



Department for
Energy Security
& Net Zero



Department for
Business & Trade

Cllr Keith Cunliffe
National Chair
Industrial Communities Alliance
Regent Street
Barnsley S70 2EG

Chris McDonald MP
Minister for Industry
Department for Energy Security & Net Zero
and
the Department for Business and Trade

55 Whitehall Old Admiralty Building
London Admiralty Place
SW1A 2HP SW1A 2DY

www.gov.uk

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By email: natsec@ccc-alliance.org.uk

23 January 2026

Dear Cllr Cunliffe,

Thank you for your letter of 12 December and for our constructive prior meeting with you and your colleagues, in the Industrial Communities Alliance. I am grateful for the Alliance's long-standing work to champion former industrial areas across England, Scotland and Wales and I appreciate your clarification from the points in our meeting and your energy in seeking practical ways of supporting industrial growth in less prosperous parts of the country.

You are right that DBT has lead responsibility for supporting business growth across the regions, including policy on subsidy control (with independent oversight by the CMA's Subsidy Advice Unit). We continue to steward the UK's Subsidy Control framework and to help public authorities design lawful, effective interventions that drive productivity and investment.

While we will not recreate the assisted areas approach, this Government is taking forward a broader, place-focused programme to back growth in every part of the UK. In particular:

- **Strategic sites and local growth levers:** We are bringing forward more investment-ready sites and strengthening the environment for private investment, complementing the role of Investment/Freeport zones and other place-based initiatives. This includes coordinated action with mayors and local authorities on infrastructure, site preparation and investor aftercare.
- **Backing clusters and priority sectors:** We are helping regions capture opportunities in clean energy, advanced manufacturing and other Industrial Strategy sectors by aligning investment promotion with local strengths and supply chains.
- **Growth Mission Fund (GMF):** A mechanism to identify and accelerate high-impact projects, working with partners to develop a robust pipeline. Officials are already triaging candidate projects and gathering evidence to ensure value for money and impact.

Taken together, these tools are designed to raise business investment, unlock sites, and deepen local supply chains, the same objectives historically pursued through geographically targeted aid, but delivered in ways that fit today's legal and market context.

Under the UK's Subsidy Control Act, public authorities must demonstrate, case by case, that any subsidy is necessary, proportionate, and designed to minimise distortion of competition and investment. This principle-based regime does not provide for broad, geography-based uplifts in aid intensity of the kind used under the former EU State aid and Assisted Areas system. Ministers have also heard the concern that the end of Assisted Areas limited the ability to prioritise disadvantaged regions. However, the UK framework requires a different approach focused on targeted, evidence-led interventions rather than blanket area designations.

In this context, would welcome the Alliance's expertise to help us focus interventions where they can make the biggest difference to growth and productivity in industrial areas. I have asked officials in DBT's Local & International Growth directorate to contact your office to arrange a follow-up discussion so that they can explore, with your team, how we can use our collective intelligence and insight to drive stronger growth from our industrial clusters around the UK.

Thank you again for engaging so constructively. I look forward to continuing this dialogue and to working together to deliver tangible outcomes for the communities you represent.
Yours sincerely,

Yours sincerely,



Chris McDonald MP

Minister for Industry

Department for Energy Security & Net Zero and Department for Business and Trade