contracts by value.

A new suite of AI tools to streamline the commercial process have also been developed. Contract terms will be simplified and additional business information will be integrated into a central platform, so that small businesses do not have to submit the same information twice when bidding for different contracts.

<https://www.gov.uk/government/news/british-shipbuilding-steel-ai-and-energy-infrastructure-to-be-prioritised-for-government-contracts-for-national-security>