

£14 million funding boost to power UK space technology innovation

19.3.2026 - | Her Majesty's Revenue and Customs

UK businesses can today apply for a share of up to £14.7 million in funding from the UK Space Agency, unlocking new opportunities to develop cutting-edge space technologies and strengthen the UK's industrial capability.

The funding is available through the European Space Agency's (ESA) General Support Technology Programme (GSTP), its flagship programme for maturing new space technologies from early-stage research to flight-ready demonstration.

This call follows strong demand from industry and new evidence showing that UK participation in GSTP is delivering significant economic and technological benefits. The UK has been involved in the programme for more than 30 years and committed £46 million at ESA's 2025 Ministerial Council, helping organisations develop critical home-grown technologies, compete internationally, and secure future work from ESA and commercial markets.

Read more about GSTP and the application process.

Lord David Willetts, Chair of UK Space Agency, said:

We are very pleased to be providing this further funding for new technologies across the space sector. The evidence shows this programme provides a real boost to individual companies and the wider economy.

A UK Space Agency impact analysis of 44 GSTP projects (31% of funding, 2019–2024) found strong benefits for UK industry, especially SMEs. Projects advanced an average of 2.28 Technology Readiness Levels, with some progressing up to four levels in a year. TRLs indicate how close a technology is to real-world use, the higher the number, the more developed it is.

The sample also generated £24.6 million in additional revenue, delivered a 116% return on public investment and created 113 new jobs, the majority within SMEs. Many participating companies also went on to attract private investment.

GSTP funding is helping UK companies scale and compete internationally. Bristol-based SME iCOMAT used the programme to demonstrate an advanced composite manufacturing process for spacecraft structures. The company developed a prototype that was 25% lighter and 30% stronger than conventional designs, boosting its credibility, attracting customers, and enabling £18 million in private investment.

Space Forge has also benefited, using GSTP support to develop a reusable re-entry heat shield, a key technology for returning high-value materials manufactured in space. The funding enabled design, prototyping and early testing ahead of flight trials, helping the company secure £12.3 million in private investment, build a UK supply chain, and create 20 skilled jobs.

The analysis also shows that GSTP is strengthening collaboration across the UK space sector. Nearly three-quarters (73%) of organisations formed new partnerships through the programme, including valuable links between SMEs and major system integrators. Innovation levels were consistently high: 90% of SME-led projects developed novel technologies, while 72% identified applications beyond the space sector. Overall, the programme supported 23 technologies unique to the UK, with several expected to be first-of-their-kind in Europe or even globally.

Demand for GSTP funding has grown rapidly, with the UK's previous allocation fully committed ahead of schedule and no new calls since March 2024. This new £7 million call, part of the wider £14.7 million package, is expected to be strongly welcomed by industry. Updated rules will introduce co-funding requirements and a fixed-value framework to maximise value for money while continuing to support strategically important capabilities.

Alongside this, a separate call will invite UK organisations to bid for £7.7 million in fully funded ESA technology contracts. These opportunities are open to organisations of all sizes, including universities and non-space companies, helping to broaden participation and secure high-value ESA work for the UK.

<https://www.gov.uk/government/news/14-million-funding-boost-to-power-uk-space-technology-innovation>