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The trade association for energy infrastructure & systems

#ACCELERATING ELECTRIFICATION

MARKET PULSE

FOR THE UK ELECTRICAL PRODUCTS SUPPLY CHAIN

Q3 2025

BEAMA QUARTERLY MARKET PULSE – DECEMBER 2025

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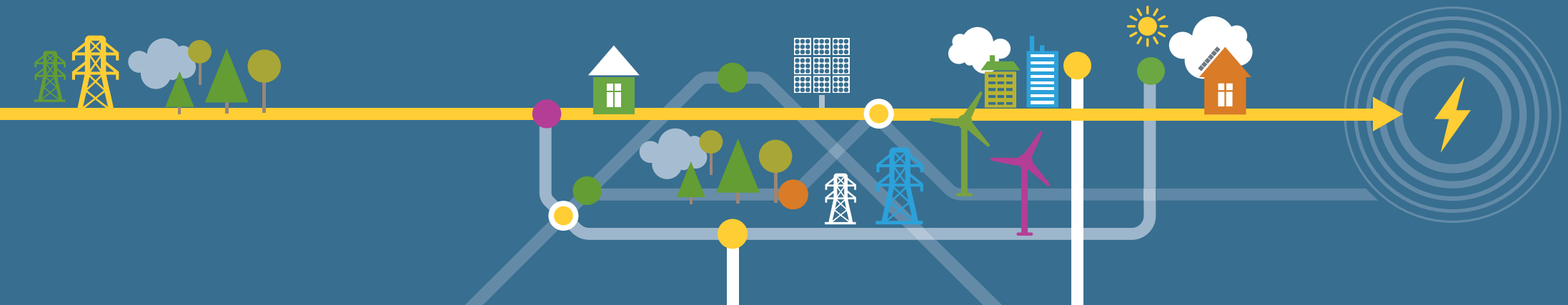
Market Pulse

This quarterly review is developed and published by BEAMA, the representative trade association for energy infrastructure and systems.

Investment in the supply chain for electrical products is essential for delivering the UK's Net Zero requirement, while there is significant scope for industrial growth and job creation in the evolving electricity sector. Given the Government's pressing Clean Power by 2030 target and further challenges to come, pressure is now mounting to build capacity and ensure a cost-effective energy transition. This report is aimed at providing a measure for how well we are delivering against known targets and if we are on track to achieve the growth needed.



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Yselkla Farmer
CEO
BEAMA

CEO Foreword

Our attention now firmly moves to Industrial Strategy delivery. Our Market Pulse offers a window into the manufacturing industry so critical to electrification in the UK including Clean Power by 2030 delivery, electric heat and transport uptake as well as the changes this will mean to electrical installations across the built environment.

BEAMA represents the full breadth of that product supply chain from the point at which you connect renewable generation on the transmission system to behind the meter domestic heating and hot water appliances. This is a market now at the heart of UK energy security, transport, heat and climate policy and we are committed to supporting our members in navigating the changes this may incur for their marketplace, but also to capture the benefits this presents in terms of UK growth and investment.

With the Clean Energy Jobs Plan now published, we can clearly articulate the workforce needs for the energy sector overall, it's clear the availability of a skilled workforce remains one of the greatest investment barriers in the UK for manufacturing. This is something as an industry working with Government we need to urgently address.

In previous years Industrial Strategy has often focused on the newcomers and new technologies, but for us we know we already have the roots of a productive manufacturing industry, providing good jobs, rooted in local communities across the UK. Industrial Strategy for me is as much about building on the existing capability we have and the embedded talent we hold in the UK and BEAMA.

This issue of the market pulse expands further as we start to break down trends across our breadth of product sectors, allowing us now, and in time to reflect more detailed trends emerging for different parts of the industry. I am pleased to see sales recovering after the slump in Q2 with business optimism on the rise. However, that optimism is not shared by all, and for those selling into the construction industry the future seems less clear. With Europe continuing to be our dominant trade partner regulatory alignment for us still remains an important focus, and lags in UK decisions to follow EU trends (e.g. SF6) limits further progress. What concerns me is the stubborn low average for utilised capacity within our sector, despite the known demand coming for some key parts of the industry and pick up in sales (e.g networks equipment, heat) we aren't seeing the levels of business to keep UK manufacturing at necessary growth levels to support key programs like Clean Power by 2030 and associated transmission and distribution investment, or the expected demand from transport and heat markets.

This merits a conversation with Government, and I believe draws attention to the number of decisions still outstanding – a long term solution to bring down electricity pricing for industrial and domestic customers, warm homes policy, Future Homes Standard, SSES. These policies determine demand and momentum in the market, they give certainty and clarity of our future direction. Delay leads to paralysis as an industry waits for their next move. Meanwhile investment goes elsewhere. I am hopeful this cycle will be broken if we see progression on most of those areas in coming months, but our data definitely highlights the need for decisive action. The Industrial Strategy was an important step, but there is no market without demand and firm orders.

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For Networks this is moving forward as we now progress with the Electricity Networks Sector Growth Plan jointly with the Energy Networks Association with DESNZ support. This is a piece of work I am immensely proud of and I am confident will go a long way to deliver greater certainty for market investment in supply chains for Transmission and Distribution. Progress is already being made as indications from the ED3 consultation demonstrate Ofgem's understanding of what our supply chain needs. The scale of this growth plan reflects the robust action needed to support industries and I hope we can see similar progressive action as we look to implement a Warm Homes Plan and associated building regulation reform.

Overall longer-term investment intentions are very positive, as are hiring intentions (provided the workforce is there!), so my take on this quarter is a positive one, with cautious optimism for the future. But we must temper this optimism with the reality of economic uncertainty that is still reported in the market pulse.

Growth is now heavily reliant on key policy decisions being made on heat, flexibility, networks, building regulations and we cannot afford more delayed action. 2026 must focus firmly on unlocking the potential for our members!

Headlines

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Key headlines:

BUSINESS OPTIMISM

Business optimism lost some momentum but stayed on the positive side.

SALES

Sales rebounded strongly in Q3 after a Q2 slump.

EXPORTS

Exports remained positive in Q3, with a slight drop in growth from Q2.

EXPORT & IMPORT MARKETS

Export Market reports continue to show that Europe is by far our biggest trading partner.

CAPACITY UTILISATION

Capacity Utilisation averaged across the whole of BEAMA's membership remains stubbornly modest.

COST IMPACT

Wages & Salaries remained the most important cost factor in Q3 overall but not for all Sectors.

INVESTMENT INTENTIONS (Next 12 months)

Another strong Quarter for Investment planning as the increases seen in Q1 and Q2 continue to rise in Q3 to near the 5-year high point.

INVESTMENT INTENTIONS (5 year view)

Investment Intentions over the longer term continue to be very positive.

SKILLS & EMPLOYMENT

BEAMA Members seek to expand their workforces against the challenge of skills shortages. Hiring intentions had taken a slight decrease in Q2 but came back in Q3.

Introducing BEAMA

The trade association for energy infrastructure & systems, BEAMA is the UK manufacturing representative body for the electrotechnical sector, providing leadership, expertise and independent influence in the areas of product safety, performance, energy efficiency, digitalisation and sustainability. Our activities span a broad spectrum of technology groups, from electricity networks through to electrical infrastructure and service technologies in the built environment.

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Our sector

UK TURNOVER
£14 BILLION

90,000
PEOPLE EMPLOYED IN THE UK

EXPORTING
£5 BILLION
WORLDWIDE

Low carbon potential

£1tn[1]
GLOBAL MARKET OPPORTUNITY

10%[2]
ANNUAL CLEAN ENERGY WORKFORCE GROWTH TO 2030

1 https://www.mckinsey.com/capabilities/sustainability/our-insights/opportunities-for- uk-businesses-in-the-net-zero-transition

2 https://www.gov.uk/government/publications/clean-energy-jobs-plan




Our members

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LATEST FINDINGS

Trends Survey Q3 2025

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For many years BEAMA has surveyed our members to discover the trends in the market that help manufacturers gauge their own positions and survey the industry as a whole. In recent years, the Trends Survey has formed the centrepiece of BEAMA's Quarterly Market Pulse.

Through the Trends Survey data, collated into this Market Pulse, we provide a window into the real-life, real-time experiences of manufacturers in the UK electrical and energy supply chain.

Government, industry stakeholders and media can assess the state of the UK electrotechnical industry and how well current economic and regulatory policies are delivering for British manufacturing. In this latest edition of the Trends Survey, we have broken down the results to provide a more granular and detailed picture of BEAMA's constituent sectors.

- **Building Electrical Systems (BES)**
- **Heating & Ventilation (H&V)**
- **Electricity Networks Infrastructure (ENI)**
- **Electrical Transport Systems (ETS)**
- **Smart Energy Systems (SES)**

This does mean that for our newer member sectors, such as ETS and SES, we have a relatively small sample size, and so the full picture for them will emerge over a few rounds of the Survey. Very importantly though, for the first time we are able to compare member experiences between those working mainly with Utilities and those working more in the Construction sector, amongst other comparators.

Business optimism lost some momentum but stayed on the positive side.

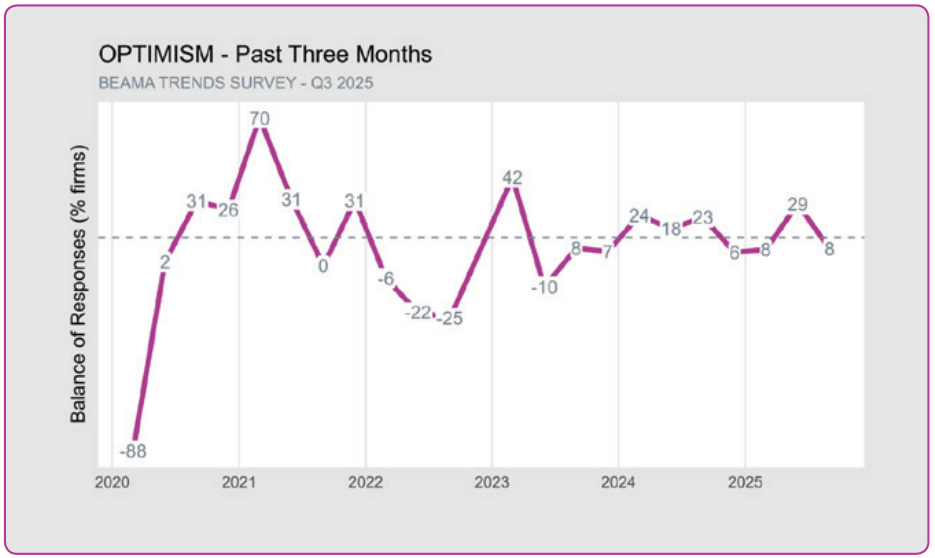
Are you more, or less, optimistic than you were 3 months ago about the general business situation in your industry?

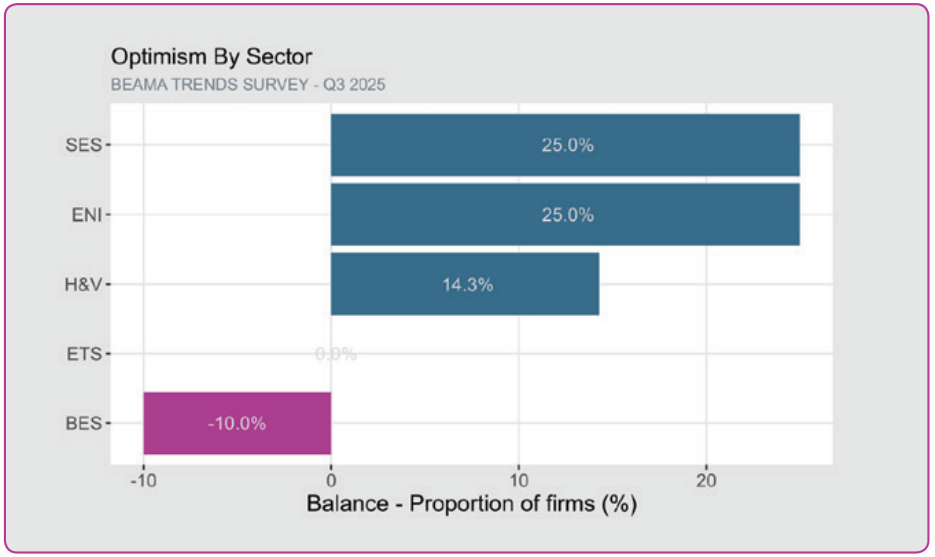
BEAMA tracks the business optimism of members. At the end of 2024 and in Q1 of 2025, this took a big fall, generally attributed to grave uncertainty and fears over international trading conditions, and UK government strategy decisions that were then in development.

In Q2 of 2025 we saw a substantial jump in optimism, following positive decisions on Industrial Strategy from UK government and an easing of international trade tensions.

This took something of a knock back in Q3 2025, falling to the 5-year average, however on looking at the results from individual BEAMA Sectors, those in the Smart Energy, Electricity Networks and Heating & Ventilation sectors were still on balance maintaining optimism, with Electric Transport neutral and only Building Electrical Systems showing a clear reduction in Optimism.

As the BES Sector is inextricably linked to the Construction industry, pessimism on UK government house building targets inevitably will lead to uncertainty for those manufacturers.





Source: BEAMA

Sales rebounded strongly in Q3 after a Q2 slump.

How have sales volumes during the current quarter changed compared with the previous quarter?

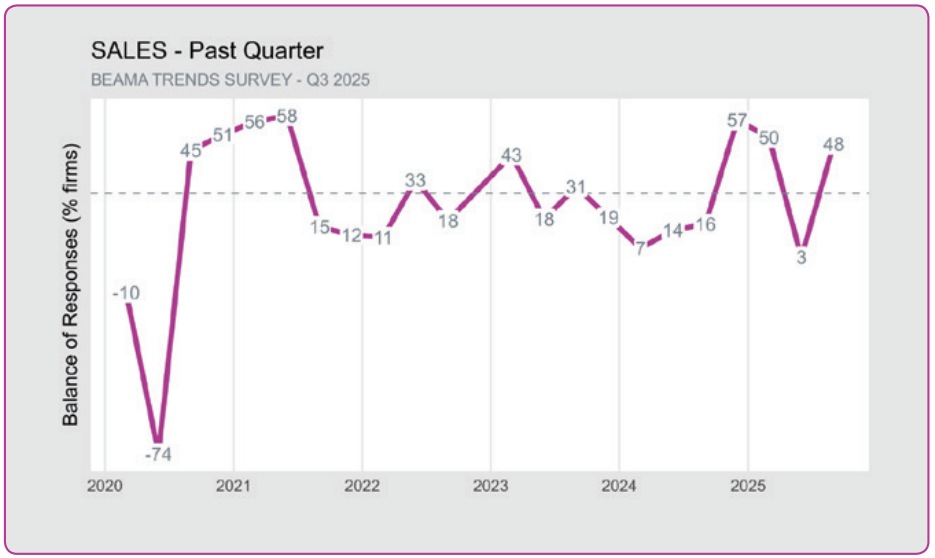
Improved Optimism in Q2 was reached despite a substantial drop in Sales. These rebounded strongly in Q3, up towards the highest levels of improvement seen over the past 5 years albeit from a low base in Q2.

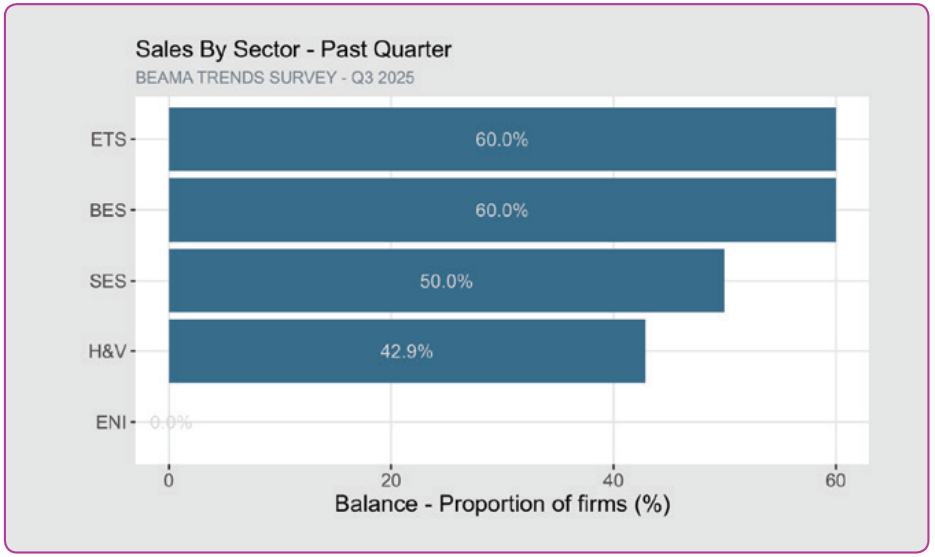
This was illustrated further in the Sector breakdown, with 4 of 5 Sectors reporting improved Sales by a significant margin of members reporting. The sole exception was for Electricity Networks Infrastructure where those reporting improved, reduced, or static sales balanced out exactly.

The neutral reported figures for ENI do illustrate specific points:

- Positive indications on future buying do not equate to growth in sales – this can take months or years to achieve.
- Manufacturers already operating at near-full capacity will need significant assurance before being able to increase capacity and take on more business, especially when dealing in very high value capital equipment.

Once again, levels of Optimism are not correlated to recent Sales records as indicated in most Sectors.





Source: BEAMA

Exports remained positive in Q3, with a slight drop in growth from Q2.

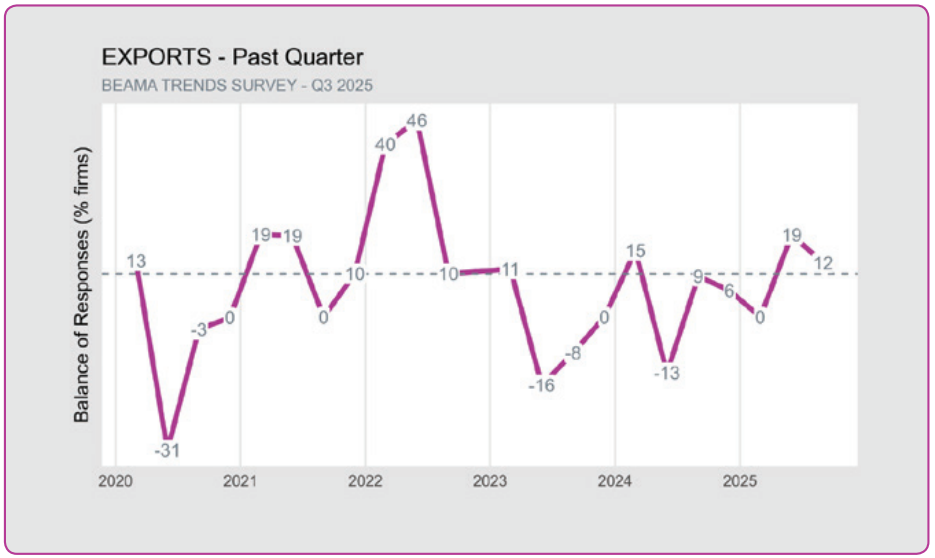
How does your export sales volume during the current quarter compare with the past 3 months?

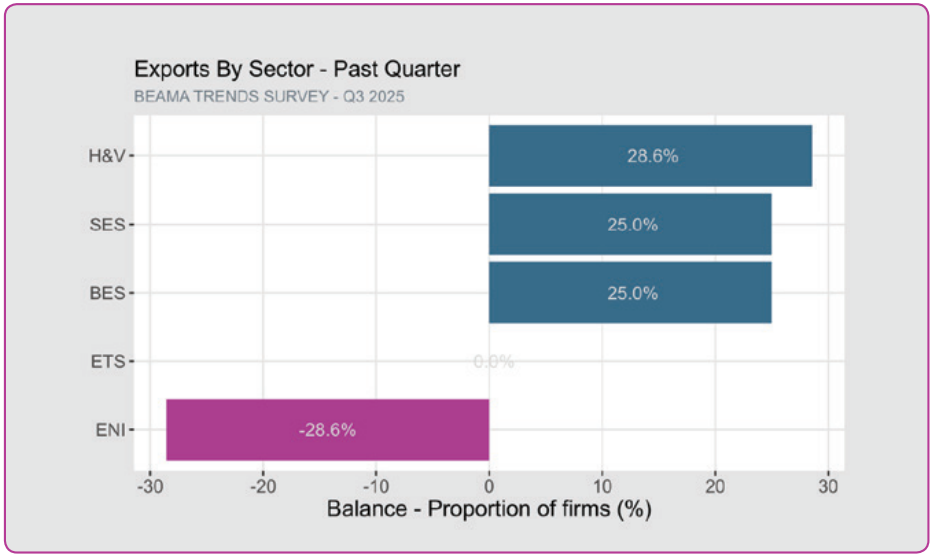
A number of BEAMA members are primarily or wholly focused on the UK market, and some sectors are fully occupied with domestic demand. it was encouraging after the international trading turmoil of late 2024 and early 2025 to see a strong bounceback in export sales in Q2 2025 and this was largely maintained in Q3.

There were some sectoral differences. H&V, Smart Energy, and Building Electrical Systems all saw an increase in Exports on balance, while Electrical Transport stayed neutral and Electricity Networks Infrastructure saw a very appreciable drop.

For ENI, who also had a flat Quarter for overall sales, this may indicate manufacturers at near full capacity having to prioritise orders and so losing export potential.

In addition, for both ETS and ENI, differing standardisation and energy system requirements in different overseas markets, in addition to tariff complications have made certain exports more challenging.





Source: BEAMA

Export Market reports continue to show that Europe is by far our biggest trading partner.

Which region do you export most to by value?

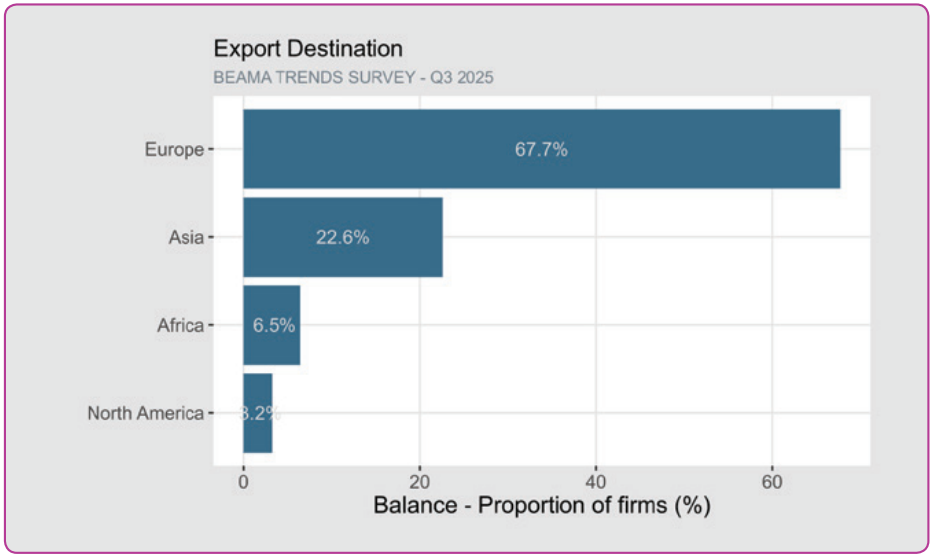
As has consistently been shown since this question was introduced, Europe continues to be the key export market for BEAMA members.

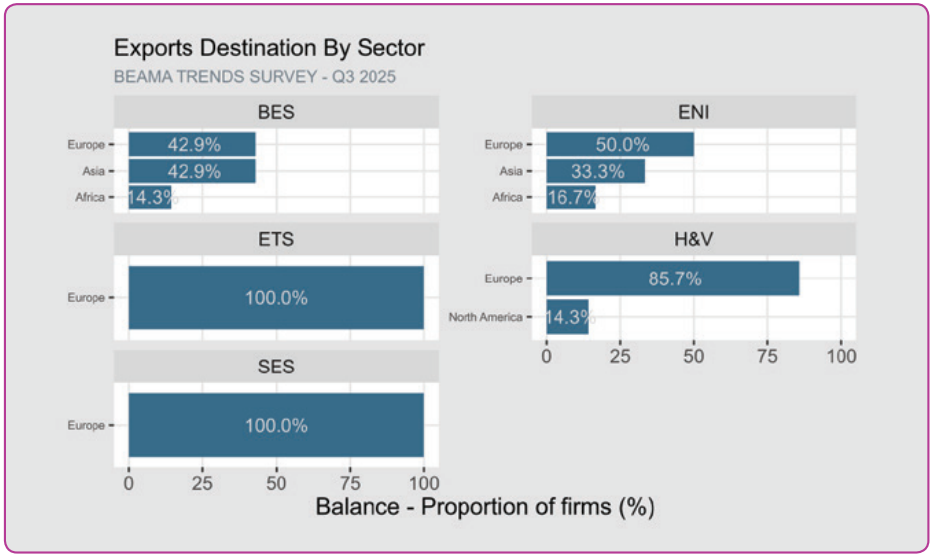
This was seen most strongly for Smart Energy and Electric Transport members, albeit from relatively small samples, where 100% of those members reported Europe as their main export region.

In Building Electrical Systems, however, Asia, including Middle Eastern countries, is equal in importance to Europe and African countries are also important markets.

For Electricity Networks Infrastructure, despite differences in the energy system structures and standards, Europe is the most important export market but closely followed by Asia, where again Middle Eastern markets along with India have strong links with BEAMA Members.

And in the Heating & Ventilation sector there was a small proportion of the membership for which North America is the key export market despite recent trade challenges.





Source: BEAMA

Europe is still our biggest Import source region but closely followed by Asia.

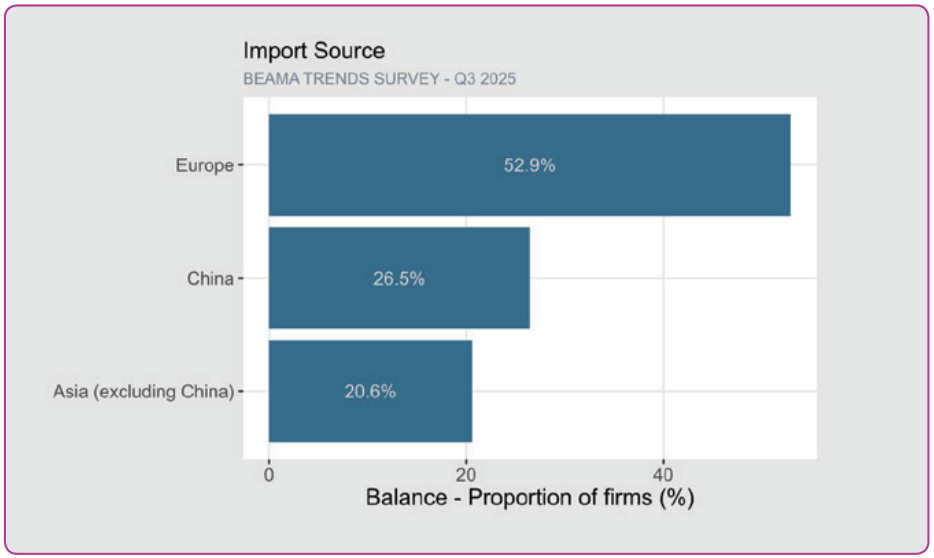
Which region do you source your materials and components from most by value?

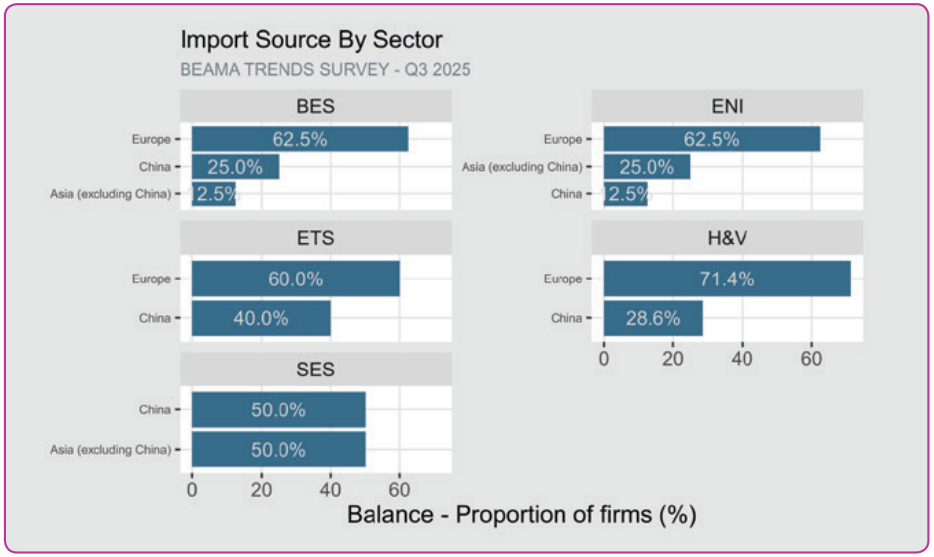
As with Exports, Europe is also the main source region for imported materials and components. It is closely followed by Asia, however, where we have split out China and Asia (excluding China) as options to reflect Chinese importance as a source country.

The 52.9% reporting Europe as the main source is only slightly behind Asia as a whole. There are some interesting variations by Sector however, notably for the newer Sectors, ETS and SES.

For Electrical Transport Systems we see Europe only just ahead of China and for Smart Energy Systems China and Asia (excluding China) are of equal importance with none of those members citing Europe as the main source market. Both of those Sectors dealing in small sample sizes, however.

For the more established Sectors, Europe continues to be the most important source market by an appreciable margin.





Source: BEAMA

CAPACITY UTILISATION | PAST QTR | 2025 Q3

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Capacity Utilisation averaged across the whole of BEAMA's membership remains stubbornly modest.

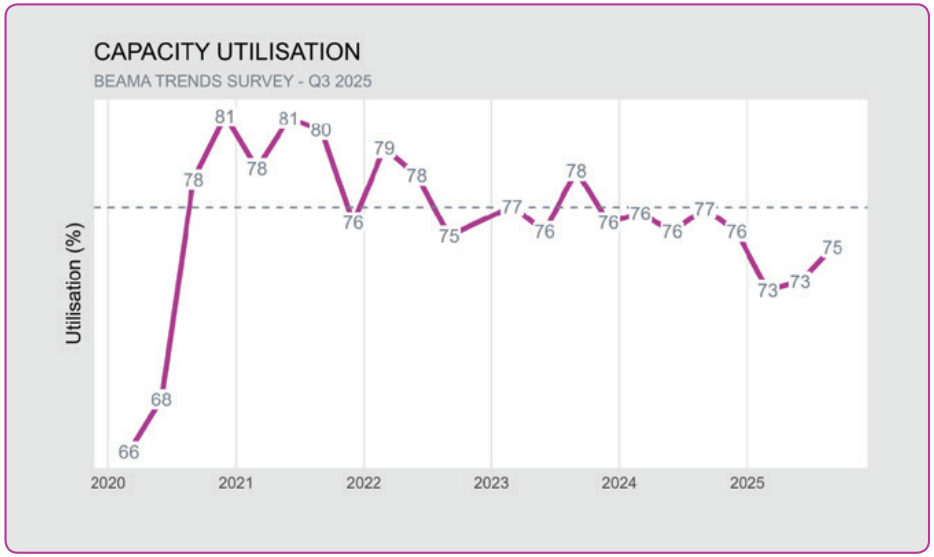
What is your estimate of the current level of capacity utilisation?

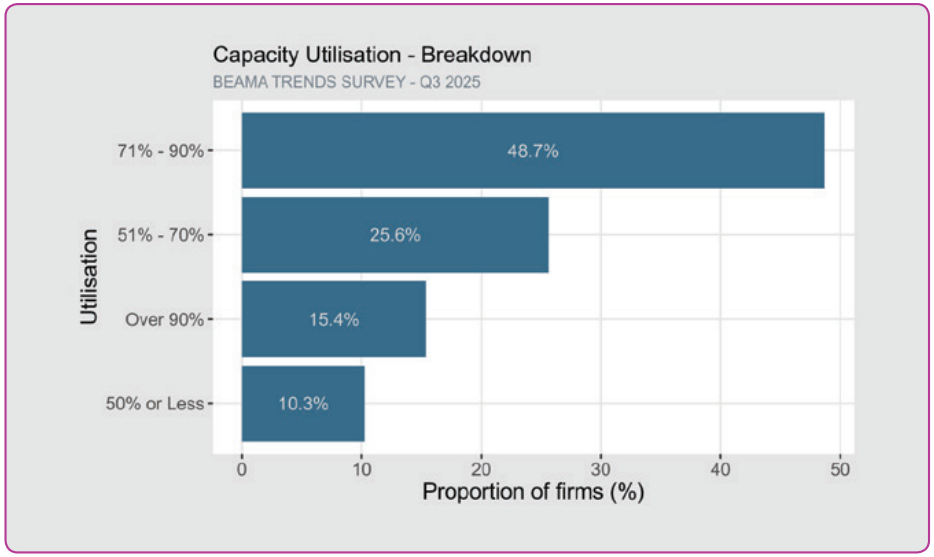
This asks BEAMA members the extent of their manufacturing capacity that is fully utilised, i.e. what scope there would be to increase production in the event of new orders arriving and to what extent the invested capital is making a return.

Q3 reports brought this slightly up from Q1 and Q2 to just under the 5-year average but it remains a significant concern that this has not reached the 80% mark since 2021 despite periods of strong sales. It is also broadly equal throughout BEAMA's sectors, with Sector returns in a range from 67.8% to 76.8%.

Further, although there are 15.4% of members reporting near full capacity and 48.7% between 71% and 90% capacity, this leaves a quarter between 51% and 70% and a tenth below 50%.

Unfortunately, even the current ambitions for clean power, electric transport, clean heating, high levels of house building and innovation are not translating into the levels of business to keep UK manufacturing at necessary growth levels.





Source: BEAMA

Wages & Salaries remained the most important cost factor in Q3 overall but not for all Sectors.

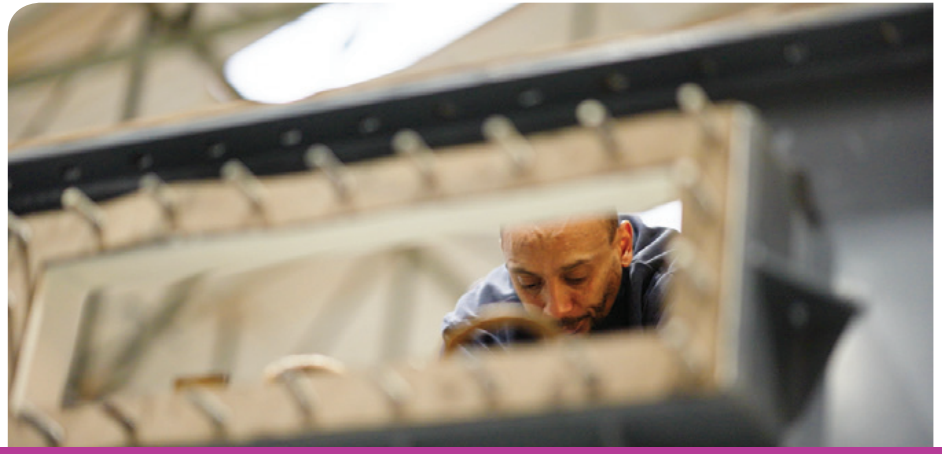
How have the following factors impacted on unit costs over the past 12 months?

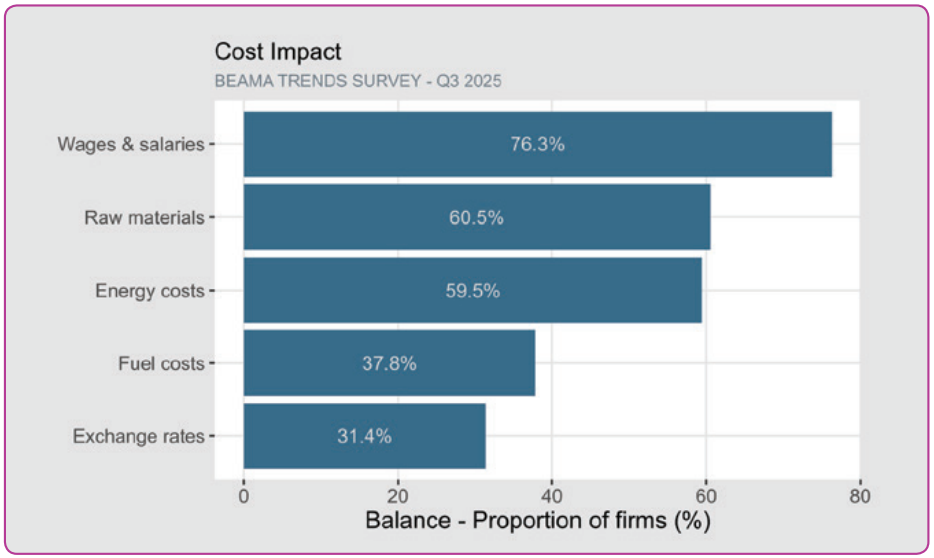
We ask members to report on the significance of Wages & Salaries, Raw Materials, Energy Costs, Fuel Costs and Exchange Rates in their overall costs.

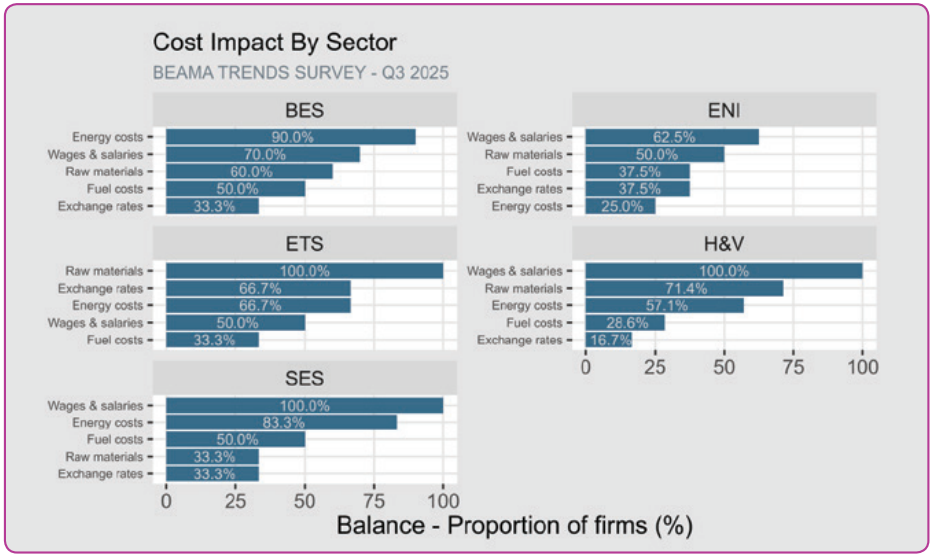
Wages & salaries again was reported as the most consistently reported factor over all BEAMA sectors.

For Building Electrical Systems, however, Energy Costs were most reported and for Electrical Transport Systems, raw materials was top, followed by exchange rates in a sector where imported components can be a very significant factor.

The impact of tariffs and export controls can also be seen in the rise in Raw Materials costs in importance for most sectors.







Source: BEAMA

INVESTMENT INTENTIONS | NEXT 12 MONTHS | 2025 Q3

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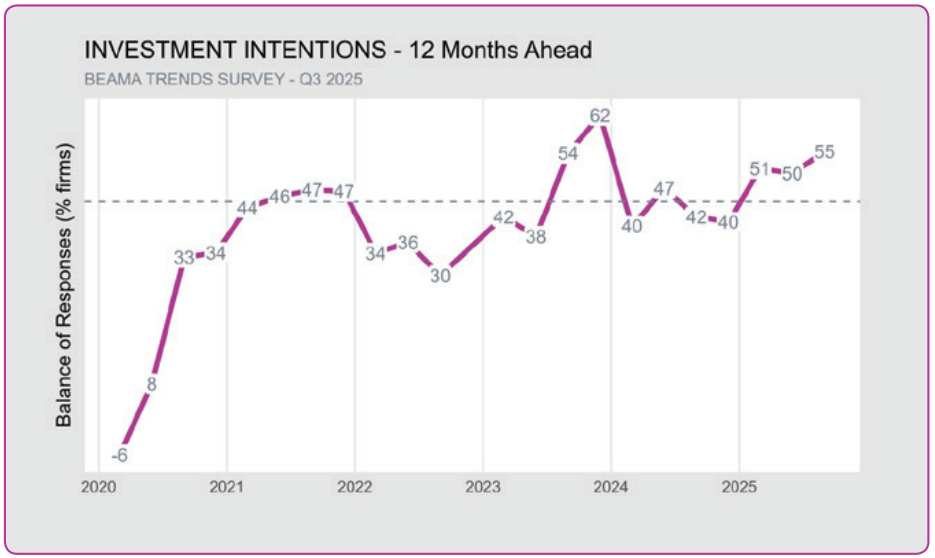
Another strong Quarter for Investment planning as the increases seen in Q1 and Q2 continue to rise in Q3 to near the 5-year high point.

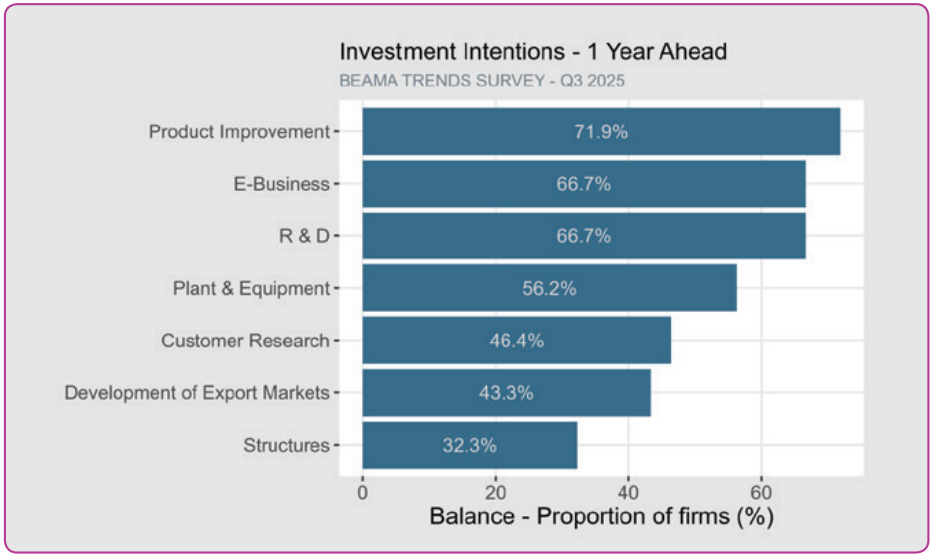
How will your capital investment change in the next 12 months?

A very positive outlook across the BEAMA membership for the coming 12 months.

The biggest proportion of investment continues to be planned for Product Improvement. R&D had been the second most widely reported area for investment in Q2 but now overtaken by E-Business (including AI), perhaps indicating the growing importance of this area to manufacturing.

Overall innovation remains the main theme. The relatively low position of Structures may illustrate that the majority of members are not currently at full capacity for their existing factory set-ups.





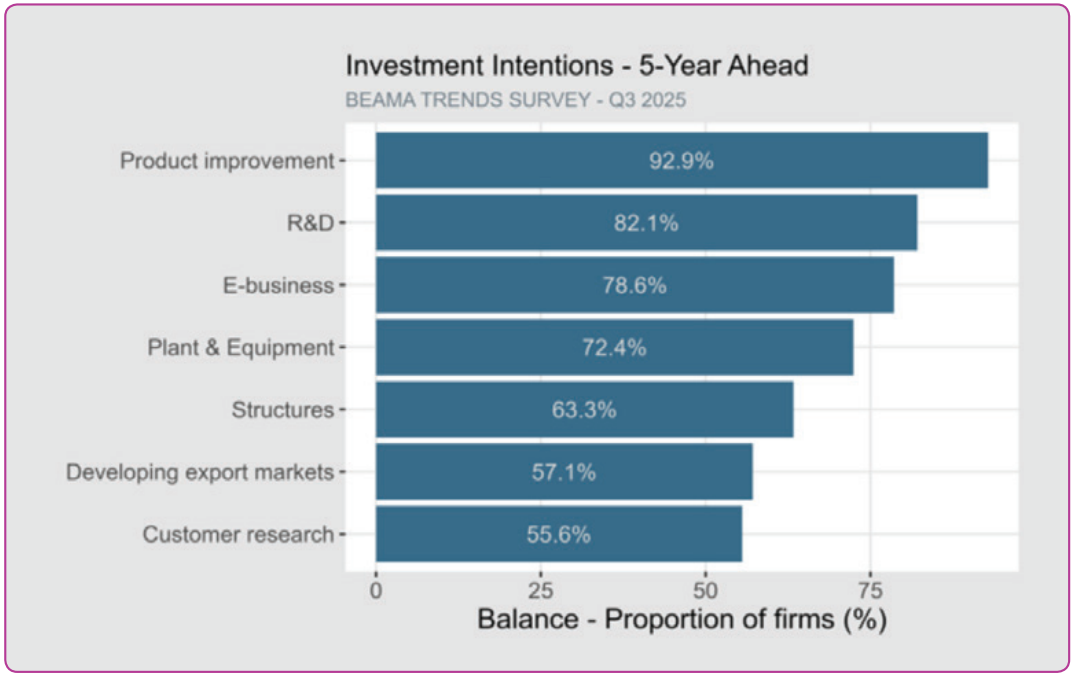
Source: BEAMA

Investment Intentions over the longer term continue to be very positive.

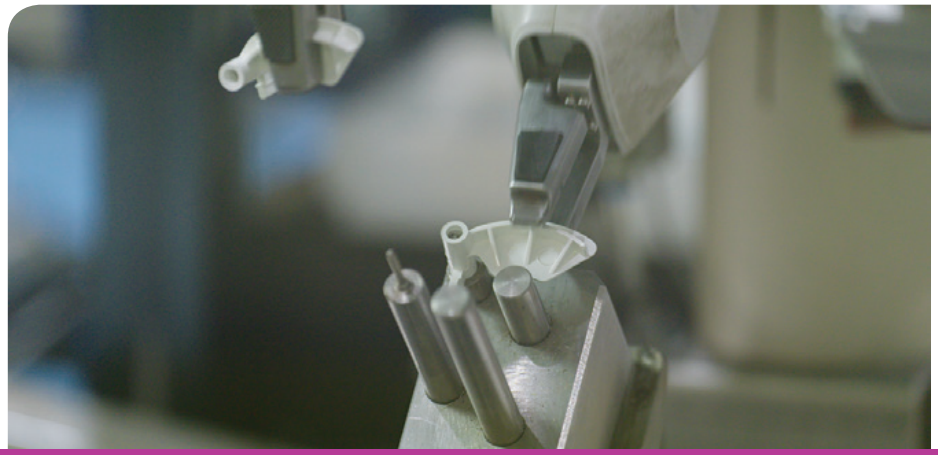
How do you expect your capital investment to change during the next 5 years in the following areas?

BEAMA members report universal plans to maintain or increase investment over the next 5 years in all areas.

This includes an increase in Export Market development plans, showing further commitment to growth in the sector. Innovation on Product improvement, R&D and E-Business (including AI) continue to be the top categories.



Source: BEAMA



BEAMA Members seek to expand their workforces against the challenge of skills shortages.

Hiring intentions had taken a slight decrease in Q2 but came back in Q3.

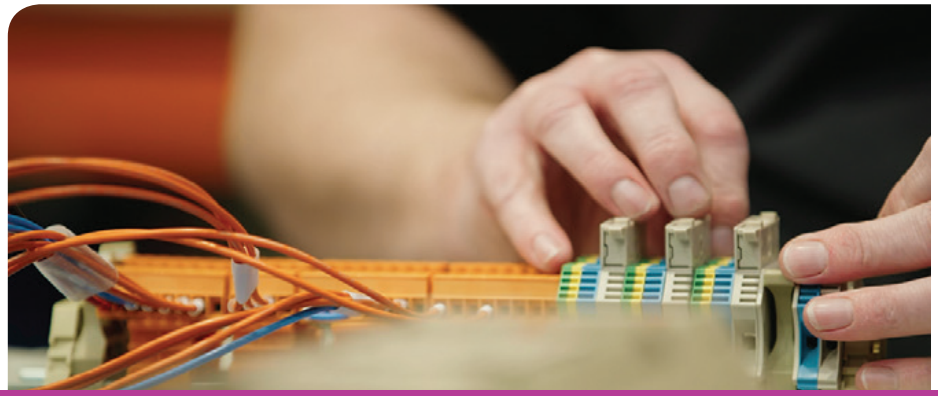
How do you anticipate your number of employees will change over the next 12 months?

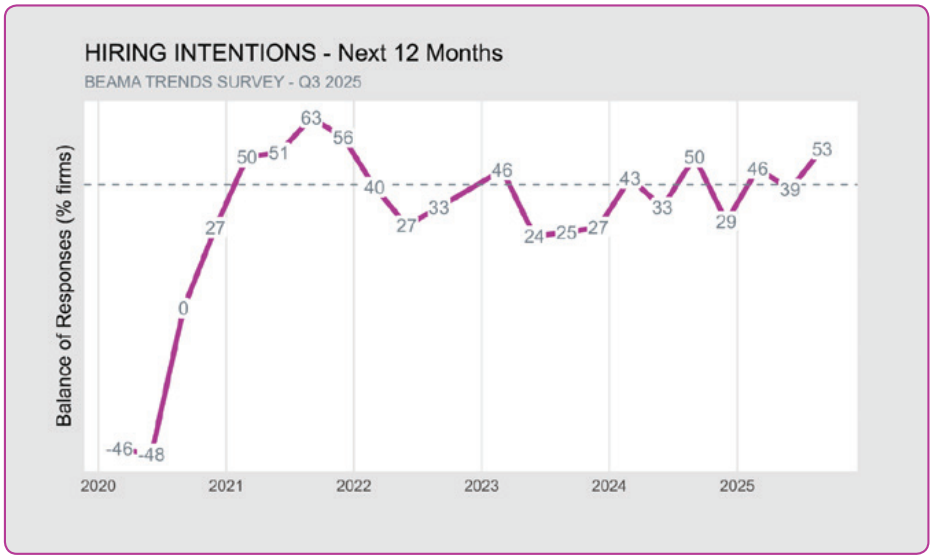
BEAMA members hiring intentions recovered from a small decrease in Q2 to near the 5-year high point. They continue to find their intentions difficult to fulfil due to (1) skills shortages (2) overall employment costs and (3) salary expectations that are challenging to meet.

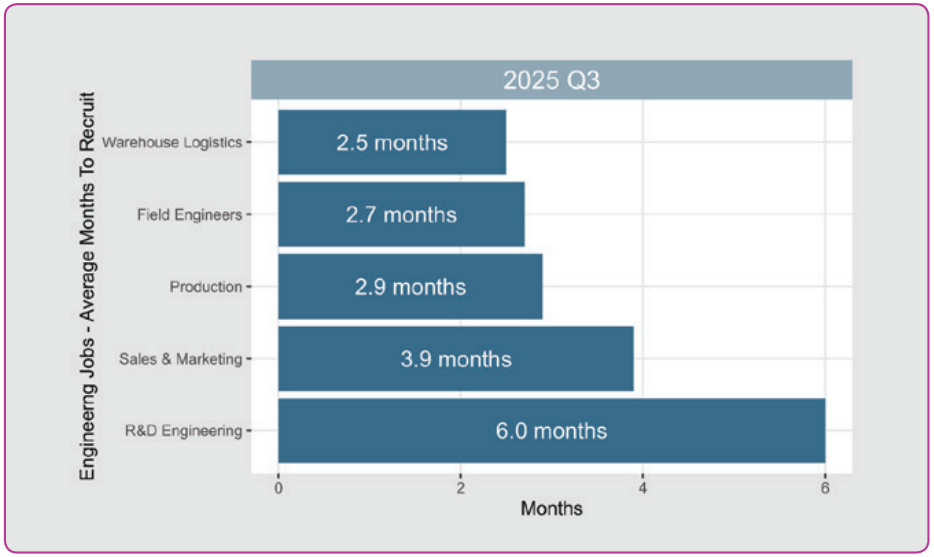
The main challenge is not a shortage of applicants but finding the right skills for key positions.

Which position(s) were filled by your company in the previous quarter, and how long did it take to fill them?

The time taken to fill Engineering roles is also a severe challenge, with the most difficult area, R&D Engineering, being reported as taking 6 months to fill positions.







Source: BEAMA

Policy tracker

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Our members tell us that two major factors affecting their output are demand, and policy and regulatory decisions (which themselves heavily impact demand). Here we continue to track progress against our key pre-General Election policy requests, focusing on cross-sector issues.

In determining the red-orange-yellow-green ratings in the chart below for each area of policy development, we consider many criteria that our members pick up on: specific policy measures and their level of detail, actual delivery, coherence with other policy, consistency with previous announcements, absence of policy, rhetoric and rumours, and delays. The chart gives an at-a-glance view of where most progress is being made, and where further work is needed, with a comparison across the last three Market Pulse documents.

Improvements reflect details being published, such as the decision to include heat batteries in the Boiler Upgrade Scheme, or commitments, such as the promise to publish an Industrial Decarbonisation Strategy in 2026. Drops in progress might reflect delays, such as the overdue Future Homes Standard and Home Energy Model, now not expected until 2026, reflecting a slowdown in progress to more accurately recognise BEAMA member product benefits.

Welcome measures in the last quarter have been the Clean Energy Jobs Plan and ongoing liaison with Government on the Electricity Networks Industrial Growth Plan. However, there is significant unease over long-term electricity pricing and the Warm Homes Plan, and an apparent slowing down in policy development in comparison to the first 12 months of the new Government.

If we see improved momentum on a policy package that moves us closer to making low carbon options the best choice for consumers and improves our energy system, this will encourage investment from our members and we will see improvements in the indicators covered in our member survey.

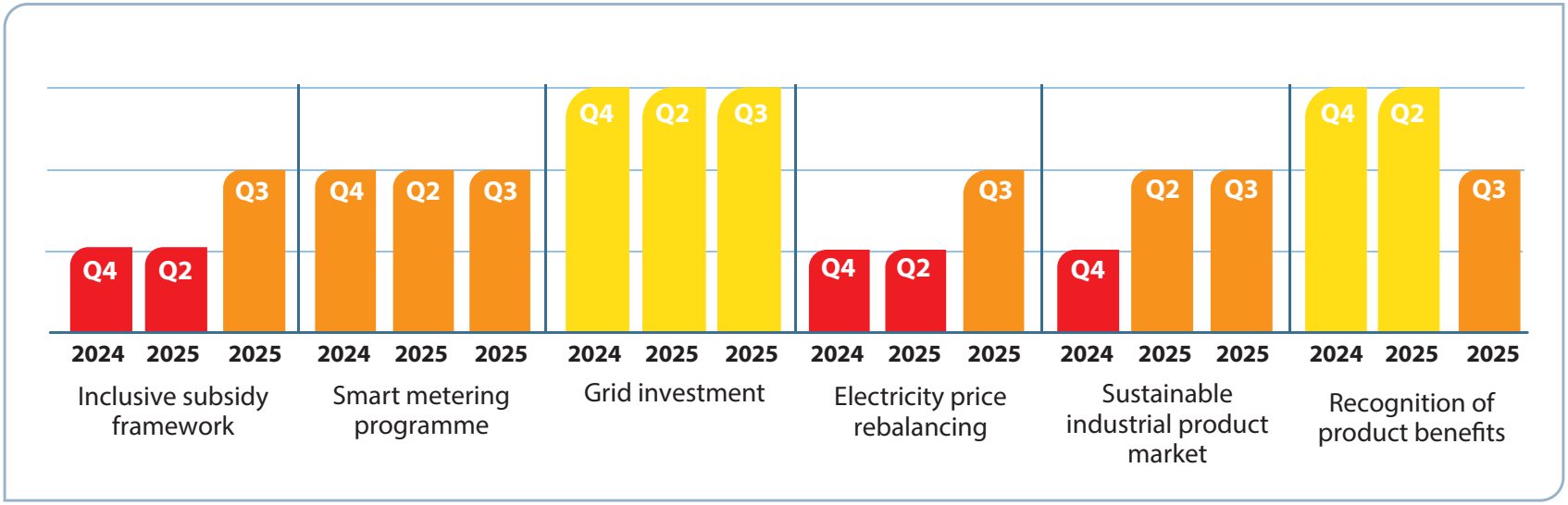

Figure 1: Policy tracker

Budget Response

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A significant event potentially affecting members' confidence and business planning was the annual Budget Statement made on 26 November. Following much speculation in advance, creating some worry in the industry, some of the final measures announced were helpful, with others less so for our members.

Overall sentiment

We welcome the Government's focus upon driving down energy bills for UK households, but further measures are needed to ensure that we are creating a sustainable energy system by supporting investment from consumers and businesses with credible, delivery-focused policies that bring the public along with us.

Business costs

Following national insurance changes last year and ongoing high energy prices, businesses' struggle with energy and hiring costs were not materially improved by the Budget. We hope that the Government will broaden the scope of its industrial electricity cost support, and implement its Industrial Decarbonisation strategy soon into the new year.

Heat and buildings

High electricity prices have limited the demand for electrification. As such, the bill savings announced are welcome as a short-term measure. However, with the scrapping of ECO and compensation of extra capital funds for saving energy for consumers, we want clarity as soon as possible on how this will be spent.

Uncertainty remains over the publication of the delayed Warm Homes Plan, Future Homes Standard, and longer term structural changes to electricity prices. These policies are a great opportunity to stimulate consumer and business investment, economic growth, and accelerated decarbonisation, as long as wider economic conditions are also suitable.

Electric transport

The proposal to introduce VED for EVs risks sending the wrong signal at a crucial time for the UK's transport transition. While it is inevitable that electric vehicle drivers will eventually need to contribute more to make up for the reduced fuel duty revenue from ICE vehicles, now is not the right time to discourage EV ownership. Meanwhile the reduction in domestic energy bills will increase the disparity between those who can charge at home and those who rely on the public charging network. BEAMA will push for a more balanced approach within the upcoming EV charging price review.

Key announcements in the Budget

- **Cutting energy bills by around £150 on average, by moving funding for the Renewable Obligation into central government spending, and scrapping the Energy Company Obligation**
- **Adding an extra £1.5bn into the upcoming Warm Homes Plan funding pot**
- **Mileage-based charge on electric car use from 2028, with fuel duty to rise again from September 2026**
- **£1.3bn extension to the electric car grant to 2030, and £100m capital funding for EV infrastructure**
- **Tweaks to the Plastic Packaging Tax methodology**

Budgetary measures may have an impact on many Market Pulse indicators, including sales, investment intentions, hiring intentions, optimism, and cost impacts.

> *"Introducing a per-mile levy on EVs from 2028 may be fiscally understandable, but it arrives at exactly the moment the UK needs stronger incentives to electrify transport. Mixed signals like this undermine investment confidence and make it harder for UK manufacturers to scale production of the critical infrastructure that Clean Power 2030 depends on."*
>
> Lee Sutton - Chief Innovation Officer, myenergi

Construction and Infrastructure Trends commentary

#ACCELERATING ELECTRIFICATION

It is vitally important to temper any reported optimism and sales growth with the reality of current economic uncertainty as reported by the Construction Products Association (Autumn Forecast 2025). Many businesses are reporting that it is difficult to make investment business cases due to uncertainty over policy (with repeated delays for Future Homes and the Warm Homes Plan) and a general lack in market confidence in some construction sectors.

During Q3, businesses have been concerned with the risks of anticipated tax rises and the CPA has revised down its forecasts for 2026 across various construction indicators. In non-regulated markets such as new development starts and outputs plus Repair Maintenance and Improvements, investment has been affected by modest activity with respect to mortgage transactions (in itself skewed by Q1 bring forward activity in advance of stamp duty changes in Q2) and a willingness for consumers to undertake discretionary spend projects. In the commercial sector, the situation has been exacerbated by Gateway 2 and 3 delays (6-9 months and 3-4 months respectively).

A slow-down in construction due to the above has a very real impact on the current timeframe investment outlook for energy distribution products, particularly with IDNOs offering innovative and competitive models to developers but unable to service what the Government believed to be a high growth sector: The anticipated volume is just not coming through and projects are delayed.

It is interesting that the CPA reports anticipated growth for the electricity sub-sector, currently 37% reported increase in 2025 rising to 44% in 2027. Member reporting suggests this is extremely optimistic as, despite being a regulated sector, we know that claimed business plan activity is not in and of itself a financial transaction commitment until the order becomes an installation and connection. There is an inherent mis-alignment between expectations and delivery on the ground which is something ofgem and Government needs to consider in its own projections for growth. The CPA has acknowledged this and BEAMA has repeatedly reported the situation for many years. On a positive note, we are pleased to see the current ED3 consultation seeking to address this issue, albeit for delivery some way down the years towards 2030.

Key Points

April 2025 Forecast	October 2025 Forecast
• Construction output rises by **1.9%** in **2025** and **3.7%** in **2026**	• Construction output rises by **1.1%** in **2025** and **2.8%** in **2026**
• Private housing output rises by **4.0%** in **2025** and **7.0%** in **2026**	• Private housing output rises by **2.0%** in **2025** and **4.0%** in **2026**
• Private housing repair, maintenance and improvement to rise by **2.0%** in **2025** and **3.0%** in **2026**	• Private housing repair, maintenance and improvement to be **flat** in **2025** and rise by **2.0%** in **2026**
• Infrastructure output to rise by **1.8%** in **2025** and **4.5%** in **2026**	• Infrastructure output to rise by **2.6%** in **2025** and **3.9%** in **2026**
• Industrial output to rise by **1.0%** in **2025** and **2.6%** in **2026**	• Industrial output to rise by **4.1%** in **2025** and **2.6%** in **2026**

Source: Construction Products Association

> *"The technologies that manage EV charging, electrified heat and home flexibility are fast becoming part of the UK's critical national infrastructure. It matters where they are designed, built and supported. If we allow this capability to drift offshore, we don't just lose manufacturing, we weaken the resilience of the entire energy system."*
>
> Lee Sutton - Chief Innovation Officer, myenergi

Electric Transport Infrastructure

EV Sales Figures[3]:

Cars:

September marked a record-breaking month for electric car sales. With **70,000** sold in September. Over the quarter **125,482** battery electric vehicles were sold. September continues to be a strong month for EV sales where in 2024 September also saw over half of the EV's sold in Q3 2024 sold in September.

Vans:

Vans also saw their second largest total ever registered in a single month with **4,316** electric vans, again just falling short of March's record.

HGV's:

111 E-HGVs were registered in September marking a record month for sales.

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What this tells us:

According to New Automotive's data manufacturers are on track to hitting their ZEV mandate targets for cars fairly comfortably once the flexibilities from the mandate such as CO_2 credits are accounted for. For vans the picture is more opaque with the flexibilities afforded in year one and very strong sales in September providing some relief, but hitting the ZEV mandate target may be tougher, showing the need for the Government to urgently legislate for the changes they recently announced in their response to the Zero Emissions Vans: Regulatory Flexibility consultation.[4]

For HGV's the picture is also very positive with year record sales in September showing the success of ZEHID, the Zero Emissions HGV and Infrastructure Demonstrator programme, and wider market confidence in EHGV's. Although it is very early days and 99% of HGV's hitting the road this year are diesel.

The impact of the electric car grant cannot be understated in these figures. According to data from Autotrader there was a 120% growth in new EV inquiries 4 weeks after the announcement which were eligible for the grant. The trend in new EV sales in September being the highest of the quarter was probably also supported by consumers delaying their decision to purchase an EV until they had certainty over which cars were eligible for the grant.

There is now more consumer choice, with 169 EV models in the UK market a 30% year on year growth and the shift in demand towards EVs priced under £37k has seen heightened price competition in this region, improving consumer offers. However, overall, the grant has yet, but will likely support further growth in EVs market share in future.

3 https://storage.googleapis.com/public_download_assets/ecc_pdfs/20251003%20ECC%20September%202025.pdf

4 https://www.gov.uk/government/consultations/zero-emission-vans-regulatory-flexibility

EV Charging Figures

Public charging:

3928 new public chargepoints were installed in Q3 of 2025[5]. This means there were over 86,000 public chargepoints in the UK at the end of Q3 2025. However, this represents a decline in the year-on-year growth to only a 22% increase.

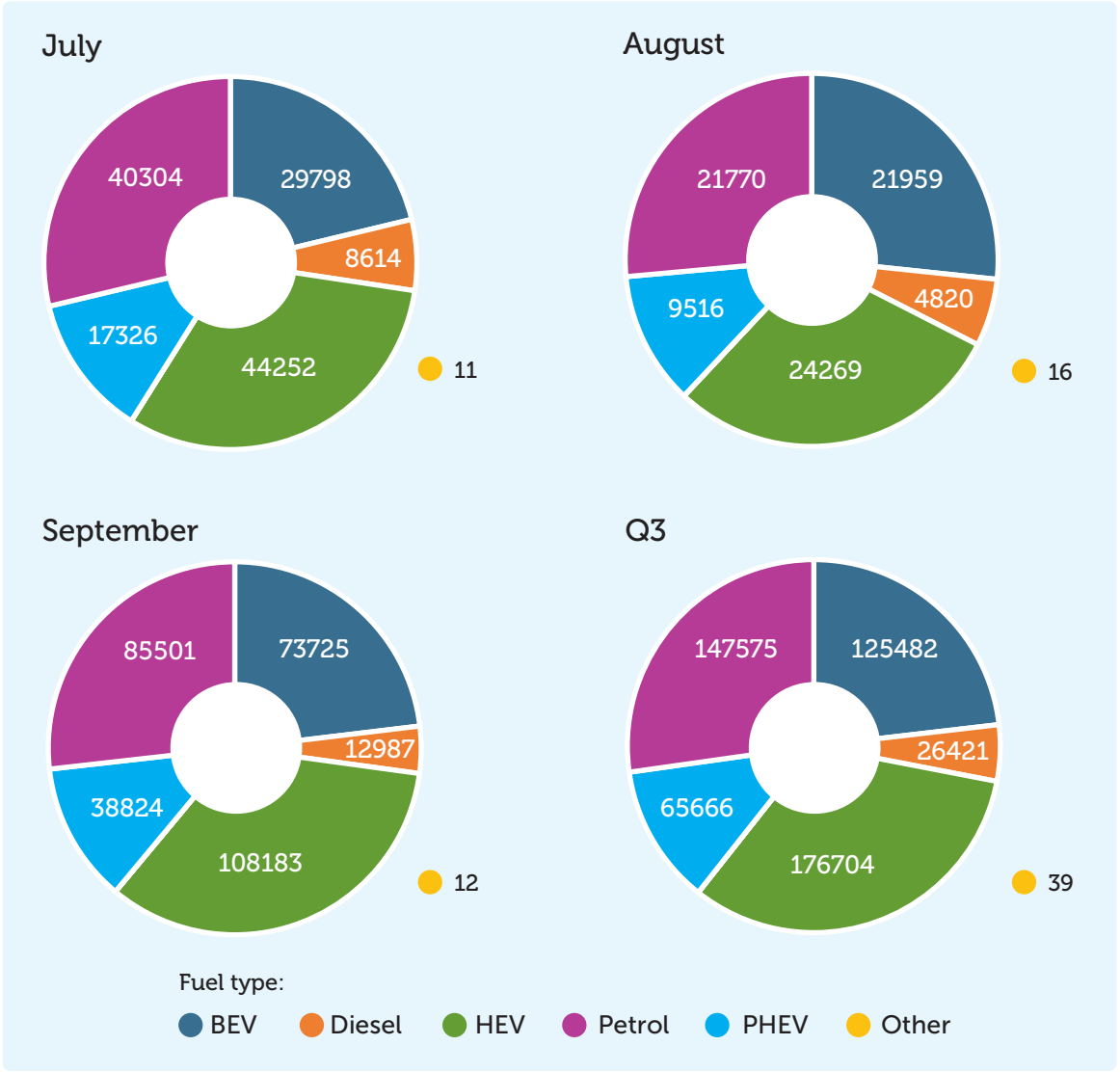
In this, ultra rapid devices (150kw or greater) have seen the largest growth with a 51% year on year (Sept 24-Sept 25) increase in total ultra rapid devices available (now 9290).

Meanwhile rapid devices have only increased year on year by 7% (50-149kw) and a 21% increase in slow and fast chargepoints. (data courtesy of zap map).

What this tells us:

With a combination of rising energy costs and continued frustrations with grid connections, the lower than expected 22% year on year increase of public chargepoints highlights, coupled with uncertainty over the future tax policy on EVs, confidence of BEAMA's ETS members lags behind other areas of the BEAMA membership. This highlights that despite some positive messaging by the Government through the electric car grant, that the EV infrastructure sector's confidence in the UK as a market is not as high as it could be and BEAMA members are showing a desire to expand beyond the UK and look at Europe as a larger, more stable market.

Q3 EV Registration Figures



(Source, Autotrader data, October 2025)

5 https://www.zap-map.com/news/zapmap-statistics-q3-2025-show-continued-growth-charging-infrastructure

Electricity Networks Sector Growth Plan

#ACCELERATING ELECTRIFICATION

The UK's electricity networks and supply chain sectors are working together to develop an industry led Electricity Networks Sector Growth Plan, marking the first time the industry has come together to align on a strategic pathway for skills and workforce and manufacturing capability.

The initiative, jointly led by trade bodies Energy Networks Association (ENA) and BEAMA, with support from the UK Government, will demonstrate the Sector's vital economic contribution and its potential for future growth, while providing greater certainty for network companies, service providers and manufacturers around workforce, skills and supply chain capacity.

The Electricity Networks Sector Growth Plan will seek to:

- **Demonstrate the Sector's contribution to the UK economy and future growth potential.**
- **Set out the workforce requirements needed to maintain, develop and attract the skills essential for a growing sector.**
- **Understand the UK's supply chain capabilities and how domestic supply chains can be developed.**
- **Provide confidence that the Sector can deliver and meet demand.**

The first stage will be the publication of an interim plan in December that sets out the challenge and how the sector intends to work together. A consultant partner has also been appointed to deliver the analysis required to ensure the plan is underpinned by robust evidence.

> *"The electrical sector knows it faces a significant but transformative challenge to grow manufacturing capacity here in the UK at a rate faster than has ever been achieved before. BEAMA members stand ready to step up to this challenge and to support the rollout of low carbon technologies and expansion of clean power.*
>
> *However, this can't be done overnight. Delivering our stretching 2030 and 2050 targets means decisions need to be taken now to expand capacity and attract international investment. This project will translate these targets into tangible needs, and identify key parts of the sector for support, allowing manufacturing and a skilled workforce here in the UK to expand.*
>
> *This is the first time the industry has come together like this – I commend the work already done to get us to this stage and the commitment from Government to support us in maintaining ambition for the industry. We're looking forward to supporting the work as it develops."* Yselkla Farmer, Chief Executive Officer of BEAMA

Heat Electrification

#ACCELERATING ELECTRIFICATION

Heat pump market growth remains healthy with recent publicly reported figures indicating 29% year on year growth from 2024.

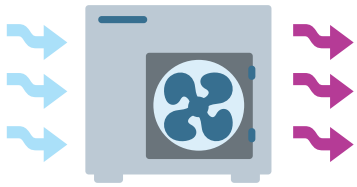
Current late year projections based on a recent presentation for H1 2025 suggest nearly 129,000 UK heat pump sales although these figures have not been formally published. This is a dip from 7th Carbon Budget projections but should bear in mind some levels of policy uncertainty, including the delay to the Future Homes Standard.

> We have some concern regarding the drop off in heat pump installer training which could indicate a level of apathy with installers. There was a 33% drop off in Q2 2025 compared to Q1 and a year on year fall of 27%. Our major concern here is sunk investment in training infrastructure and budgeting which could lead to decreasing focus in coming years at a time when we need to ramp up demand to meet Clean Power targets.

More generally the heating market is experiencing a difficult period for forecasting due to an ever-shifting sales trend in all sectors and not just boilers. This specifically affects the area of research and product development as manufacturers consider their spend patterns for the next five years to service the existing market and transition to electrification. Continued policy delays in both electrification and traditional heat systems is not helping the market's investment profile with BEAMA members voicing frustration at the inability to confidently prepare business cases for development.

To achieve 2028 targets and deliver some optimism the UK will need to:

- Address the bottle neck in policy certainty. At time of writing we are awaiting Raising the Product Standard regulations confirmation (3 years since consultation), the Warm Homes Plan (manifesto pledge), the Future Homes Standard (2 ½ years since consultation), clarity around Safe and Secure Electricity System energy smart appliance requirements (discussions began in 2023), electricity price re-balancing and the Boiler Upgrade Scheme scope extension.
- Stay committed to the principles of the current ED3 consultation with regards to pulling through network investment and holding business planning to account to ensure electrifications connections can take place quickly and seamlessly.
- Seriously address the market distortion in fiscal incentives for heat electrification technologies through VAT relief and Boiler Upgrade Scheme scope.
- Ensure the EPC reform pathway adequately identifies and promotes electrification of heat energy smart appliances as recognised in scope.
- Normalise heat electrification for consumers in the round and not with a single technology solution (i.e. promoting all heat storage).
- Ensure the Home Energy Model has a proportionate and positive approach to determining the value of heat electrification technologies without pathing a way for increased market distortion i.e. the right product for the right application.



Smart Meter Installations

To date, more than 39 million smart and advanced meters have been installed across the UK. Although early 2025 saw a modest rise in installation activity, figures for Q3 2025 showed a decrease in installations of 8.2% on the previous quarter and a 4.7% decrease on the same quarter in 2024, so acceleration is clearly not yet occurring as required. Even so, the framework set out for the post-2025 period provides a clearer route to completion by 2030, including stronger obligations on suppliers to fix faults promptly, replace ageing equipment, and ensure devices operate consistently in full smart mode.

Government continues to stress the long-term benefits of completing the rollout. These include lower energy bills, greater visibility of demand across the grid, improved consumer control, and the carbon savings required to support the UK's Clean Power 2030 target. Smart meters remain a core element of the transition to a more flexible and affordable energy system.

> The transition to 4G WAN communications marks a significant step in strengthening the UK's smart metering infrastructure. Replacing older systems with a more resilient network will improve coverage and connection stability, enabling households and businesses to use smarter tariffs, take part in flexible energy services, and support the wider uptake of low-carbon technologies.

The post-2025 framework provides clearer long-term direction for the sector. With defined obligations and milestones through to 2030, organisations across the supply chain can plan with greater confidence. This includes building installer capacity, managing supply arrangements, and preparing for closer integration between smart meters and technologies such as EV chargepoints, heat pumps, and energy storage systems.

In recent months, BEAMA has contributed to several government consultations, including the Enhancing the Smart Meter Installation Journey work. Our responses have centred on practical improvements: better coordination between smart meter installations and the fitting of low-carbon technologies, steps to address installer capacity challenges, and stronger local engagement in regions where rollout has been slower. We have also highlighted the need for consistent customer experiences and smoother processes for resolving faults or replacing legacy systems.

Conclusion

UK electrical and energy manufacturers face a combination of challenges. While they maintain a positive outlook overall and have strong intentions with regard to investing in UK production and strong employment, their ability to turn those intentions into action is under stress from a variety of factors, including:

- **Energy networks not turning procurement plans and commitments into actual orders.**
- **UK construction falling well short of housebuilding targets.**
- **Long delays in approvals for both building and infrastructure projects.**
- **Lack of applicants with essential skills for vacant positions.**
- **Escalating costs of increasing employment and expanding production.**

This is most keenly seen in the level of capacity utilisation, i.e. the extent to which manufacturers are able to make full commercial use of the production facilities at their disposal. The average across BEAMA's membership has hovered around the 75% mark for the past 4 years. While this is not too far behind the current 78%[6] average in the EU, most analysis would say that 85% is the minimum level to maintain long-term profitability. For companies with the ability to source products or carry out production overseas, making the case for investment in UK manufacturing against other markets continues to be a hard fight.

So we must temper any reported optimism and sales growth with the reality of continued economic uncertainty as reported by the Construction Products Association (Autumn Forecast 2025). The Budget hasn't revealed any additional long-term certainty and while a reduction in electricity bills is welcome, this is a short term fix, and therefore doesn't give investors any additional confidence to invest or clarity on the future for related markets. There are many policies still outstanding we hope will deliver certainty in the next 6-12 months namely the warm homes plan, SSES, Future Homes Standard. The outlook for ED3 is looking positive, but decisions still need to be made on SF6. Connections and support for the construction and EV infrastructure markets is needed to ensure we see growing enthusiasm for the UK as a place to invest vs other competing nations. Until the direction of travel for these markets are set in stone, our members remain more vulnerable to market fluctuations.

To end on a positive note. What we can say is our membership represents a sector with great potential and the intention to invest is there. This is why they are recognised in the UK Industrial Strategy and why we are committed to work with Government closely on pinning down important policy and regulatory decisions. If we can stay the course there is cautious optimism for growing employment and manufacturing here in the UK but the clock is ticking and we cannot afford further delays to crucial policies that will underpin market growth going forward.

6 Source European Union Capacity Utilization

#ACCELERATING
ELECTRIFICATION

BEAMA MEMBER CASE STUDIES

beama
The trade association for energy infrastructure & systems

Metis by SMS – Pioneering Area-Wide Energy Retrofit with Oxfordshire County Council

Metis by SMS is a new venture from the UK company Smart Metering Systems (SMS) that provides fully funded renewable energy solutions, including solar panels and battery storage, to social landlords, homeowners, and educational institutions.

In partnership with Oxfordshire County Council (OCC), Metis has delivered a groundbreaking, fully funded low-carbon retrofit programme, transforming how residents engage with energy efficiency. This initiative combines smart technology, consumer-first financial models, and trusted local delivery to overcome the barriers to energy transition.

The Challenge:
Despite growing awareness, most households were found to face significant hurdles in adopting low-carbon technologies: lack of upfront capital, trust, understanding, and support. Metis and OCC set out to trial a scalable, inclusive solution to make the Energy Transition accessible to residents in Oxfordshire.

The Solution:
Metis deployed a five-stage, end-to-end retrofit model for both social housing and private homeowners, controlling the full value chain for 25 years:

1. **Engagement (Energy Saver App) -** A free, supplier-agnostic digital tool that uses smart meter data to drive engagement, build trust, and deliver energy insights.
2. **Honest Retrofit Simulations -** The Metis platform uses Half-Hourly (HH) data to run "uniquely honest" simulations of a solar and battery retrofit, providing clear and compliant savings predictions for the consumer's specific home.
3. **Affordability (Subscription Model) -** Metis offers a flexible financial model with no upfront capital cost, based on a fixed monthly subscription that is designed to be net positive for the customer from the outset. The process is described as being "as simple as getting a mobile phone".
4. **Installation -** Work is executed by a high-quality national workforce and is managed under SMS's stringent governance for compliance and health and safety.
5. **Ongoing Optimisation -** Post-installation, the Metis Home Energy Management App provides continuous asset management and automatic optimisation (e.g., charging an EV overnight) to maximize savings and flexibility revenue for the resident.

The Impact:
Metis has inspired a **65% conversion rate** from interest to installation, enabling consumers to collectively save £53297.61 compared to before having their install so far. Metis homes have also generated 461mWh of electricity, equivalent to powering 170 UK homes for a year. Oxfordshire provides a positive model for decarbonisation at scale, designed for mass rollout and accessibility.

> *"Our partnership with Metis has been a real success story. Together, we're helping residents across Oxfordshire make their homes more energy efficient and supporting a fair and just transition to Net Zero. By combining Metis' technical expertise with our local delivery, we're unlocking significant benefits for communities – including lower energy bills, improved wellbeing, greater grid flexibility and meaningful climate action."*

CASE STUDY

CHAMELEON® TECHNOLOGY

Chameleon Technology – The HTC-Up Project

The HTC-Up project, in collaboration with **NatWest** and **Furbnow**, was designed to provide domestic homeowners and landlords with clear advice and funding opportunities for home energy and thermal efficiency improvements, based on accurate real-time energy data. Chameleon's free ivie smart meter app for consumers could also direct households on how best to improve their energy efficiency with low-carbon technology (LCT) retrofitting.

This project was one of 12 awarded by the Department for Energy Security and Net Zero to progress to pilot phase after successfully completing its proof of concept stage. The HTC-Up initiative formed part of the Green Home Finance Accelerator programme, which aimed to support new ways of giving families access to funding to improve their home's energy efficiency.

How it worked:
Utilising the ivie app's home energy data capabilities, Chameleon Technology's data team designed an easy-to-use algorithm to calculate how much heat is being lost from a home. This heat transfer co-efficient (HTC) score is calculated by using a temperature sensor within the ivie Bud, an in-home display, locally available weather data, and the home's gas usage for heating purposes. Their HTC algorithm could then calculate how energy efficient the home is, and indicate whether or not it would be suitably efficient for a heat pump installation.

To maximise their learning potential, the project was split into two strands:

Finance-focused
One route focused on the perceived financial blockers of LCTs and retrofitting. Natwest mortgage customers were offered a free ivie Bud to help generate a HTC score in the ivie app. This data was then passed back to Natwest to source a suitable loan or finance product, to help the customer afford any recommended retrofitting to improve their thermal efficiency. Finally, it connected customers to a recommended installation partner.

Retrofitting-focused
The second strand of the project was led by Furbnow. Their targeted customers had already expressed interest in the idea of retrofitting and energy efficiency. The offer of an ivie Bud to produce a HTC score was designed to help provide empirical evidence towards any needs for efficiency improvements. Furbnow was then ideally placed to help guide homeowners through any required retrofitting journeys, from start to finish.

The Results:
Chameleon's qualitative learnings and feedback from the project confirmed many of the existing concerns facing energy efficiency upgrades. The perceived primary barrier to adoption remains the high up-front costs of LCTs, as well as a desire for practical guidance on LCT suitability for their homes, followed by the reliability and sourcing of trusted installers.

> *"It's all about supporting consumers with targeted education and financial support. We're confident that our HTC algorithm – which can clearly show households how thermally efficient their homes are with a simple scale – will become a significant contributor to meeting goals to upgrade the existing UK housing stock, better suited for the flexible, renewable energy markets of the future."*
>
> Gergana Dineva, Head of Product Marketing

SP Energy Networks energises UK's first non-SF6 switchgear from Lucy Electric – Landmark moment for grid decarbonisation

- The UK's first non-SF6 ring main unit is now in operation in SP Energy Networks' Mid-Cheshire district, setting a precedent for more sustainable substations across the country
- Lucy Electric's Sabre EcoTec will save the electricity network operator more than 33 tonnes of CO_2 per unit – the equivalent of 84,036 miles driven by an average sized vehicle
- The collaboration between SP Energy Networks and Lucy Electric is a landmark moment in the journey towards a cleaner and greener future

Leading electricity network operator, SP Energy Networks (SPEN) has energised the UK's first non-sulphur hexafluoride (SF6) switchgear from Lucy Electric, marking a significant milestone in the UK's grid decarbonisation journey.

The innovative Sabre EcoTec non-SF6 ring main unit (RMU) – which uses synthetic air instead of the SF6 greenhouse gas currently used to insulate critical electrical network equipment – has been installed and energised at a substation in SPEN's Mid-Cheshire district.

The unique product – the only one designed to UK distribution network specifications – ensures lower emissions from network operations, addressing the challenge of a gap in available products ahead of the anticipated UK ban on SF6 in 2026. Taking up the same space as traditional switchgear, Sabre EcoTec is also designed to fit within the existing substation footprint and can be directly mounted to the transformer, removing any need for costly adaptations.

This first installation is a vital step on SPEN's journey to develop what it's calling 'truly sustainable substations', which will be environmentally sustainable at every stage of development – from design through construction to operation.

Our approach to data

It is important that policymakers utilise the findings of our Market Pulse in decision making. Data sources on delivery from outside of BEAMA could be improved to help analyse progress and to help our members make investment decisions. BEAMA also has a rich data history from our long-running work on member statistics, tracking trends in our industry, and publishing our globally renowned and respected Contract Price Adjustment indices.

Market Pulse provides a snapshot of a larger body of work as we work closely with Government and other key stakeholders, including utilities, to analyse our market data and build up the information we can share. Understanding the position of the UK's electrotechnical and energy supply chain is the key to devising a successful industrial strategy, to driving growth and investment in UK advanced manufacturing and to delivering clean power. Market Pulse provides the background to gaining the clarity needed for an evidence-led policy and regulatory framework.

There is a lot of data we have that can help us understand what is needed from the market today. The Future Energy Scenarios National Grid NESO database[7] is an important resource in setting the benchmark for successful delivery but data on delivery is still patchy, and in some areas, we are unable to confidently analyse progress without more complete datasets and monitoring. We comment on this in places in the report but will pick this up in more detail with Government and stakeholders going forward as we develop this work.

Modelling from our 2022 report with the Energy Systems Catapult demonstrated clearly the 6th Carbon Budget necessitates early action and the next 5 -10 years will be a crucial period of investment in manufacturing capacity for electrical products to support the energy transformation. We can therefore provide evidence that Labour's Clean Power 2030 Mission is absolutely the right way to go.

7 Future Energy Scenarios (FES) | ESO (nationalgrideso.com)

BEAMA Energy Systems Catapult – Growing the Supply Chain for a Net Zero Energy System

85%

of our members expect to scale up by

20-100%

to meet future needs, with some expecting to scale up

10 times

current capacity

#ACCELERATING
ELECTRIFICATION

beama
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