

## Briefing pack for incoming UK Government

### About

This document is targeted at new Ministers and their departmental officials. It gives the current state of policy issues for energy and product topics, and sets out an industry's view on actions the new Government should focus on. By including a review of work carried out, promised or left unfinished by the previous Government, we allow new Ministers and their departmental officials to make a fast start by utilising what has already been worked on as well as highlighting the significant remaining gaps. Some manifesto and previous policy pledges have the potential to deliver on our recommendations, but other structures will need to be developed and details worked through in collaboration with industry.

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## Introduction to BEAMA

*The trade association for energy infrastructure & systems*

BEAMA is the UK manufacturing trade association for the electrotechnical sector, providing leadership, expertise and independent influence in the areas of product safety, performance, energy efficiency, digital and sustainability.

BEAMA represents over 200 suppliers and manufacturers of electrical components essential for decarbonising the UK economy: from electrical grid transforms and smart meters, through to EV charge point and heat pump manufacturers. Our sector has been identified as

having amongst the largest growth potentials of any industry in the UK, manufacturing the key components essential to the UK's Green Transition. With a sector currently valued at over £15 billion, contributing over £5 billion to the UK high-tech exports yearly, our 200+ members are already helping the UK transform into the world's low-carbon workshop.

[Click here](#) for an animated introduction to BEAMA.

View our [Net Zero by Industry](#) video on our home page.

Product areas in our scope include:



## Our current links to Government departments

Given our product scope, we hold working relationships with DESNZ, DBT, Defra, DLUHC, DfT and OPSS. We also engage with the regulators and other public bodies related to those departments. These engagements take the form of bilateral meetings, Government-led stakeholder groups and industry forums that have Government participation. We request that the new Government does not immediately scrap all current industry stakeholder groups. Instead these should be reviewed and given a clear remit, with transparent opportunities for qualified and evidence-based stakeholders to make new links to Government. Important groups the Government should continue to engage with include:

- BEAMA's Electricity Products Supply Chain Council, which is responsible for an action on electricity networks deployment (active participation from DESNZ and DBT, and other public agencies) and the Ministerially-supported Electricity Networks Forum that this feeds into
- The Joint Trade Association, which has strong links on environmental policy such as waste, recycling and circular economy (active participation from Defra)
- The OPSS Business Reference Panel, which gives a good overview from officials on key product safety policy and enforcement
- The DESNZ Smart Secure Electricity System Advisory Board, allowing industry input into policy on smart connected products and the necessary consumer and data protections
- The DBT UKCA consultative group, allowing industry input into changes to product marking requirements

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## Commercial status of our members' markets

Sector	Status
Smart meters	After more than a decade, Great Britain's smart meter rollout has stalled. It was planned to be complete by the end of 2019 but in 2024 only 65% of homes have a smart electricity meter installed and 40% of electricity meters are not smart or not operating in smart mode. Several companies have left the UK domestic metering market and others are in the process of withdrawing due to the sluggish rollout and

	<p>the investment nightmare of making an immensely complex product, with no scope for innovation, exclusively for the GB market, at a commoditised price.</p>
<p>In-home energy displays</p>	<p>Products include smart meter in-home displays (IHDs) and consumer access devices (CADs, providing consumers direct access to smart meter data). Companies are a combination of start-ups launched with the start of the smart meter roll out and major international companies. The current market size is approximately the same as the smart meter market size as IHDs must be provided with smart meters plus Pre-Payment IHDs. There is a small market for replacement IHDs and CADs. The market has been afflicted by the same challenges as the smart meter market and is currently in decline. There are also trends towards non-compliant IHDs that threaten the interoperability of smart metering. The proposal for a virtual CAD to provide internet communication between smart meters and the DCC promise significant market development. There is a need to inject urgency into the implementation of the virtual CAD proposal as an important element of unlocking the smart meter roll-out.</p>
<p>Electricity networks</p>	<p>This group covers manufacturers of equipment for the electricity transmission and distribution network industry. Many supply to the GB market regulated by Ofgem, but also to industrial and commercial customers and independent connection providers as well as exporting to markets abroad. Transmission equipment suppliers tend to be large multinationals while for distribution we also have some SMEs in membership. There is an imperative for significant growth in this sector driven by new and replacement networks to meet our Carbon Budgets and 2050 Net Zero requirement, with a forecast <a href="#">doubling</a> of electricity demand by 2050.</p> <p>Growth in electricity networks will be primarily driven by the uptake of heat pumps and electric vehicles, connection of low carbon power generation to the networks, and policies influencing these trends. Demand for network equipment is growing globally and there is international competition for capacity to manufacture long-lead items. However, the political and commercial certainty in form of a visible pipeline of network investment is not yet clear enough, and is less certain than in other countries. This is making companies reluctant to invest, or look to invest in other markets. We are working to better quantify the value-add opportunity for UK industry of growing the electricity network infrastructure manufacturing sector.</p>

<p>Smart devices for buildings</p>	<p>This group has quite disparate interests ranging from primary service technologies (e.g. heating products) through to controls and enabling devices for communication. It contains some immature companies living somewhat hand to mouth dependent on policy direction and adherence to existing policy instruments. All companies will be affected by developing licencing and market framework conditions for flexibility.</p> <p>With plans to introduce specification mandates for energy smart appliances, we would expect a range of market-led propositions that should benefit sales of technologies such as heat pumps, electric high retention storage heaters, heat batteries for heat and hot water, battery energy storage systems and EV charge points. However, in a largely unregulated market currently, we will need to watch closely how propositions develop on the supply side to ensure customers are not left with redundant assets that do not comply with minimum requirements. Additionally, as this is a fledgling market, the introduction of ESA specifications needs to allow lead times that can justify R&amp;D investment along with some clarity on the commercial outlook for customer facing DSR service propositions.</p> <p>Away from ESAs, enabling device markets e.g. In Home Displays are suffering from the lack of smart metering focus across the energy supply framework, with some developing propositions that do not even meet the smart metering mandate which is designed to accommodate half-hourly settlement and provide real time data.</p>
<p>Ventilation products for buildings</p>	<p>A sector populated by mature companies in a high growth area due to an increase in awareness of the importance of Indoor Air Quality and a rise in new build specification for ventilation systems. A small number of companies are multi-nationals, but most UK-based businesses offer export solutions. The UK sector has seen a marked increase in sales for whole house ventilation systems and positive input ventilation, particularly driven by social housing specification in the past two years. Notwithstanding the increase in sales in some product groups, this has been at the expense of sales drop off in unit extract fan sales where we would see continuous extract ventilation as an essential solution for the private rented sector which currently represents 23% of the poorest performing housing stock, requiring some form of policy intervention linked to Decent Homes standard and Minimum Energy Efficiency Standards for buildings (based on EPC ratings, ambition for which was scaled back in the last Parliament).</p>

<p>Heating controls</p>	<p>The controls sector has a large number of manufacturing companies, either offering dedicated controls solution expertise or propositions from an aligned industry e.g. boiler manufacturers. In recent years the sector has benefited from sensible policy interventions that have finally regulated for the installation of Thermostatic Radiator Valves (zoned control) or some level of programmable room thermostat. The latter has witnessed significant growth in the years since 2020, but 2023 saw some controls categories drop off due to some turbulence in the boiler market, possibly due to heat pump sales increases (although sales in that sector have been modest). The opportunity for this sector now rests with compensating controls which offer high energy efficiency benefits for customers and look set to be regulated as a minimum requirement from 2025/2026, depending on regulatory policy intervention being followed through.</p>
<p>Electric resistive heating and hot water</p>	<p>Products include electric underfloor heating, radiators, panels heaters, storage heaters and boilers all dedicated to space heating, and on the domestic hot water side, we have stored hot water cylinders, instantaneous water units and showers. All these products are heated electrically.</p> <p>The Companies represented are a mix of Multinationals and SMEs, but most are medium sized enterprises.</p> <p>Of the total population of 28 million homes in the UK, approximately 2.8 million use electric heating as a primary heating means (excluding heat pumps), and, of these 1.4 million are flats and apartments. Over the last few years electric resistive heating has predominantly been sold into the retrofit market. The market share has been slowly declining, but now shows signs of stabilising because these systems are becoming increasingly popular in new-build flats with low thermal demand, because the capital and running -costs are relatively low in these applications.</p> <p>It is likely that the use of direct-acting electric solutions will increase in popularity as they are now being recognised in certain quarters. as an effective net-zero alternative to a heat pump for these applications i</p> <p>The wider energy market developments that are needed to support this sector are:</p> <ul style="list-style-type: none"> <li>• The new build regulations (Future Homes Standard and Home Energy Model) need to recognize the existence and efficacy of these technologies as viable alternatives to heat pumps for smaller new-build flats and apartments and ensure that compliance can be achieved easily.</li> </ul>

	<ul style="list-style-type: none"> <li>• The re-alignment of electricity pricing relative to gas will also have a significant impact on acceptance of this technology.</li> <li>• The growing value of flexibility. Some products in this sector are already recognized as Energy Smart Appliances, e.g. High Heat Retention Storage Heaters, and domestic hot water cylinders, which have significant storage capacity. However, manufacturers of electric heating technologies that have some limited heat storage potential envisage that they might be able to take advantage of the value of flexibility at some stage in the future, if they were to develop products that are smart and are able to capture value emerging from flexibility.</li> </ul>
<p>Underfloor heating (hydronic, ie water-based)</p>	<p>This Group manufactures different UFH systems to suit new and retrofit domestic and commercial applications, and to suit a variety of different floor -covering materials.</p> <p>The member Companies range from Multinationals to SMEs, selling into an established market which is small (4% domestic market penetration) but growing.</p> <p>The target market has historically been privately owned, large, detached houses, but this is now evolving as major housebuilders are now more receptive to the technology.</p> <p>UFH systems are compatible with fossil-fuelled boilers but are most applicable when mated with an air-to- water heat pump. The FHS requirement to have a maximum flow temperature of 55 degrees for new heating systems means that an air- source heat pump if supported by an UFH system can have a flow temperature as low as 30 Degrees C to achieve the maximum efficiency of any heating system. This combination is seen as a utopian solution and will spur the growth of the UFH new-build market share.</p> <p>The continuing growth of this market sector hinges on the Government’s acceptance that UFH’s effectiveness and responsiveness has been misunderstood and under-represented in SAP, and that misunderstanding has been carried over into the HEM proposals. This group is working with DESNZ to provide evidence that supports those contentions and is reliant on the Government’s willingness to accept the evidence and act upon it.</p>
<p>Water treatment products for heating systems</p>	<p>These products, including chemical inhibitors and debris filters, which benefit the efficiency of heating systems and reduce likelihood of heating appliance breakdown. Water treatment for heating systems is</p>

	<p>included in the Building Regulations Approved Document L, including measures based on a BSI standard to clean and treat systems. However, comparing water treatment sales statistics with heating appliance sales shows under-compliance. Market growth could be improved should property owners be encouraged or required to maintain heating systems more thoroughly and regularly, which would also improve heating efficiency and reduce rates of breakdown, but we currently lack a regulatory mechanism to increase maintenance rates.</p>
<p>Electric vehicle charging infrastructure</p>	<p>The group covers AC and DC electric vehicle charging products and associated software, which are used for the safe and reliable charging of electric vehicles and plug in hybrids. This includes EV chargepoints located in domestic, commercial, and industrial properties. There are approx. 1 million private EV CPs and 50,000 Public CPs.</p> <p>Regulations have been introduced for EVCPs (Smart Charging and Public Charging Regulations) with challenging timescales and questions over opportunities for proper industry scrutiny of policy, which caused some disruption to the market. Other regulatory interventions have sought to increase availability of EV chargers, such as those requiring EVCP provision for some buildings, but the trajectory of CP deployment still lags where it needs to be to hit net zero transport ambitions.</p> <p>Growth in the sector is dependent at a domestic level on government providing suitable grant and tax incentives for consumers to purchase EVs and home charging equipment. Key to this is the retention of close-to-zero benefit-in-kind tax rates for company electric cars and assistance with the additional installation costs for home EV charging due to the need to upgrade existing domestic electrics. At a public charging level enabling the rapid upgrade of UK grid infrastructure to enable connection of charging stations, along with necessary attention to planning challenges will be vital to avoid stagnation.</p>
<p>Building electrical systems</p>	<p>Products from manufacturers of the Building Electrical Systems sector are necessary enablers for the electrification of the UK. These products form the basis of the installations for EV infrastructure, low carbon heating, smart homes, data centres and of course micro grids such as domestic solar PV and battery storage systems. Market growth is currently relatively flat, but this can be improved through better policy consistency, positive, economic conditions, favourable investment conditions for reshoring manufacturing, an upturn in the construction sector, and a strong retrofit trajectory for buildings. Improved markets for electric heat and transport products would directly benefit this sector.</p>

	<p>Products are traditionally sold via the wholesaler or direct. This environment has seen significant change in recent years to sales of electrical infrastructure products in online marketplaces. The fulfilment houses (FHs) are unlegislated: FHs do not accept responsibility for the goods as they don't hold title on the goods (so don't supply as defined in Trading Standards legislation), and do not generally even know what products they are handling. Without a responsible person based in the UK or EU it is difficult for consumers to obtain redress and for Trading Standards services to take enforcement action for the supply of non-conforming products. To improve product safety and ensure a level playing field for all manufacturers the issue surrounding this is still to be addressed.</p> <p>See BEAMA paper: <a href="https://www.beama.org.uk/resourceLibrary/beama-paper-on-fulfilment-houses-in-the-uk.html">https://www.beama.org.uk/resourceLibrary/beama-paper-on-fulfilment-houses-in-the-uk.html</a></p> <p>Additional key topics that affect business are regulatory requirements from UKCA marking, electrical waste and chemicals regulation, electrical safety requirements (inspections in rented properties and enforcement on non-compliant products), compliance in online marketplaces, sustainability topics and the further development of Building Safety Act secondary legislation.</p> <p>We will shortly be publishing research showing the scale of upgrades needed to building electrical systems to allow increased loads – from electric heat and transport in buildings – to be added safely and securely.</p>
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## Policy recommendations

The previous Government has left a lot of unfinished business, but also made progress in some areas that should not be discounted. Here is a detailed but non-exhaustive review of policy areas important to BEAMA that a new Government will need to address.

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## Environment (Defra)

### F Gas/SF6

Topic	Status	BEAMA recommendation
F Gas restrictions	F Gases are used in some types of heat pumps and electricity network transformers. If released into the atmosphere, they have an impactful Global Warming Potential so Governments place restrictions on these which are likely to ramp up over time. The EU has confirmed phase-outs of some F Gases and applications starting on a staged basis from 2027, but while the UK already has some <a href="#">F Gas restrictions</a> and rules on products in-situ that use substances like SF6, it has not yet committed to a full phase-out.	Industry is looking at, and in some cases already adopting alternatives to F Gases, but the transition is not simple or without some negative consequences (eg potentially on product efficiency and presence of other chemicals). We have had some communication with Defra on this but it would be useful for Government to clarify its intended legislative approach on restrictions and transition. BEAMA is involved in developing guidance for the EU regulations and can share this with Defra officials when complete.

### Packaging and waste

Topic	Status	BEAMA recommendation
WEEE (Waste electrical and electronic equipment)	A Defra <a href="#">consultation</a> on a revised WEEE system in the UK closed in March 2024. The consultation was published years later than originally promised. Some issues such as incentivising recyclability through the WEEE system (modulated fees) were more of a call for evidence than firm policy proposals.	Defra should review the consultation submissions and publish its own response and policy decisions as soon as possible. A holistic view should be taken rather than just placing obligations on manufacturers, which may not always feasibly lead to different outcomes if factors like feasibility of kerbside collections, enforcement of non-

		<p>compliance, trade-offs with safety and overlap with other policy areas are not resolved.</p> <p>WEEE should be considered alongside other circular economy policies as part of a true Government circular economy plan, which is massively lacking in clarity and coherence compared to EU policy.</p> <p>The Joint Trade Association, currently chaired by Amdea but with BEAMA participation, is an important forum and liaison point for Defra officials, and this should continue to be supported by Government. The new scheme administrator should be industry-led.</p>
<p>Extended Producer Responsibility for packaging</p>	<p>The Defra <a href="#">EPR policy proposals</a> gave a reasonably clear trajectory, though some of the implementation (payment of fees) was delayed partly due to poor planning or underestimation of sequencing of setting up new administrators. Currently requirements are on recording and reporting of data for large businesses, which small businesses will need to report from 2025. Producers would be required to fund the administration of the regulations.</p>	<p>We need clarity on whether the other initially proposed measures, such as recyclability labelling and targets for re-use of packaging, will still be implemented.</p> <p>More widely, we need a proper strategy that takes in feasibility and efficacy, rather than a sole strategy of placing obligations on manufacturers with no other supporting measures. Costs for businesses could be very high but there is no reliable estimate on what this could be as yet.</p>
<p>Plastic Packaging Tax</p>	<p>This has been in place as an <a href="#">HMRC tax</a> since April 2022. A consultation on technical changes closed in May 2023 and we still don't have a Government response. This is not the most impactful issue but we must not be waiting a year in future for a response to a consultation.</p>	<p>The consultation response should be published to give industry clarity.</p> <p>Government could revisit the benefit of having two separate plastic packaging schemes from two different departments, which we challenged during policy development.</p>

Circular economy of products

Topic	Status	BEAMA recommendation
Circular economy strategy	Scotland and Northern Ireland have or are planning to have circular economy strategies. UK Government lacks a clear and coherent circular economy strategy, and the <a href="#">National Audit Office found</a> that Defra has not fully delivered on its 2018 Resources and Waste strategy. The EU has a far clearer vision of circularity for products such as the large programme of work under its <a href="#">Circular Economy Action Plan</a> .	<p>A circular economy strategy should be developed in collaboration with industry and noting existing industry non-regulated positive efforts. It should deliver a clear policy trajectory for circularity of products, and bring together all relevant departments and related policies (such as Ecodesign under DESNZ, waste and recycling under Defra, buildings design under DLUHC etc). This should help reduce duplication or mismatch of efforts. It also needs to consider consumer behaviour and how less common business practices might be implemented.</p> <p>UK should recognise the progress made on circular economy policymaking at EU level and work with businesses to understand the impacts of divergence.</p>

Digital Product Passport

Topic	Status	BEAMA recommendation
Digital Product Passport	The <a href="#">Digital Product Passport</a> is being developed at EU level as a method to make product information, including relating to circularity, more detailed and consistent for consumers and for authorities. The product scope will eventually be wide and all relevant companies selling into the EU will be required to comply, so this will affect many UK companies.	The UK Government should urgently assess the plan for the DPP and consider whether similar measures would be beneficial in the UK to meet policy aims on digital product information, environmental performance and making progress to net zero. It will also be an important trade-related issue. As such, officials and Ministers from DBT, Defra and DESNZ at a minimum should collectively be

	<p>The DPP is a logical consequence of the policy aims developed by the EU, many of which are shared by the UK.</p> <p>Currently, UK Government does not appear to have a strong policy programme to assess the impact of the DPP or whether the UK would adopt similar measures. There is a UK Standards committee beginning to look at this with some involvement from OPSS that will also feed into European standards development.</p>	<p>working on this, with plentiful industry engagement, especially with BEAMA as we have been reviewing the DPP development over the last few years.</p>
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## Chemicals

Topic	Status	BEAMA recommendation
Chemicals strategy	<p>This was <a href="#">promised in 2023</a> 'by the end of the year' but has not been delivered. Govt promised divergence with EU. RoHS and REACH divergence can be costly and can leave harmful substances unregulated. It is inefficient regulation when an excellent evidence base from the EU is publicly available. We have a <a href="#">consultation</a> on UK REACH currently, due to close on 25 July, but this is procedural in nature rather than transformative.</p>	<p>Government needs to revisit the UK's approach to chemicals regulation, ensuring this is comprehensive, ensures safety and is efficient, including using evidence available elsewhere if this has been thoroughly gathered. A chemicals regime that diverges from the EU is not the most helpful for businesses and entails higher costs, for example around <a href="#">£40,000 to apply</a> for an exemption under the RoHS system when evidence on suitability of exemptions already exists in the <a href="#">public domain</a>.</p>
Substance restrictions	<p>Defra issued a <a href="#">consultation</a> on potential amendments to the Persistent Organic Pollutants (POPs) Regulation which closed in March 2023, and said it would make changes 'when Parliamentary time allows'.</p> <p>In March 2024 also <a href="#">announced changes</a> to restrictions on polychlorinated biphenyls (PCBs), to be legislated when parliamentary time allows, but this has not yet happened.</p>	<p>The time taken between publishing plans to change restriction of substances and the actual legislative process starting is too long and creates uncertainty in industry. Product development and legal changes take time, so extended uncertainty is costly and unhelpful. Defra should give clarity to industry on the POPs and PCBs changes as soon as possible.</p>

## Industrial decarbonisation (DESNZ, DBT, DLUHC)

Topic	Status	BEAMA recommendation
Industrial electrification	DESNZ published a <a href="#">call for evidence</a> on how to enable industry to switch away from fossil fuels to electricity. This closed in October 2023 but has not yet had a Government response. BEAMA members and others in industry want to accelerate decarbonisation of their commercial and industrial processes, but need certain conditions to make this a favourable and realistic option.	We need a Government response to the call for evidence, and further clarity on how barriers to industrial decarbonisation will be further enabled. Important topics include long term energy strategy, skills, the price of electricity, grid connections and availability of finance.
Scope 3 emissions reporting	Scope 3 emissions refers to indirect emissions from a company's value chain (as opposed to Scope 1, direct emissions from owned sources, and Scope 2, indirect emissions from generation of purchased energy). DESNZ published a <a href="#">call for evidence</a> on the costs, benefits and practicalities of Scope 3 greenhouse gas emissions reporting in the UK. This closed in December 2023 but Government has not yet published a response.	We need Government clarity on this issue. BEAMA is acting to support its members with a <a href="#">Net Zero Service and Hub</a> , and there are numerous initiatives on emissions reporting. We need Government to tie into this work, and clarify its approach to industry transition, international alignment, long-term policy and industry engagement.
Transition finance market review	Government commissioned a report into growing transition finance in the UK, to look at how to support companies here and abroad to continue to access the capital they need to decarbonise and deliver net zero ambitions. It was due to report back to Government by July 2024.	We will need action and clarity on industrial decarbonisation and finance, and still hope to see the report published in July 2024 given it involved independent advisors and participants.
UK Sustainability Disclosure Requirements	In May, Government published an update on the status of the UK Sustainability Disclosure Requirements (SDR). Within this update, they gave expected decision dates, subject to endorsement decision:	We need clear and early engagement with industry as we develop the UK SDR framework. Reporting under this framework could require companies to gather information which they don't currently have access to – time to prepare is vital.

	<ul style="list-style-type: none"> <li>• Q1 2025: Government to decide on using the International Financial Reporting Standards (IFRS) Foundation's International Sustainability Standards Board (ISSB) baseline standards to underpin UK Sustainability Reporting Standards.</li> <li>• Q2 2025:             <ul style="list-style-type: none"> <li>◦ FCA to introduce Sustainability Reporting Standards requirements for UK-listed companies.</li> <li>◦ Government to decide on sustainability reporting requirements for UK companies that do not fall within the FCA's regulatory perimeter.</li> </ul> </li> <li>• 2026: Earliest expected start for reporting requirements to begin (considering consultation and Parliamentary approval processes).</li> </ul>	<p>We also need alignment with other reporting requirements from countries around the world to ensure a single reporting methodology and system. This reduces regulatory burden and confusion, whilst increasing global comparability and consistency.</p> <p>We are supporting our members with understanding sustainability reporting and would encourage engagement and collaboration as we enter a new phase of UK reporting for businesses.</p>
<p>Transition Plan Disclosure</p>	<p>Government committed to a consultation in Q2 2024 on their approach to transition plan disclosures for UK companies. This consultation was anticipated but not released.</p>	<p>There is much speculation from industry on whether transition plan disclosures will become mandatory and, if so, which businesses this will apply to. Credible and well informed transition plans take time to develop and we need early industry engagement to understand if and when disclosure requirements may apply.</p> <p>This will allow industry time to prepare transition plans. As part of our support for our members, our <a href="#">Net Zero Service</a> aims to support our members in understanding how to set climate commitment targets and create transition plans.</p>

## Heat and energy efficiency in buildings (DESNZ, DLUHC)

### Building Regulations

Topic	Status	BEAMA recommendation
Future Homes Standard & Home Energy Model	<p>Updated Building Regulations for energy performance of new homes were planned to come into force in 2025. Consultations were held that closed in March 2024 and have not yet been responded to by Government. There were problems with the consultation version of the FHS wrapper for HEM, which meant it was difficult to fully understand the implications of the FHS and whether more ambitious options still allowed for specification choice.</p> <p>The proposals would mean a step forward in decarbonising new homes, but there are many details that still need to be worked out, making sure that the Regulations allow the installation of all suitable low carbon electric heating systems.</p> <p>The FHS consultation promised future consultations on dwelling performance testing and possible FHS branding, but these have not been published yet.</p> <p>We are also awaiting consultations on further wrappers for the Home Energy Model as referenced in the Future Homes Standards consultation. These wrappers include for whole life carbon assessments and EPCs.</p>	<p>We have heard Ed Miliband saying that Labour wants an ambitious Future Homes Standard, but will need to look at the detail of the current proposal. We suggest a workshop with industry that asks to what extent the previous proposals are suitable would be a good step. Without an operational FHS HEM wrapper, we cannot fully understand the potential impacts of the Part L ambition. Decisions should not be made until the final performance level can be appropriately analysed.</p> <p>We must also see development of the Home Energy Model to allow us to understand the implications of policy proposals and the future of products will be reflected.</p> <p>As HEM is developed, we need early engagement on the development of further wrappers to ensure they are fit for purpose and that any additional data requirements can be met.</p>
Other Parts of the Building Regulations	<p>Building Regulations for water efficiency and safety and electrical safety have not been revised for some time.</p>	<p>Government should publish a schedule of when it expects to next review the Parts of the Building Regulations.</p> <p>The EV charging provision should be more ambitious.</p>

	Building Regs for electric vehicle charging provision came into force in 2021.	
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### Building retrofit for decarbonisation

Topic	Status	BEAMA recommendation
Phase out of fossil fuel heating systems	<p>Phase out is necessary if we are to meet our net zero requirement. The current Government policy is to end the sale of fossil fuel heating appliances from 2035 – despite the rhetoric from the Prime Minister in his September speech, this part of the existing policy did not materially change for on-gas properties, while a previously planned 2026 ban on oil boilers off-grid was scrapped. However while a <a href="#">consultation</a> on phase out of fossil fuel heating in off-gas properties was published by UK Government in March 2021 we still do not have a formal response to the consultation clarifying the Government position. Three years with no response is not satisfactory regardless of September’s speech.</p> <p>Scottish Government has <a href="#">proposed</a> a clearer timetable including the end of the use of polluting heating systems.</p>	<p>We need an updated heat in buildings strategy from the new Government, clarifying the policy targets and steps that will be taken to get there.</p> <p>The clear message from BEAMA members after the Prime Minister’s policy announcements in September was that businesses will not u-turn on net zero and will make all the progress we can, but there are some ceilings that only Government can smash. We need a clear and consistent pathway to net zero buildings, and one that recognises insight from the CCC and others. Removing the 2035 backstop would be a damaging signal, unless the next Government introduces a huge package of measures that would make non-fossil fuel heating appliances by far the most rewarding choice within the next few years. Some of those enabling policies that would increase demand for low carbon heat will take some time to implement, so in the meantime householders need clear messages from the top of Government that the net zero transition is happening, helping to allow them to plan for the inevitable changes to their homes.</p>
Choice of technologies to replace fossil fuel heating	DESNZ told us they were planning a consultation on heating technologies other than heat pumps that can be used for decarbonisation – this was in the wake of the Prime	While heat pumps will be feasible for the vast majority of homes, to create a stronger market we need consumer choice. Some consumers might favour minimising disruption in installation, or will not need a heat pump if

	<p>Minister’s speech in September 2023. This consultation has not been launched.</p> <p>A variety of other proven low carbon electric heating technologies are on the market, including modern electric storage heaters, heat batteries for central heating, and heat batteries for hot water.</p>	<p>they are in a small property. With minimal short term policy changes to bring a level playing field (both within the low carbon heat market and in comparison to fossil fuel systems) coupled with the longer term progression to a low carbon flexible electricity system with better price signals, we can help create a market that is more demand-driven and therefore more sustainable.</p> <p>Given this, while the previous Government had indicated it might need to map properties that were supposedly less suitable for heat pumps and then provide backup options potentially including high carbon fuels, a better approach would be to consult on how to build a competitive market for a range of low carbon heating products that all make more financial sense than higher carbon alternatives.</p>
<p>Market Mechanism for Low Carbon Heat</p>	<p>This will be a <a href="#">requirement</a> for manufacturers of fossil fuel heating system to manufacture or fund the manufacture of low carbon heating systems in line with escalating targets in an attempt to reach 600,000 heat pump sales by 2028 (some of which will be in new build homes). The CHMM is due to be implemented from April 2025, though times and details have changed several time.</p>	<p>The policy was not favoured by all of industry, who felt that a demand-based approach would have been better and provide more sustainable market growth. The new Government will need to confirm its position on the CHMM to give better clarity to industry.</p>
<p>Energy performance of commercial buildings</p>	<p>There is lack of clarity in general on understanding and decarbonising buildings. A <a href="#">consultation</a> on a rating scheme for large commercial and industrial buildings was published in March 2021 and we still do not have a response to the consultation. The same goes for a <a href="#">proposal</a> for rented non-domestic buildings to be required to meet EPC Band C. Three years with no response to consultations is not satisfactory.</p>	<p>Government should include commercial buildings in its decarbonisation plans, and give clarity on measurement and requirements.</p>

### Grant and incentive schemes for heat decarbonisation

Topic	Status	BEAMA recommendation
Boiler Upgrade Scheme	<p>DESNZ ran a <a href="#">consultation</a> on amendments to the BUS and confirmed the changes that would be implemented, but has not yet announced the next steps for implementation. The proposals would remove the requirement to upgrade insulation to qualify for a heat pump grant.</p> <p>Applications to the BUS have increased since the heat pump grant levels were increased.</p>	<p>Government should clarify any implementation plan for the BUS amendments.</p> <p>We would also be in favour of widening eligibility for the BUS to include other low carbon electric heating products, while ensuring that applications are simple enough for householders and installers.</p> <p>More work also needs to be done beyond grant funding to ensure that heat pumps and other low carbon heat options are accessible to and rewarding for a wider range of customers.</p>
VAT relief for energy saving materials	<p>Under a <a href="#">VAT relief scheme</a>, some energy-saving products attract 0% VAT (heat pumps, insulation, solar panels, and heating controls when installed with other heating system elements). Other heating appliances such as fossil-fuelled systems attract a reduced 5% rate.</p> <p>In response to a previous Call for Evidence HMRC decided not to list Thermal Storage as a designated Energy Saving Material (ESM) despite receiving representations to do so. The justification given by HMRC was a) lack of a suitable definition for tax purposes and b) lack of evidence on the benefits. It stated that the list would be kept under review. It was not clarified when the next opportunity to review the list would be.</p>	<p>We have an improved definition and evidence of the benefits of technologies. An announcement should be made in the next Budget to formally reopen the review of the ESMs list and accept more evidence on the benefits of and classification options for Thermal Storage technologies. This should include including modern electric storage heaters, heat batteries for central heating, and heat batteries for hot water. Currently it is inappropriate that these proven low carbon technologies have a higher rate of VAT than the high carbon appliances Government has agreed need to be phased out.</p> <p>VAT relief should also be made simpler for installers to process, and products such as heating controls should be</p>

		able to attract 0% VAT as standalone measures rather than just when installed alongside a heating appliance.
Permitted Development Rights for heat pumps and EV chargers	This <a href="#">consultation</a> , which would have eased planning rules for Heat Pumps and EV chargers, closed in February 2024, but has not yet had a Government response.	Most of these changes should be positive so we would hope the next Government makes progress in these areas.

### Indoor air quality and ventilation

Topic	Status	BEAMA recommendation
Indoor air quality	The impacts of Covid and of high-profile media stories about damp homes has raised indoor air quality up the political agenda somewhat. However, policymaking can still be piecemeal, and compliance in regulations and quality of installation practices is not complete.	<p>Government should have an Indoor Air Quality champion, working to ensure that IAQ and ventilation provision is addressed in all buildings policy. For example, when setting any rules on energy performance of homes or insulation schemes, good design, installation and specification of ventilation must be included as a central part otherwise there can be unintended consequences. The message should be 'ventilate when you insulate'.</p> <p>Government should be clear in its messaging on air quality that the drivers of external air quality and indoor air quality are different, and for indoor air quality to be given as much attention as the equally important issue of outdoor air quality.</p>

### Measuring product and building performance

Topic	Status	BEAMA recommendation
Energy Performance Certificates	<p>Reform to EPCs is well overdue - a loose EPC Action Plan was published in 2018 with a <a href="#">progress report</a> in 2021 but we have seen no substantial work since then, and even the progress report revealed no tangible change. Scottish Government has published <a href="#">far clearer plans</a> for change for the format of EPCs in Scotland. As EPC ratings underpin many Government schemes, and are critical in understanding progress made to net zero, this needs to be urgently looked at.</p>	<p>EPCs need to be updated to ensure that all benefits of low carbon heating systems and technologies are formally recognised. Furthermore, recommendations given on EPC reports are rarely projected to be cost-effective according to the Government's own <a href="#">advice websites</a>, but this conflicts with other evidence that shows more favourable payback periods. A more accurate format would take into account energy and efficiency data as well as cost, and recognise additional impacts on the cost of energy in a home overtime such as the additional value to a home from low carbon heat (ie no further retrofit needed) and maintenance costs.</p>
Ecodesign of products	<p>Many heating and ventilation products in the BEAMA scope are subject to Ecodesign measures at UK and EU level. These set minimum energy performance requirements and/or ratings systems to declare efficiency for products.</p> <p>UK Government employed a consultant to review what products a UK Ecodesign should focus on, and a subsequent <a href="#">policy framework</a> was published. Our view was that the review was not conducted in the most effective or meaningful way. Since then there have been some legislative proposals for products outside of the BEAMA scope, while we have no clarity on other areas despite further industry engagement being promised. We were told by DESNZ that some officials were diverted to work on the Retained EU Law Bill.</p> <p>Meanwhile, changes to EU Ecodesign requirements continue to be developed, for example for space heating products. As</p>	<p>This policy area needs to be picked up in earnest. Passive divergence with no strategy is costly for industry and potentially for consumers, and risks harming trade opportunities.</p> <p>We need:</p> <ul style="list-style-type: none"> <li>• A policy development timetable</li> <li>• A position from the new Government on its review of EU Ecodesign measures and potential for further alignment, where it is in the UK's interest</li> <li>• A vision of how products policy should work in the UK, including for products that will not align with EU Ecodesign or do not have existing measures</li> <li>• A better evidence base and transparent industry engagement process</li> </ul>

	<p>such GB product requirement rules are increasingly becoming diverged from the EU, and given the previous relationship and legislative transition post-Brexit, GB Ecodesign is essentially becoming an older version of EU Ecodesign.</p> <p>Finally, in addition to specific product rules, DESNZ also said it would review how horizontal circular economy measures would be added, as is being planned in the EU, but the study and policy framework had very little to say on that.</p>	
<p>Heating system standards and efficiency</p>	<p>Following consultation, <a href="#">policy was announced</a> that would be implemented through Ecodesign relating to heating controls and system design. This would prevent some types of heating controls being placed on the market. We have not yet had the implementation plan and some other policy decisions, such as setting a minimum efficiency for hybrid heating systems.</p>	<p>We need confirmation of whether the policy will continue, and if so the implementation plan, which may require a technical consultation. This also needs linking to wider reviews of Ecodesign as covered above.</p> <p>The boiler efficiency consultation also said that a decision on mandating hydrogen-ready boilers would only be taken after the 2026 strategic decision on the role of hydrogen in heating more widely. This decision is well overdue, and its long lead-in has caused an air of hesitancy and uncertainty in the market. We need clarity on this urgently, and ensure that any remaining indecision does not hold back accelerating deployment of low carbon heating products that are already on the market but need policy support to level the playing field.</p>
<p>Embodied carbon in buildings</p>	<p>Embodied carbon refers to emissions generated from the production and transportation of building materials, construction process and maintenance of a building. In the <a href="#">consultation</a> on the Future Homes Standard, it clarified that embodied carbon is out of scope of the proposed new</p>	<p>The new Government should continue work to consider how embodied carbon should be measured and regulated in buildings, and ensure engagement with industry. There are industry-developed methods already, such as CIBSE's TM65, so Government should also clarify whether any regulations would be based on those existing approaches.</p>

	<p>Building Regulations for energy performance, but a consultation would be published in future.</p> <p>This could be a complex area, but a meaningful net zero target must take into account embodied carbon. Far more comprehensive methodologies and requirements exist outside of UK policy, such as the <a href="#">EU CSRD</a> for embodied carbon and beyond.</p>	<p>It should also clarify whether there will be regulations on embodied carbon in products that would be used to derive a building figure, or whether aspects of it would still rely on voluntary standards.</p>
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## Electricity market structures

Topic	Status	BEAMA recommendation
Price of electricity	<p>Currently the price of electricity is far higher than mains gas, despite mains electricity being increasingly lower carbon than gas. This disparity is referred to as the 'spark gap' and is higher in the UK than in most other countries. The cost of electricity to domestic and non-domestic customers has a direct impact on how attractive low carbon electric heat and transport products will be. In essence, this is an example of not properly accounting for externalities.</p> <p>There are two main aspects to the price of electricity:</p> <ol style="list-style-type: none"> <li>1. The levies that fall on consumer bills – these are much higher on electricity than gas bills, despite mains electricity being lower carbon than mains gas.</li> <li>2. The wholesale electricity price – this is determined by the price of the marginal method of generation that meets capacity. Where renewable generation cannot fulfil demand, other sources such as gas-powered</li> </ol>	<p>While we appreciate this a difficult policy area to resolve, the new Government needs to be mission-driven and outcome-focussed on lowering the price of electricity by any suitable means. Change has been demanded by industry and other experts for a long time.</p> <p>Without reform in this area, we will not see increased demand for low carbon heat and transport products, and the net zero transition will be significantly held back.</p> <p>We will need to see a response to the REMA consultation, and an update on a policy plan in this area. We also need a Government position on what it will do about levies falling more on electricity than gas bills.</p>

	<p>plants satisfy demand and the price is set to the gas-powered electricity, which is higher cost than renewable electricity.</p> <p>The last Government said it would publish a consultation on addressing the cost of electricity and that it could make significant progress affecting relative prices by the end of 2024. While it did publish a further consultation on REMA (Review of Electricity Market Arrangements), this only addressed part of the picture. It suggested that it would not fully decouple gas and electricity prices, but we have not yet had the full Government response.</p> <p>DESNZ has also participated in workshops with industry on changing the approach to levies on bills, but had not come forward with a policy position.</p>	
<p>Green Taxonomy</p>	<p>A Green Taxonomy would provide definitions of what economic activities should be labelled as green, for the purposes of investors and regulators.</p> <p>The previous Government's <a href="#">pledge to consult</a> on a UK Green Taxonomy was never fulfilled – it said it was going to be in Autumn 2023. So we don't have clarity on what will count as a green investment or green job. These would be important signals for the market and could underpin policy mechanisms. The Treasury has also been quite limited on net zero issues in the public domain in general beyond its 2021 <a href="#">Net Zero review</a> which was restrained in its conclusions and did not lead to policy commitments.</p>	<p>A Green Taxonomy, while complex and impactful, would be important in giving a more stable basis to policy – for example policies relating to environmental and climate impacts would make reference to it. It would also provide clarity to investors.</p> <p>In terms of which products should be considered 'green' or perhaps 'net-zero compatible, clearly those that directly save energy compared to incumbents – such a low carbon electric heating products – should qualify. However there are also a number of technologies that are not directly energy saving but are critical enablers for the green transition. This includes electricity networks products, and building electrical systems that allow</p>

	<p>The EU has a <a href="#">more advanced Green Taxonomy</a> approach, with framework legislation in place since 2020, and secondary legislation setting technical criteria for assessing environmental and climate impacts as of 2023.</p>	<p>domestic electrification appliances to be installed safely and securely.</p> <p>If Government has evidence gaps, it should be open about these and ask industry to contribute.</p> <p>The Treasury should be more open to engagement with industry in general.</p>
Energy retail markets	<p>Government ran a <a href="#">call for evidence</a> and promised to set up industry working groups to discuss how a more innovative energy retail market could protect consumers while removing regulatory barriers to offering a wider range of tariffs. It notes that while more tariffs are available, customer uptake is currently low.</p>	<p>We need continued and enhanced Government support to facilitate growth in suitable tariffs that, in conjunction with other reforms, can significantly improve the customer proposition for low carbon electric heat and transport solutions. BEAMA's 2023 <a href="#">position paper</a> sets out key actions needed including redressing electricity pricing structures, accelerating the smart meter rollout to facilitate dynamic tariffs, and Ofgem reviewing how the energy price cap causes difficulties for Economy 7 consumers.</p>

## Smart energy and flexibility (DESNZ, DLUHC)

### Smart appliances

Topic	Status	BEAMA recommendation
Smart Secure Electricity System	<p>This <a href="#">consultation</a> closed during the election period. This was a detailed piece of work looking at energy smart appliances and tariffs. BEAMA has been active in engaging with DESNZ on this policy programme, and sits on the Steering Group</p>	<p>The new Government should work with officials to review responses and provide clarity as soon as possible on whether the proposals will be taken forward. In any case,</p>

	<p>and Technical Working groups. We have concerns about the timescales for the implementation of the proposals.</p>	<p>engagement with industry will be needed, and the industry liaison groups that already exist should be continued.</p> <p>We would prefer a single rather than two-phase implementation of the regulations, and for an implementation date of no earlier than 2027 given the potential for significant changes to product regulation and manufacturing lead times.</p>
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### Smart meters

Topic	Status	BEAMA recommendation
UK Smart meter rollout	<p>After more than a decade, the UK's smart meter rollout has stalled, with only 65% of homes with a smart electricity meter installed, and 11.7 million meters installed that are not smart or not operating in smart mode.</p> <p>The Government's approach to smart meter designs aimed at thoroughness but had the unintended consequence of limiting functionality, hindering innovation and increasing costs.</p> <p>The existing targets framework is in place until 2025.</p>	<p>For a smart low-carbon electricity system, consumers must have access to real-time energy use data. To do this the next Government must ensure the smart meter rollout is completed to benefit consumers and keep up with international neighbours.</p> <p>Smart meter specifications should be revised to encourage more innovation by focusing on outcomes over prescriptive details. Rollout contracts are up for renewal, which is an opportunity to devise a more flexible and cost-effective approach.</p> <p>We will need to see a post-2025 vision for smart metering including revised targets framework.</p>
Smart meter in-home display Voluntary	<p>In May this year, the government introduced the "Smart Meter In-Home Display: <a href="#">Voluntary Replacement Principles</a>," aimed at promoting good practices within the industry.</p>	<p>In-Home Displays (IHDs) are crucial for ensuring that households fully benefit from smart meters. However, these principles should be mandatory supplier obligations,</p>

Replacement Principles	Eleven energy suppliers have agreed to adopt these four principles.	not voluntary, to maximize the effectiveness and reach of IHDs. We would urge the new Government to review this.
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## Transport (DfT, DESNZ, DLUHC)

Topic	Status	BEAMA recommendation
Policies to boost the EV charging market	Policymaking to support the growth of Electric Vehicle charging infrastructure has been somewhat piecemeal, and lacking a clear set of proposals and timelines. This is really a national challenge without a national strategy.	<p>BEAMA advocates for a variety of measures to improve the attractiveness of EVs and to support deployment of charging infrastructure:</p> <ul style="list-style-type: none"> <li>• Ensure that for any support scheme, all EVs and EV chargepoints qualify e.g. including fleet vehicles, and trucks as well as cars</li> <li>• Bring back a domestic owner occupier grant to electric vehicle supply equipment – this would help the government solve their “how many charging stations are we installing” issues because it would force people to register their EV chargers</li> <li>• VAT relief/grants for electric vehicles</li> <li>• VAT relief/alignment of VAT on public charging with domestic charging</li> <li>• Company car tax to remain at 2% - to allow for growth and stop the trend reversing</li> </ul>

		<ul style="list-style-type: none"> <li>• VAT to be removed from public charge point charges to encourage EV growth and support owners without access to a domestic CP</li> <li>• Ensure that industrial strategy programmes also include the chargepoint industry – some <a href="#">policy documents</a> focus only on vehicle manufacturing and batteries.</li> </ul>
Zero Emission Vehicle mandate	We are aware that Labour is proposing to change the end date for sale of new fossil fuel vehicles back to 2030.	This is a positive step but Government must also turn its attention to the full range of EV rollout issues, particularly accelerating deployment of charging infrastructure.
Rapid Charging fund details	The Government launched a pilot of the RCF, with a £70m pot, when the overall amount promised was £1bn. We are awaiting the results of a <a href="#">consultation</a> on the design of the full scheme, and this closed in February 2024.	The RCF was promising as a way to accelerate deployment of charging infrastructure, but the rollout has been slow and needs completing by the new Government.
Smart Charge Point and Public Charge Point Regulations	<p>The DESNZ EV <a href="#">Smart Charge Point Regulations</a> 2021 are due for a consultation on 'limited changes'. We have been advised that these are largely tidying up errors with the Regs. We believe that current plans were to also 'reference' stricter adherence to the Metering Instrument Regulations and a requirement to display/convey data.</p> <p>The <a href="#">Public Charge Point Regulations</a> were enacted in 2023 and may also be due a review in due course.</p>	DESNZ should publish its consultation on the SCP Regs and actively engage with industry, as we were not given the opportunity to have our say on important details within the draft legislation post-consultation.
Permitted Development Rights for heat	This <a href="#">consultation</a> , which would have eased planning rules for Heat Pumps and EV chargers, closed in February 2024, but has not yet had a Government response.	Most of these changes should be positive so we would hope the next Government makes progress in these areas.

pumps and EV chargers		
Guidance on safe cross-pavement solutions	This was included in the <a href="#">'Plan for Drivers'</a> and was intended to give clarity on how those without off-street parking could safely charge their vehicles with cross-pavement innovations.	We would urge the new Government to come forward with this guidance, with further industry engagement beforehand if needed.
Urban Mobility Strategy	In 2019 Government published a <a href="#">'Future of mobility: urban strategy'</a> . This set out options for alternatives to private vehicle ownership, noting that a one for one replacement of fossil fuel vehicles with EVs would continue issues with congestion. Since then, little noticeable action has happened and the Government has seemed to prefer to support private driving.	BEAMA does not have strong views on the details of this strategy, but we should have clarity from the new Government as to what extent it will aim to boost ideas like ride sharing and light electric transport (like e-scooters). This would help us to understand the scale of the EV market, to understand charging infrastructure needs, and to understand the implications for the electricity grid.

## Product safety and conformity

Topic	Status	BEAMA recommendation
'Building Safety Programme'	What BEAMA considers as the Building Safety Programme, but is now more withing business as usual activity in DLUHC and regulators, encapsulates the work done to review the building safety regulatory regime since the Grenfell Tower fire. In terms of product regulation, the programme appears behind schedule. We are still awaiting confirmation of what will be deemed to be a Construction Product (the suggestion was that the definition would be widened) and what will be deemed to be safety-critical – indeed we do not yet have clarity on many of the processes for making these decisions.	DLUHC and the Product Safety Regulator must give clarity to industry on the remaining programme of work. Government should also review the resources that are going into this programme, including for market surveillance and enforcement. The policy area should also be given a far higher standing among Ministers given the severity of the consequences for shortfalls in product and building safety. There is also an economic dimension, as with all products policy, in that there are significant lead times in product design and manufacture, so regulations

	<p>Work has been conducted on competence and digital product information, but the overall regime is far from clear for those product manufacturers that do not make high profile products like cladding or fire doors. The Building Safety Act said the Building Safety Regulator would ‘carry out a cost-benefit analysis of making regular inspections of, and testing and reporting on, the condition of electrical installations in relevant buildings’ by 2025.</p>	<p>cannot simply be made one day and implemented the next – Government must accelerate the policy development timetable if it wishes practical improvements to take effect sooner.</p> <p>The Building Safety Regulator should ensure that the review of policy on electrical installations is carried out on time and with engagement with industry where possible.</p>
Product safety review	<p>This <a href="#">consultation</a> when launched was long-delayed. It closed in October 2023 and has not yet had a Government response. It was meant to be setting the scene for the next 10 years of product regulation.</p>	<p>This policy area will need a full scale review by the new Government, and more explanations given to industry and what the practical implications will be.</p>
Morrell/Day product testing report	<p>This <a href="#">report</a> was commissioned by DLUHC and published in April 2023, but still has not yet had a response from Government. It undertook a critical assessment of the system for testing and certifying construction products and how the system could be strengthened to provide confidence that construction products are safe and perform as labelled and marked.</p>	<p>We believe that this response should give more clarity on the Government’s approach to categorising some products as ‘safety-critical’, which is hugely important for our members in determining how the new Building Safety regime will affect them, given the extra testing that this could result in. The report highlights some important limitations of the system, noting that it would be impossible to have every product required to be third-party tested. And we still lack a definition of what a Construction Product will be under the new regime. The resources available for market surveillance and enforcement of product safety in the electrical sector – beyond targeted interventions in response to high profile instances – remain too low.</p>
Electrical safety inspections in social rented housing	<p>This <a href="#">consultation</a> closed in August 2022 and has not yet been responded to by Government. It proposed requiring</p>	<p>Taking this regulatory change forward would be an important way to improve electrical safety, and BEAMA would be in favour of this going ahead as it would align with the <a href="#">policy for private rented properties</a>. Awareness</p>

	<p>mandatory checks on electrical installations for social housing at least every 5 years.</p>	<p>should also be raised of electrical safety issues in owner occupied homes, especially in preparation for increased electrical load from low carbon electric heat and transport products.</p>
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## Electricity networks

### Electricity networks investment and regulation

Topic	Status	BEAMA recommendation
<p>Transmission Acceleration Action Plan</p>	<p>Following a <a href="#">report</a> by the Electricity Networks Commissioner, DESNZ responded by publishing the <a href="#">Transmission Acceleration Action Plan</a> (TAAP) to progress development of the electricity transmission network. Goals include reducing the connection time of new generation plants, ensuring that supply chains are strong and resilient, and that engagement of communities and other stakeholders improves.</p> <p>The TAAP gave tasks to certain organisations, including BEAMA which runs an Electricity Products Supply Chain Council, bringing together industry, network companies and the public sector including several central Government departments and devolved administrations. In this context we are as an industry working on setting out the key barriers and challenges that are holding back the industry from investing in scaling up manufacturing capacity, as well as setting out possible solutions.</p> <p>Our members who manufacture critical networks equipment tell us that the investment conditions in the UK are currently not as favourable as abroad, due to lack of long-term purchasing by network operators and Ofgem’s regulation of</p>	<p>The new Government must commit to keeping the TAAP process in place. At this stage on the supply chain workstream, no policy interventions have been promised or delivered, so it remains in the new Government’s power to make decisions on this, but departing from the existing framework and process would risk severely holding back progress in this critical area. Specifically, a DESNZ Minister should commit to retaining active involvement in the Networks Delivery Forum in conjunction with senior DESNZ officials.</p> <p>The outcome must be to have policy consistency and coherence, and as detailed an outlook of networks development as possible, linked to long-term and/or bulk purchasing of equipment and/ or manufacturing slots where relevant. The Government must prioritise policy interventions that incentivise UK manufacturing and skills growth.</p>

	<p>these companies through RIIO, broader economic conditions, and because of wider incoherence of policies in decarbonising heat, transport and power. The availability of skilled workforce is also a significant concern for the supply chain.</p>	<p>The new Government should also commit to continuing and improving work on the <a href="#">Connections Action Plan</a>, <a href="#">Centralised Strategic Network Plan and Strategic Spatial Energy Plan</a> with Ofgem and NESO, and other key stakeholders, and to ensuring these are aligned with the TAAP programme.</p>
<p>Green Industries Growth Accelerator (GIGA)</p>	<p>Alongside the publication of the TAAP in November 2023, DESNZ <a href="#">announced</a> a pot of funding to accelerate manufacturing in key net zero sectors, including electricity networks. In the <a href="#">Spring Budget</a> it was clarified that this would be £1.1bn in total, with £390m for electricity networks and offshore wind, £390m for CCUS and hydrogen, and £300m for nuclear fuel production. This was to be spent over 5 years.</p> <p>DESNZ officials have been working on the details of GIGA but it has not yet been launched as an operational scheme.</p>	<p>GIGA makes the important link between economic growth and decarbonisation and should be continued as we seek to make electricity networks development in the UK more secure and backed by stronger supply chains. Our members will invest if the conditions are right and favourable compared to other countries. As such the new Government should commit to launching the GIGA scheme, ideally an expanded version to give a more significant boost to industry, and ensure that a good chunk is directed to electricity networks. The scope should be clarified and adequate provision made to support electricity distribution network product manufacturing as well.</p>
<p>Review of Electricity Distribution Network</p>	<p>The lower voltage distribution network connects the high voltage electricity transmission network to homes and businesses. Smaller sources of generation and flexibility, such as solar and batteries, also connect to the distribution network.</p> <p>The National Infrastructure Commission has begun a <a href="#">review</a> of the electricity distribution network, commissioned by Government. An initial call for evidence ran until May 2024, and NIC will conduct further industry engagement. NIC has told BEAMA that they expect to report back early in 2025, but that this depends what other tasks a new Government gives</p>	<p>The new Government should commit to supporting the review process and allowing NIC to conduct a thorough engagement and analysis process. It should also respond with a fitting programme of work that seeks to make policy interventions based on the findings that will improve and accelerate development of the distribution network to make it fit for the net zero transition. Anticipatory network investment ahead of need will be vitally important to meeting power sector decarbonisation goals, and to enabling widespread uptake of domestic electrified heat and transport technologies. If we do not facilitate investment in distribution networks now, then</p>

	<p>to them in the meantime. The Government has an obligation to respond to the recommendations made.</p>	<p>future upgrades will be <a href="#">far more expensive</a> while putting net zero targets in jeopardy.</p> <p>When the Government response is published, it should mirror the approach of the Transmission Acceleration Action Plan, which gave tasks to trusted industry stakeholders including BEAMA to ensure wide input and progress. The scope of the DESNZ Networks Delivery Forum should be expanded to cover all electrical transmission and distribution infrastructure.</p>
<p>NESO (National Energy System Operator)</p>	<p><a href="#">NESO</a>, previously referred to as the Future System Operator (FSO), will be the 'independent, public corporation responsible for planning Britain's electricity and gas networks and operating the electricity system'. It will see the existing National Grid ESO (Energy System Operator) in 2024 transform from a for-profit, private company, to a not-for-profit, public corporation with the Government as the sole shareholder, regulated by Ofgem. NESO has announced a <a href="#">Chair</a>.</p> <p>Ofgem ran a recent <a href="#">consultation</a> on the policy direction for NESO's regulatory framework, but has not responded with a decision.</p>	<p>A lot of planning work has already been done by the relevant parties, and the transition to NESO was enabled by the 2023 Energy Act. It would be valuable for the new Government to confirm whether the NESO approach, and other aspects of the Energy Act legislation, will still be taken forward, and to review work to date in setting up NESO before working on new initiatives that risk duplication of effort</p>
<p>Review of infrastructure investment</p>	<p>A finding of the recent <a href="#">Smarter Regulation consultation</a> was that there should be a holistic assessment of energy infrastructure investment.</p> <p>Other work to address electricity networks investment is already ongoing.</p>	<p>Government should clarify if it plans to conduct this and if so whether it will be a new discrete item of work. BEAMA believes that if carried out it is important that this does not duplicate efforts in DESNZ such as the Transmission Acceleration Action Plan, and that all Departments involved are coordinated.</p>

## Data and digital

### Cyber security

Topic	Status	BEAMA recommendation
NIS Regulations	The <a href="#">latest version</a> of the Network and Information Systems (NIS) Regulations are from 2018. Government consulted on amendments in 2022 and policy changes were agreed but not implemented. Government said it would proceed with amending the Regulations 'subject to finding a suitable legislative vehicle'.	Government should give clarity on a) whether the previously agreed changes will be taken forward and if so b) when and how this will be done.
PSTI Regulation	The Product Safety and Telecommunications Infrastructure (PSTI) Act is <a href="#">now in force</a> as of April 2024. However industry was hoping for further guidance from Government on compliance and the enforcement approach of OPSS, given that unusually PSTI affects products that are already on the market.	We would appreciate clarity on whether the Government will produce PSTI guidance, as would be usual with regulations, or whether it sees this as a job for industry to provide interpretation and clarity to the value chain.

### Product and building information

Topic	Status	BEAMA recommendation
Digital Product Passport	The <a href="#">Digital Product Passport</a> is being developed at EU level as a method to make product information, including relating to circularity, more detailed and consistent for consumers and for authorities. The product scope will eventually be wide and all relevant companies selling into the EU will be required to comply, so this will affect many UK companies.	The UK Government should urgently assess the plan for the DPP and consider whether similar measures would be beneficial in the UK to meet policy aims on digital product information, environmental performance and making progress to net zero. It will also be an important trade-related issue. As such, officials and Ministers from DBT, Defra and DESNZ at a minimum should collectively be

	<p>The DPP is a logical consequence of the policy aims developed by the EU, many of which are shared by the UK.</p> <p>Currently, UK Government does not appear to have a strong policy programme to assess the impact of the DPP or whether the UK would adopt similar measures. There is a UK Standards committee beginning to look at this with some involvement from OPSS that will also feed into European standards development.</p>	<p>working on this, with plentiful industry engagement, especially with BEAMA as we have been reviewing the DPP development over the last few years.</p>
Smart data opportunities	<p><a href="#">DESNZ said</a> it would issue a call for evidence on 'smart data opportunities for the energy sector' by Summer 2024.</p>	<p>The new Government should clarify whether this will still be published and if so what the target date is.</p>

## Trade and GB internal market

Topic	Status	BEAMA recommendation
Carbon Border Adjustment Mechanism (CBAM)	<p>A CBAM is a tax or tariff applicable to imports of carbon intensive imported goods to level the playing field for domestic producers who are using cleaner production methods and/or contributing to Emissions Trading Schemes.</p> <p>UK Government has recently held a <a href="#">consultation</a> which closed in June 2024. This confirms plans to introduce a CBAM for the UK by 2027. Sectors covered are aluminium, cement, ceramics, fertilisers, glass, hydrogen, iron &amp; steel.</p> <p>An <a href="#">EU CBAM</a> came into force in October 2023, with reporting obligations for now, and levies that would apply from 2026.</p>	<p>The new Government should consider its policy on CBAM. For our industry, key issues are (1) alignment with the EU scheme to avoid barriers to trade within Europe and (2) whether CBAM applying to raw materials but not manufactured products could mean that there is an incentive to import finished products using non-UK materials to avoid taxes on those materials when used for manufacturing in the UK.</p>

Transition from EU	<p>While the EU exit process has been completed at the top level, there are many policy areas where transition has not been fully worked through, many of which are explained in this document, where the UK Government has not set out in detail what it planned to do to replace EU-derived regulations in areas it said it wanted to diverge. Furthermore, ongoing policy changes and trade issues will continually emerge into the future.</p> <p>As many of our members manufacture products for sale in both GB and EU, differences in product specification regulations between the two markets can cause significant disruption and cost.</p>	<p>The next Government must take a reasonable approach to EU-instigated legislation (such as Ecodesign product efficiency rules and REACH chemicals regulation). Industry must be given far more clarity and policy development greatly sped up so that we do not have outdated regulations or gaps. While we recognise that out of the EU the UK will not want to simply be a rule-taker, if the new Government wishes to continue to increasingly move out of step from EU regulations, either passively or actively, it must commit far more resources into Government departments so they can gather sufficient evidence, design effective policy and properly engage with industry. It must have good reason for any regulations that are introduced, and be wary that small differences in product performance or marking regulations can take a lot of resources from manufacturers.</p> <p>BEAMA remains active in EURIS (European Union Relationship &amp; Industrial Strategy) which since 2016 has been tracking impacts of Brexit and providing UK Government with valuable insight from key product manufacturing industries, representing sectors with a total turnover of £148bn. The new Government should continue to engage with this vehicle to ensure policy development is effective.</p>
Retained EU Law Bill	<p>This was the process developed by Government to deal with EU-instigated legislative areas on the statute book. This review was only partially done, with a full review into what should happen with a wide range of retained EU law not complete. A <a href="#">dashboard</a> was developed to keep track of REUL.</p>	<p>We need a good understanding from the new Government on things like sunset clauses - BEAMA views these as unnecessary and with the potential to cause regulatory gaps. Government should be able to keep track of regulations and have a review schedule without the need for sunset clauses.</p>

## Supply chain and skills

Topic	Status	BEAMA recommendation
Approach to supply chain investment	The UK regulatory landscape is the number one factor shaping net zero supply chain investment decisions, accelerating or decelerating demand for our technologies. Weakened investor confidence risks reducing the UK's net zero supply capacity, delaying access to the essential low carbon technologies necessary to meet the UK's net zero 2050 target. Our industry is keen to support coherent and consistent decarbonisation policymaking with firm, depoliticised delivery trajectories.	<p>Investor confidence could be further enhanced by supportive, high profile Government statements spotlighting the benefits to consumers and the broader UK economy of the net zero transition, achieved through reinforcement and development of the UK's electricity networks, embracing flexibility, and decarbonising our homes. This will improve consumer confidence and therefore demand for our members' products, and give our industry the confident foundation to compete on the global stage delivering for UK PLC.</p> <p>Government could introduce a supply chain policy test ensuring that the capacity of supply chains for products and skills are taken into account when policies are developed.</p>
Green Jobs Plan	We are aware UK Government has been preparing a Green Jobs Action Plan but this has not yet been published. We have been involved in some stakeholder engagement on this. Some data and 'heat maps' of shortages in areas such as electricity networks were shown, but these have not been permitted to be circulated. This plan is now well overdue and is an area of work that urgently needs progressing.	The research from the Action Plan planning process should be made available, and an Action Plan published as soon as is feasible. We also need clarity on what 'green' jobs are eg through publication of a UK green taxonomy. These would help to rectify the lack of an overall green skills and just transition strategy from the existing Government.

## Operation of Government, regulatory approach and industry engagement (Cabinet Office, No 10, DBT)

Topic	Status	BEAMA recommendation
Policy coherence and approach of Government	<p>A successful net zero transition requires a national effort by consumers and industry, coordinated by comprehensive action by every UK Government Department. Current Whitehall siloing prevents the effective marshalling the UK's finite energy, finance, trade and community resources to reach our shared decarbonisation goal.</p>	<p>To address this challenge, our industry is calling for the Government to apply a net zero test on all policies, scrutinised by both the Regulatory Policy Committee and Committee on Climate Change. This test is designed to ensure that the diverse range of UK regulatory and incentive interventions are all pulling together towards our Net Zero 2050 objective.</p>
Smarter regulation programme	<p>Government has recently <a href="#">responded</a> to a consultation on Smarter Regulation. It set out some general principles and a framework for further action, but the tangible outcomes are yet to be determined.</p> <p>One specific plan was to publish a list of regulators and regulations to make it easier for manufacturers to navigate product rules.</p>	<p>Most of the BEAMA response on smarter regulation was less concerned with information, as we are able to provide that for our members, but on the design, efficiency and suitability of regulation itself, including relationship with EU regulation. We would appreciate clarity from the new Government of which if any parts of the Smarter Regulation framework it plans to take forward.</p>
Consultation processes	<p>Formal consultations are a critical way for Governments to gather expert views and evidence. The approach to publishing consultations can be variable between Government departments, and many improvements can be made to improve the quality of input received and ensuring better final policy design.</p>	<p>BEAMA has the following concerns about consultations and the policy development process which should all be rectified by the new Government to improve efficiency and encourage more input from key stakeholders:</p> <ul style="list-style-type: none"> <li>• For all consultations there should be a separate response form with questions separated out that trade associations can use to send to members, making gathering input far easier</li> </ul>

		<ul style="list-style-type: none"><li>• Impact assessments have become too general, making scrutiny of policy and understanding of impacts more difficult</li><li>• Timing of consultations – too often significant consultations are published just before Christmas, or without enough time to respond, or too shortly before the implementation date</li><li>• Consultation on legislative details is not usually offered to industry, despite there often being more detail in draft legislation than was included in the consultation phase. This happened with important negative consequences in the development of Electric Vehicle Smart Charging regulations and then again on the EV Charging Consumer Regulations.</li></ul>
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## BEAMA Publications

This range of publications, developed in conjunction with our membership, set out barriers and opportunities for the key issues affecting our members' industry and are publicly available on our website. If you have any questions on the evidence or recommendations included in these papers, please contact BEAMA Head of Policy Simon Harpin at [simon.harpin@beama.org.uk](mailto:simon.harpin@beama.org.uk).

1. [Making a consumer market](#) – what does it take to give market certainty for the supply chain to invest and deliver at the pace Net Zero demands?
2. [Net Zero by Industry](#) – a suite of publications on delivering [electrification](#), a [secure energy grid](#), [smart meters](#), [low carbon heat, desirable and affordable heat](#), [energy security with decarbonisation](#), and [consumer choice](#).
3. [Helping Industry on its journey to Net Zero](#) – a range of practical documents for manufacturers to help them decarbonise their operations.
4. [BEAMA Climate Commitment](#) – signatories from our membership pledging to work towards meeting net zero.
5. [Growing the Supply Chain for a Net Zero Energy system](#) – modelling conducted with the Energy System Catapult to quantify the challenges and opportunities for the supply chain in reaching net zero.
6. [Net Zero by Design](#) – our vision of a zero carbon home and how we get there. With additional papers on [heating controls](#), [home electrical infrastructure](#), [electrification of heat](#), [skills for net zero](#), [thermal storage](#), [low carbon heat distribution](#) and [load and weather compensation](#).
7. [Putting the Customer at the heart of a future smart and secure electricity system](#) – why the UK urgently needs to address critical customer proposition signals to support the promotion of electrification at scale.

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## Overview of key data

Here we provide a snapshot of some key indicators on the strength of product markets that must be well developed if we are to reach Net Zero in an economically positive way.

### Smart Meter rollout:

The rollout should have completed in 2019. In 2024, only 60% of British homes have an operating smart electricity meter.

### Heat Pumps sold:

2023: 57,930

2024: 60,244

There has been an increase of only 2,314 in the year against the previous Government's target of 600,000 installations p/a by 2028 (the Climate Change Committee's suggested target was 900,000 a year by then). As such we are barely just hitting 10% of targets.

#### **Investment intentions:**

BEAMA members, including manufacturers of all essential electrical infrastructure equipment for the net zero transition, reported a drop in investment intentions in Q1 2024 to fractionally above the 5-year average (which includes pandemic period). Despite needs for massive investment in grids and all electrical infrastructure, manufacturers lack the confidence to invest due to uncertainty over demand and government policy.

#### **EV sales:**

314,222 battery EVs were sold in 2023 against 603,838 hybrid and plug-in hybrid and 1,024,978 petrol & diesel.

UK Electric Car sales are only just over half those for fossil fuel hybrids and less than 20% of the total petrol & diesel fuelled market.

#### **Export/Import**

Despite Brexit, 73.5% of BEAMA members report that Europe is their main export market by volume.

53% report that Europe is also their main source of raw materials and components over China at 35%.

We are continuing to evolve our data presentation and are developing a 'Market Pulse' to assist policymakers and other key stakeholders understand trends in our industry. If any policymakers or economists have views on what evidence they would like from our industry, please contact [andrew.willman@beama.org.uk](mailto:andrew.willman@beama.org.uk).

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## **Opportunities to engage with our industry**

As stated above, we are involved in numerous stakeholder groups and Government initiatives. We hope that these avenues are retained in the aftermath of the general election so that industry engagement does not start from scratch.

BEAMA also hopes to have meetings with new Ministers and their departmental teams to discuss the state of our members' markets and policy interventions that will benefit the economy while making progress to net zero. We can also facilitate direct discussions with our members.

To arrange a meeting please contact the BEAMA CEO at [Yselkla.farmer@beama.org.uk](mailto:Yselkla.farmer@beama.org.uk).

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