

## UK Expands Covert Security Investment Fund Amid Rising Tech Threats

July 16, 2025

— Categories: Defence & Security



The UK government has significantly expanded its National Security Strategic Investment Fund (NSSIF), a once little-known initiative that supports British intelligence agencies, including GCHQ, MI5, and MI6. The fund, now receiving an additional £330 million over the next four years, is moving into a more public role as the government strengthens its approach to emerging technological threats.

Initially launched in 2018, NSSIF was modelled on the United States' In-Q-Tel and designed to support technologies with both commercial and national security applications. Until recently, the fund operated largely out of the public eye, but it is now beginning to engage more openly, hiring communications staff, participating in public forums, and presenting itself as a central pillar in Britain's long-term security and innovation strategy.

According to senior fund officials, the NSSIF was created in response to growing competition from authoritarian states in the tech sphere. The ambition was not just to maintain a technological edge for the UK's intelligence community, but also to support domestic innovation and prevent critical start-ups from falling into foreign hands. Among the fund's interests are areas such as quantum computing, artificial intelligence, cybersecurity, and advanced sensing technologies.

The war in Ukraine has reinforced the role of modern technology in warfare, and this has shaped NSSIF's development. Senior advisors note that military and national security resilience increasingly depends on advanced commercial technology, especially in areas such as drone autonomy, secure communications, and satellite-based intelligence.

The government's investment is intended to help promising British firms scale up in strategically important sectors while also supplying tools that intelligence and defence agencies urgently require. This dual mission, supporting national security while nurturing UK-based tech industries, marks a fusion of economic and defence policy.

However, questions remain over how the fund will balance its growing public visibility with the sensitive nature of its work. Transparency brings public trust, but too much exposure could complicate its operations or

risk political interference. There are also concerns that, without firm oversight, commercial priorities could undermine the fund's security mission.

Nonetheless, the expansion of NSSIF underscores a broader strategic pivot. The UK is now looking to meet modern security challenges not only through traditional defence spending, but by embedding national resilience into its innovation ecosystem. Whether this initiative delivers on its full promise will depend on maintaining a careful balance between secrecy, strategy, and national interest.