

House of Commons: Written Statement (HCWS1149)

Department for Business and Trade

Written Statement made by: **Minister for Industry (Chris McDonald)** on 10 Dec 2025.

British Steel

The Government committed to updating Parliament on British Steel every four sitting weeks for the duration of the period of special measures being applied under the Steel Industry (Special Measures) Act 2025 ("The Act").

The Government's priority remains to maintain the safe operation of the blast furnaces at British Steel. Government officials are continuing to provide on-site support in Scunthorpe, ensuring uninterrupted domestic steel production and monitoring the use of taxpayer funds.

On funding, the position remains that all government funding for British Steel will be drawn from existing budgets, within the spending envelope set out at spring statement 2025. To date, we have provided approximately £274 million for working capital, covering items such as raw materials, salaries, and addressing unpaid bills, including for SMEs in the supply chain. This will be reflected in the Department for Business and Trade's accounts for 2025-26.

The impact assessment relating to the Act has been submitted and is currently awaiting review by the Regulatory Policy Committee. It will be published in due course following their scrutiny. We are also continuing work on the introduction of a compensation scheme for steel undertakings in scope of the Act.

We continue to work with Jingye to find a pragmatic, realistic solution for the future of British Steel. As we have stated previously, our long-term aspiration for the company will require co-investment with the private sector to enable modernisation and decarbonisation, safeguard taxpayers' money and retain steelmaking in Scunthorpe. Once a solution is found, we will terminate the directions issued to British Steel under the Act and make a statement on the need to retain, or repeal, the legislation.

Steel Strategy

The Government remains committed to supporting the UK steel sector and delivering a steel strategy. A robust position on trade is a critical element of this strategy, underpinning our approach to defending against unfair practices and global over-capacity. We are prioritising developing robust measures in light of the UK steel safeguard expiring during 2026 to protect our domestic sector, making sure there are healthy levels of imports, and engaging with our partners. We will therefore publish the steel strategy in early 2026.