

Space firms to scale-up and thrive in Britain with government backing for bolder strategy

4.3.2026 - | Her Majesty's Revenue and Customs

A bolder approach to space strategy will see £500 million allocated to national programmes to back high-growth technologies and help British companies scale and compete on the international stage.

Speaking today at Space-Comm Expo in London, Minister Liz Lloyd set out a clear vision to make Britain a competitive, agile space power.

A major package of investment and reform will ensure public funding is focused more sharply on four areas that drive economic growth and national security outcomes: Satellite Communications; In Orbit Servicing, Assembly and Manufacturing (such as refuelling and maintaining satellites and producing products like medicines and semiconductors in space); Space Domain Awareness (such as tracking spacecraft, debris and space weather); and Launch for assured access to space.

A range of practical tools and support schemes for high-potential companies will complement the record levels of public funding available, to improve access to finance, develop the skills and talent pipeline, and ensure space regulation and standards keep pace with innovation.

Ministers are also open to using the government's buying power to help British space firms scale faster – driving growth, boosting revenues and bolstering national security and defence.

Space Minister Liz Lloyd said:

The government recognises that the whole of the space sector – from curiosity driven science to commercial satellite services – makes an important contribution to the UK. But to deliver growth and security for the British people, we need to take a much bolder approach to how we prioritise public funding and support.

Our vision is clear – to make the UK a competitive, agile space power. We're allocating £500 million today, on top of ESA funding, to drive forward our priorities and will continue to work closely with industry and investors to maximise private capital flows and unlock the full potential of commercial space.

This is just the start, as we prepare to publish our full Plan for Space later this year.

In addition to the £1.7 billion committed to European Space Agency (ESA) programmes in November 2025, the government is allocating more than £500 million to national space programmes:

- £105 million to develop civil capabilities for in-orbit servicing and manufacturing (ISAM) – an emerging market where the UK has a strong competitive edge and opportunities to deliver significant commercial returns and strengthen national resilience
- £85 million to develop the National Space Operations Centre, including £40 million to build a new ground-based sensing network, supporting the 24/7 requirement to protect satellites and

manage an increasingly crowded space environment

- £80 million to deliver the Connectivity in Low Earth Orbit (C-LEO) programme, including for a new £30m funding call opened today to support UK businesses developing smarter satellites, advanced hardware and AI-enabled data delivery
- £65 million for the National Space Innovation Programme to accelerate breakthrough technologies and boost commercialisation
- £40 million for the Unlocking Space Programme to drive market demand for space technology, develop national security capabilities and attract private investment to support the scale up of UK firms
- £37 million to develop space clusters, building on local strengths and ensuring the benefits of space reach every corner of the UK
- £20 million to accelerate spaceport infrastructure development in Scotland

Capitalising on the geographic advantage of UK spaceports and assuring access to space remains a key government priority. The UK committed a record £162 million to ESA launch programmes in November, primarily through the European Launcher Challenge, and the focus now is on accelerating launch from Scotland.

The UK's world-leading expertise in space science and astronomy is also backed with a £91 million injection into the UK Space Agency's national space science programme.

A significant step towards improved coordination of the UK's space endeavours is the merger of the UK Space Agency into the Department for Science, Innovation and Technology (DSIT), which will complete next month, bringing technical space expertise closer to central government. A full Plan for Space will follow, setting out in detail how government departments will work together to deliver the nation's space priorities over the coming years.

Minister for Defence Readiness and Industry Luke Pollard MP said:

Space is vital to how we live our day to day lives, with satellites enabling us to communicate instantly around the world. Our satellites also underpin our Armed Forces' operations on sea, over land and in the air, and we are committed to protecting our assets in space from interference by adversaries who seek to disrupt us.

Space Academic Network Co-chairs Professor Mark Sims and Professor Anna Hogg said:

The Space Academic Network (SPAN) welcomes the integrated One Government approach and looks forward to academia playing its full role in driving sector growth through sustained investment in research and development.

Universities are central to strengthening industry capability, advancing new technologies and missions, and training the next generation of space professionals.

Overall, the UK Space Agency's budget grew by 8% last year, with £2.8 billion allocated until 2030. This funding supports the UK's dynamic space sector, which employs more than 55,000 people across the country, and the development of national space capabilities that contribute to wider economic growth and national security.

<https://www.gov.uk/government/news/space-firms-to-scale-up-and-thrive-in-britain-with-government-backing-for-bolder-strategy>