

Hydrogen investment fuels South Yorkshire's next industrial era

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- Great British Energy, the UK's publicly owned energy company, and government to invest £86.5 million in a UK-first hydrogen project in South Yorkshire.
- Forged in steel, with a future in clean, homegrown energy - this investment powers the next chapter of South Yorkshire's proud industrial heritage.

The UK has taken another step forward towards clean homegrown energy, with over 400 new jobs announced in a major hydrogen investment in South Yorkshire.

ITM Power UK Ltd in South Yorkshire has today (9th April) received £40 million investment from Great British Energy, the UK's publicly owned energy company, alongside a £46.5 million government grant in principle, to deliver a major expansion of hydrogen technology manufacturing in the UK. This marks Great British Energy's largest investment in clean, homegrown power to date.

The conflict in the Middle East has shown once again the need to take back control of Britain's energy with clean, homegrown power to get off the fossil fuel rollercoaster. Since July 2024, the Government has secured over £90 billion of private investment in clean energy in the UK. This builds on major industrial projects given the greenlight such as Sizewell C, which will support 10,000 jobs at peak construction, and the HyNet and East Coast Cluster carbon capture projects that are set to create over 4,000 jobs in the North West and Teesside.

This latest investment delivers a further 400 jobs and it marks the next industrial chapter for South Yorkshire, establishing the region as the home of Europe's largest electrolyser factories. It will support a 1GW expansion of ITM's South Yorkshire facility, with skilled jobs in manufacturing and construction locally and across the wider supply chain.

The factory manufactures 'electrolysers', a vital technology required to generate green hydrogen, by using electricity to split water into hydrogen and oxygen. Without electrolysers, green hydrogen cannot be deployed at scale. This investment will accelerate the delivery of ITM's next-generation electrolyser technology - known as 'Chronos' - which has the potential to reduce costs, enhance energy efficiencies for businesses and speed up the adoption of green hydrogen across the country.

This investment will strengthen UK electrolyser manufacturing, delivering a significant breakthrough for Britain's hydrogen industry and industrial strategy - with opportunities to reduce emissions in vital industrial sectors, create skilled jobs across the country and lowering businesses'

reliance to volatile fossil fuel markets through clean, homegrown energy.

Energy Secretary, Ed Miliband, said:

This investment is the Government's clean energy mission in action- rebuilding our energy security with clean homegrown power and good industrial jobs for South Yorkshire.

Communities have long been calling out for a new generation of good industrial jobs, and with these plans we answer that call, helping to create an economy in which there is no need to leave your hometown just to find a decent job. Thanks to this government's commitment to clean energy, a generation of young people in our industrial heartlands can have well-paid secure jobs.

This has only happened thanks to months of intense collaboration between Great British Energy, our publicly owned energy company, the government and ITM Power. It is time to make and build things in Britain again, and with this Government's clean energy mission, we will.

Chancellor of the Exchequer, Rachel Reeves, said:

Sheffield was the backbone of Britain's industrial revolution, and today shows our commitment to it being at the forefront of the industries that will shape our future.

We have the right economic plan. We are backing skilled jobs, regional growth and British manufacturing - benefiting the people of Sheffield and strengthening the country's economy.

Dan McGrail, CEO of Great British Energy, said:

With this investment Great British Energy is backing British innovation, technology and hundreds of skilled jobs.

This is our Energy Engineered in the UK strategy in action. We are investing in ITM helping them to scale, compete globally and keep vital engineering expertise here in the UK.

Dennis Schulz, CEO of ITM said:

We are grateful for the confidence and support demonstrated by the UK government. Clean power increasingly underpins energy sovereignty and resilience, which are critical to long-term economic success.

The UK government's support, through a combination of equity participation and grant funding, marks a pivotal step in establishing ITM at the centre of the UK's hydrogen economy and firmly positions us as a natural partner for projects in the UK.

The funds will enable the build-out of large-scale domestic manufacturing of our next-generation Chronos platform, underpinning confidence in our technology and sustained growth.

Mayor of South Yorkshire, Oliver Coppard, said:

The government's commitment to invest £87 million to scale up ITM Power is a huge vote of confidence for South Yorkshire's clean energy economy. This is an investment that will help to not only secure the future of ITM Power in South Yorkshire, but to further build a company that's vital to our leadership of a key industry of the future.

The government's commitment reinforces South Yorkshire's status as a globally leading advanced manufacturing region, and positions the Don Valley Corridor as an international hub for hydrogen production.

Hydrogen is a fast-growing element of our energy mix, and will be essential in our ambitions to create a greener, cleaner South Yorkshire economy. The government's support means we are one step closer to meeting that challenge.

Our region powered the UK's first industrial revolution - this new investment today continues to put us right at the forefront of the next industrial revolution.

Government recognises hydrogen as a key clean energy industry that will contribute to Britain becoming a clean energy superpower, securing energy sovereignty and skilled clean energy jobs across the country.

The government's clean energy jobs plan has done will train up the next generation of clean energy workers, with employment expected to double to 860,000 by 2030.

This combined investment comes in addition to the government's commitment to the hydrogen industry at the Spending Review, where £500 million was confirmed for hydrogen infrastructure.

It also follows government's delivery on hydrogen in the UK with 10 of the first wave of green hydrogen projects all signing contracts to become operational.

The Great British Energy investment is their single largest investment to date and comes from their Energy Engineered in the UK programme announced in December. This £1 billion scheme will create jobs, unlock economic opportunities and support homegrown champions by investing in UK-based clean energy supply chains.

Today's announcement of Great British Energy's investment means they will become a shareholder in the company moving forward - demonstrating what the company were created to do: accelerating the rollout of clean, homegrown power, boosting energy security and giving the British people a stake in Britain's energy system.

Notes to editors

- The government's grant is in principle and subject to review and consideration of advice by the Subsidy Advice Unit.

- Electrolyser technology is essential for green hydrogen, using electricity to split water into hydrogen and oxygen.
- Green hydrogen in the UK is essential to achieving net zero, enabling the decarbonisation of hard-to-electrify sectors such as heavy industry, aviation and shipping.
- With this investment government and GBE are backing UK industry, supporting skilled jobs, and delivering greater energy security in support of Britain's clean energy superpower mission.

<https://www.gov.uk/government/news/hydrogen-investment-fuels-south-yorkshires-next-industrial-era>