

Reynolds set for fresh talks on British Steel rescue deal

The business secretary will this week hold a fresh round of talks with British Steel's Chinese owner amid protracted talks about a state bailout of the Scunthorpe-based company.

Sky News has learnt that Jonathan Reynolds will discuss the future of the industrial group with Jingye Group's boss, Li Huiming, in the latest chapter of a negotiation which has been dragging on for more than two years.

Jingye, which bought British Steel in 2020, is seeking hundreds of millions of pounds from the government to electrify steelmaking at its Scunthorpe plant, where thousands of people are employed.

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It follows a £500m grant handed to Tata Steel, owner of the Port Talbot site in South Wales, last autumn.

Over the weekend, Mr Reynolds signed off on a consultation on plans to support the steel industry, including state financial support worth up to £2.5bn.

The proposals include tackling high electricity costs and improving the UK's scrap metal processing capabilities.

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“The UK steel industry has a long-term future under this government,” Mr Reynolds insisted on Sunday.

It comes amid the uncertainty for producers posed by US President Donald Trump's broad imposition of tariffs on overseas steel companies.

Whitehall sources said that no formal decisions were expected to be reached during Tuesday's talks between Mr Reynolds and Mr Li.

A spokesperson for the Department for Business and Trade declined to comment.