

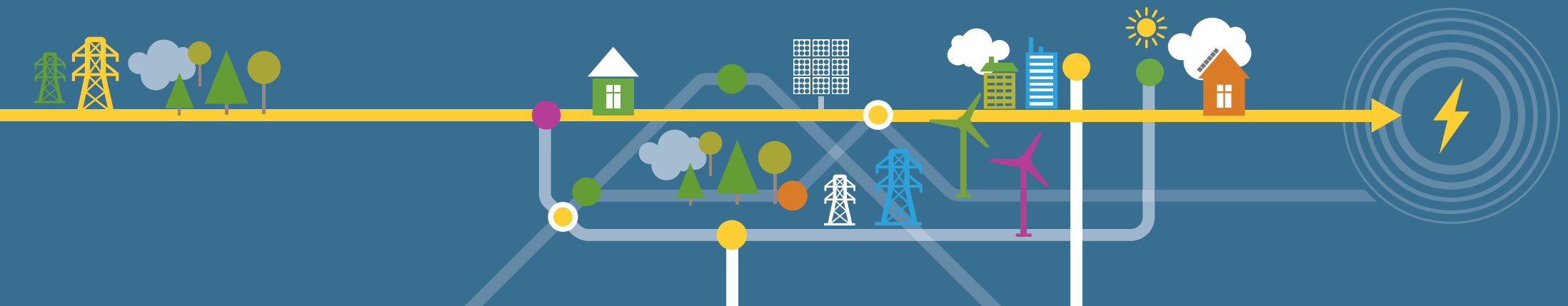


MARKET PULSE

FOR THE UK ELECTRICAL
PRODUCTS SUPPLY CHAIN
Q1 2026

BEAMA QUARTERLY MARKET PULSE – July 2026

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

Theoretical demand for electrical products we know is projected to be high over the next 10 years, and we know the appetite and intentions for investment in our sector is positive. But we are still reporting constraints in manufacturing output, with workforce needs and visibility of confident demand from key markets including heat and network infrastructure being a major blocker. Capacity utilisation remains stubbornly low and until this peaks over 80% we can't be confident that we will see the growth needed to supply the future markets for networks and housing.

Recent announcements by Ofgem on the ED3 methodology draw close attention to the need for clear and concise electrification policy for heat and transport in the UK. Confidence in the take up of electrification will give confidence for the networks to build ahead of need and invest in the infrastructure we know we are going to need now. This will drive investment. An urgent inquiry is needed into the consumer adoption of electrification products to help us address this. We know electricity prices sit at the heart of this issue and as soon as we make electrification stack up against competing gas and oil markets we will see growth.



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These are challenging decisions to be made politically but we can't keep kicking the can down the road, we have positive indications from this Government that action will be taken, when and how is what we need to know. BEAMA continues to work closely with Government, Ofgem and industry trade bodies across the energy sector and we are proud to be leading the Electricity Networks Sector Growth Plan, to be published on the 8th September. This growth plan will sharpen the focus on what's needed to capture the value add from networks investment to support the electrification of heat and transport and a growing clean power sector.

Let's hope a leadership change can also signify a step change in decisive action to keep us on track to Accelerate Electrification!

Headlines

Key headlines:

BUSINESS OPTIMISM

Q1 of 2026 saw a huge drop in Business Optimism across BEAMA's membership, going down to the lowest level since the pandemic period.

Typical concerns have dropped in importance, to be replaced by still greater focus on energy and fuel, and the main issue being the Middle East conflict.

SALES

After a big drop in Sales at the end of 2025, we saw a further but less marked drop in Q1 2026.

CAPACITY UTILISATION

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

RAW MATERIAL & COMPONENT COST/ AVAILABILITY

Members are generally untroubled by availability issues, but costs of metals are a major concern.

INVESTMENT INTENTIONS 12 months

Investment intentions for the next 12 months took a dip in Q1 2026 but remained just above the 5-year average.

INVESTMENT INTENTIONS 5 year

Investment Intentions over the longer term are positive but show some slight decline.

SKILLS & EMPLOYMENT

BEAMA Members continue to plan jobs expansion despite business challenges.

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

£1tn¹

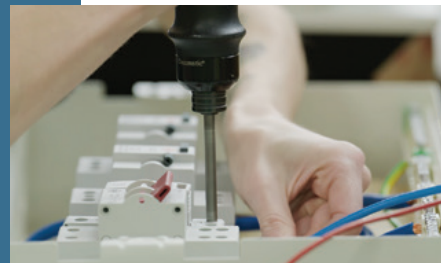
GLOBAL MARKET
OPPORTUNITY

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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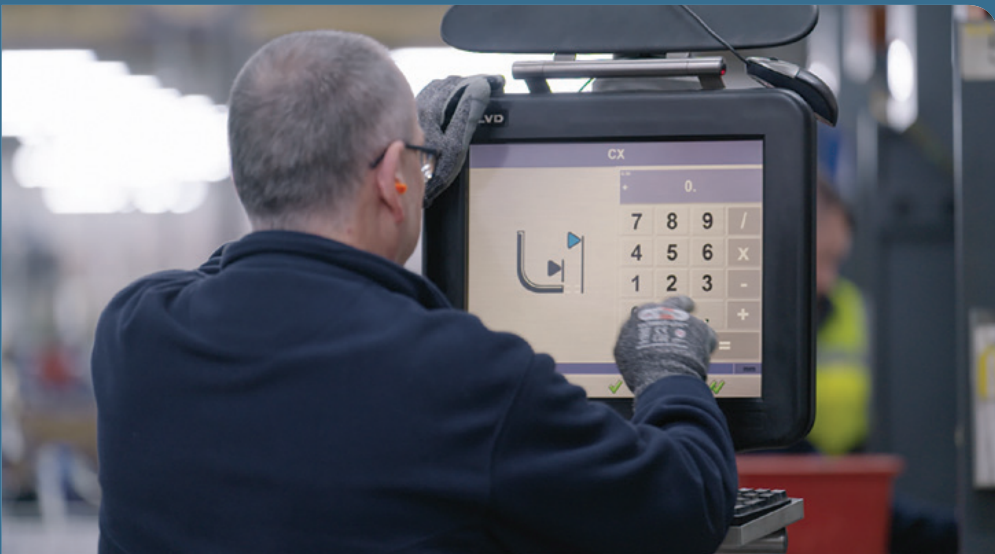




LATEST FINDINGS

Trends Survey Q1 2026

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. 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)**

For our newer member sectors, ETS and SES, we have a comparatively smaller sample size, so have combined the results for these sectors to provide a picture for the emerging technologies as a whole. Most importantly, we are now able to compare member experiences between those working mainly with Utilities and those working more in the Construction sector, amongst other comparators.

A huge drop in Business Optimism overall but notable variance between Electricity Networks Infrastructure and other sectors.

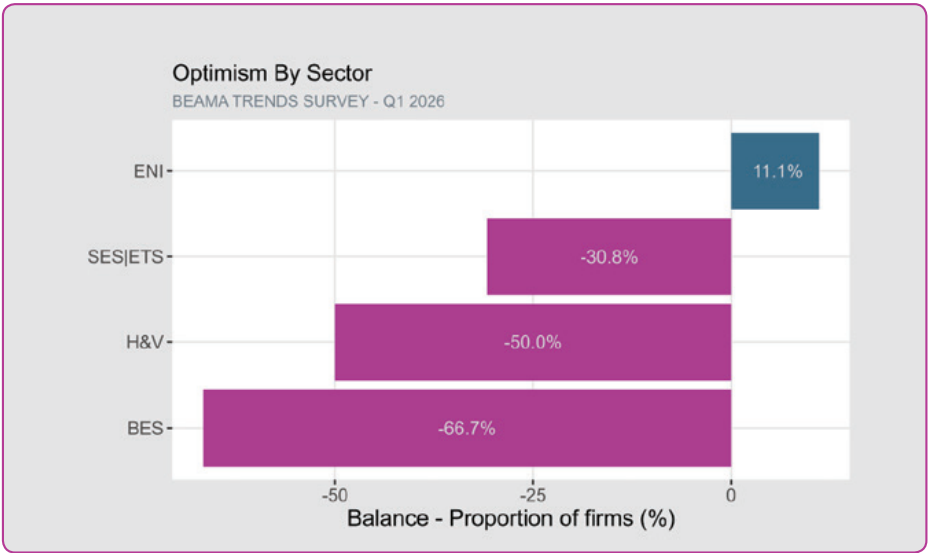
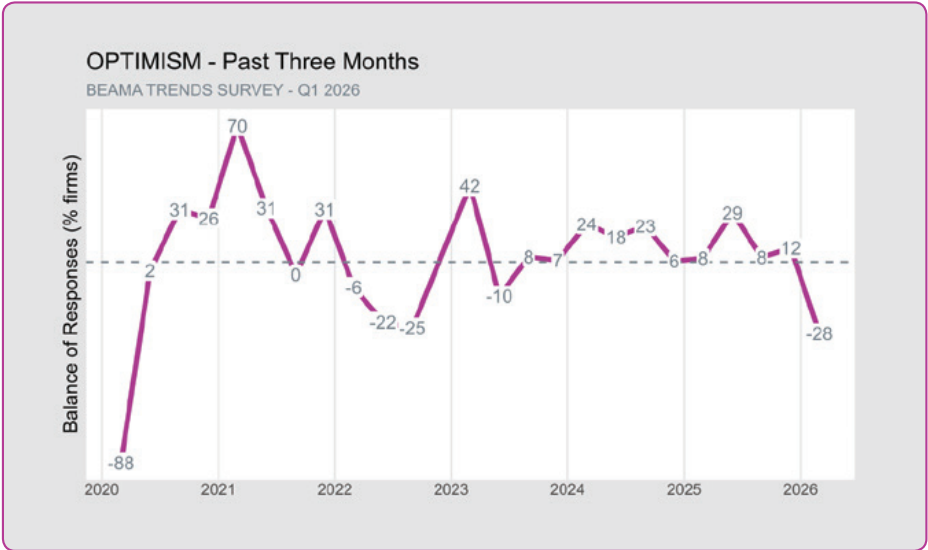
Are you more, or less, optimistic than you were 3 months ago about the general business situation in your industry?

BEAMA tracks the business optimism of members. With some ups and downs, during 2024 and 2025 this had stayed at or above the 5-year average.

Q1 of 2026 saw a huge drop in Business Optimism across BEAMA's membership, going down to the lowest level since the pandemic period.

This very large drop overall was despite ENI members indicating a positive level of optimism. There has been a significant level of attention to the growth of the sector from government and regulator, notably through the Electricity Network Sector Growth Plan, to which manufacturers are responding positively.

For other Sectors levels of optimism were shockingly low, with those members most closely linked to the Construction industry, H&V and BES, showing the lowest levels. Despite the development of the Warm Homes plan, H&V members were showing a -50% balance and for BES this was still worse.



Source: BEAMA



Commentary around Business Optimism shifts from general uncertainty to global challenges.

Please feel free to comment on key issues influencing this quarter's response:

This is a free text comment question, producing a word cloud. There is a marked contrast between the word cloud produced for the last 12 months (top right) where the most commonly used terms include costs, economy and energy but most commonly, uncertainty.

In the word cloud for Q1 2026 only (bottom right), market-oriented terms have dropped in importance, to be replaced by still greater focus on energy, with fuel, but the main issue being Middle East conflict.

While the main effects had yet to be fully in effect at the time of survey, UK manufacturers had already suffered from disruption to manufacturing operation in the region, delays and cost increases in supply of raw materials and components, enormous freight challenges, loss of supply sources for metals, along with the effects of increases in energy and fuel prices.





Relatively modest drop in Sales after a worse drop in Q4 2025, with fears of worse to come.

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

After a big drop in Sales at the end of 2025, we saw a further but less marked drop in Q1 2026. This again showed some significant sectoral differences.

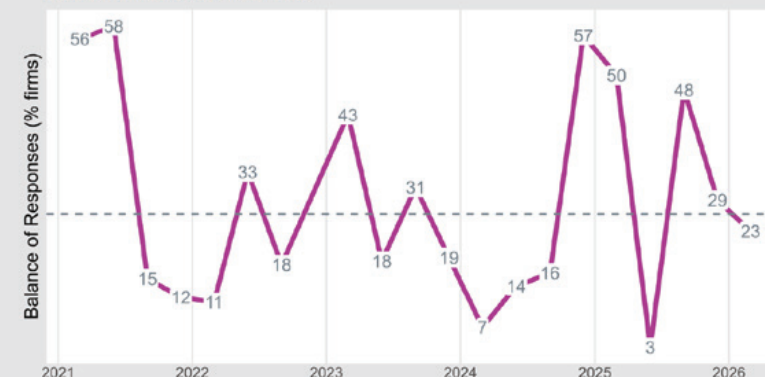
On the Sector breakdown, ENI members had reported a modest increase in sales at the end of 2025 but then recorded a very significant increase for Q1 2026, providing some indications for the strong Optimism levels in that sector.

The newer sectors in SES and ETS recorded an increase, on a small sample size, but H&V and BES reported flat sales figures, showing that the challenges in the Construction industry continue to affect these sectors.

In addition, anecdotal reports indicate that some of the sales recorded in Q1 2026 were due to stockpiling efforts from some customers against fears of shortages or price increases due to the Middle East conflict effects.

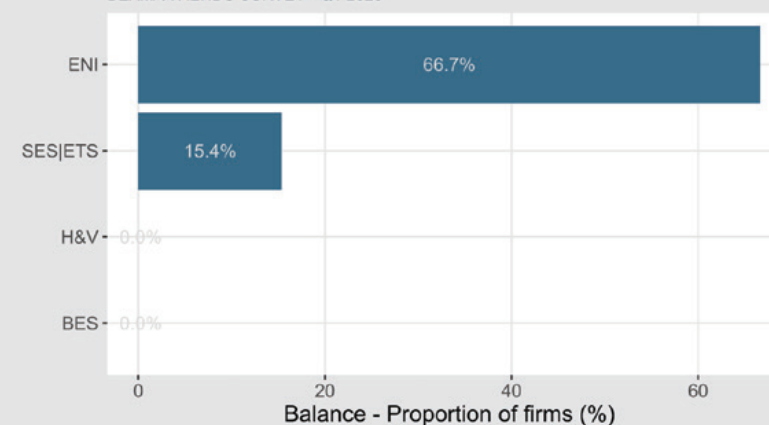
SALES - Past Quarter

BEAMA TRENDS SURVEY - Q1 2026



Sales By Sector - Past Quarter

BEAMA TRENDS SURVEY - Q1 2026



Source: BEAMA

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

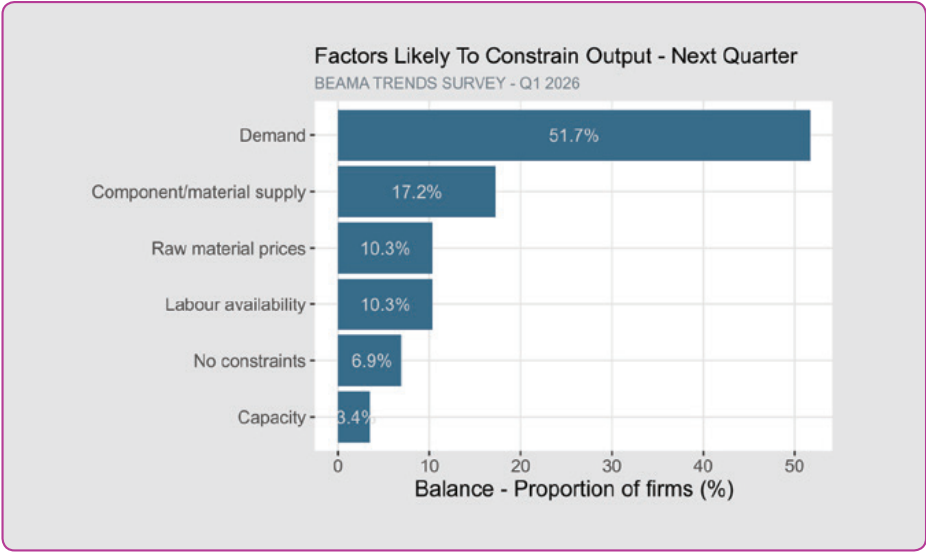
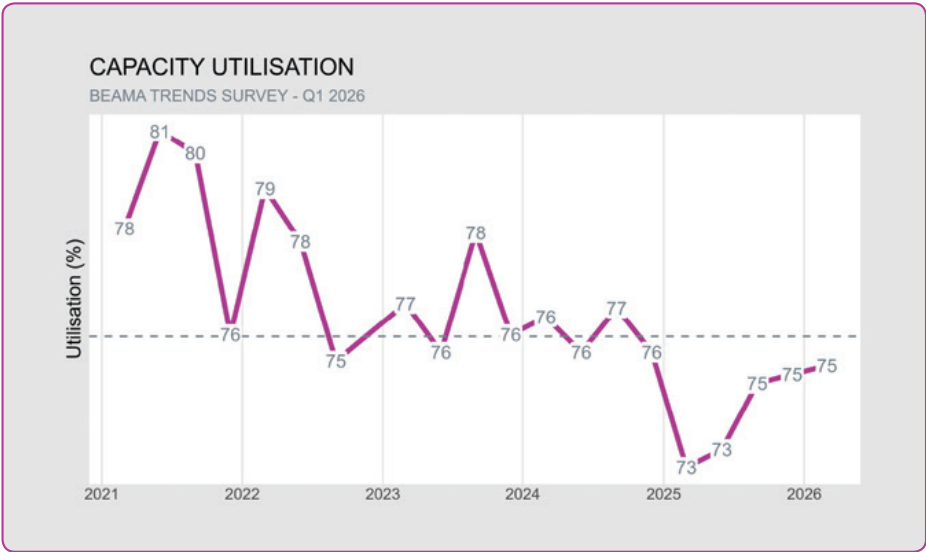
What is your estimate of the current level of capacity utilisation?

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.

Q1 2026 reports maintained the position in Q3 and Q4 2025 at just below 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. Once again, it is broadly equal throughout BEAMA’s sectors.

The point is further shown by the review of Factors Likely to Constrain Output, where capacity is the lowest ranked of those factors.

The growth potential for the UK’s electrical equipment industry is clear but making full use of capacity and capability will require substantial improvements.



Source: BEAMA



RAW MATERIAL & COMPONENT COST/ AVAILABILITY | PAST QTR | 2026 Q1



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Members are generally untroubled by availability issues but costs of metals are a major concern.

Please list if any, raw materials and components you have been affected by due to increase in price.

We ask members about the effects of any lack of availability or price increases in raw materials and components.

For the last few quarters, availability has not been a significant concern, and this was also reflected in Q1 2026.

When asked about price, however, metals including steel, brass and aluminium were mentioned, and especially copper was very widely cited as a material where cost increases are having an effect. This was also reflected in the survey at the end of 2025 but with greater emphasis now. Anecdotal reports further indicate issues with aluminium and steel prices due to effects of Middle East conflict. New steel tariffs to be introduced in July 2026 will have a further negative effect on UK manufacturers.

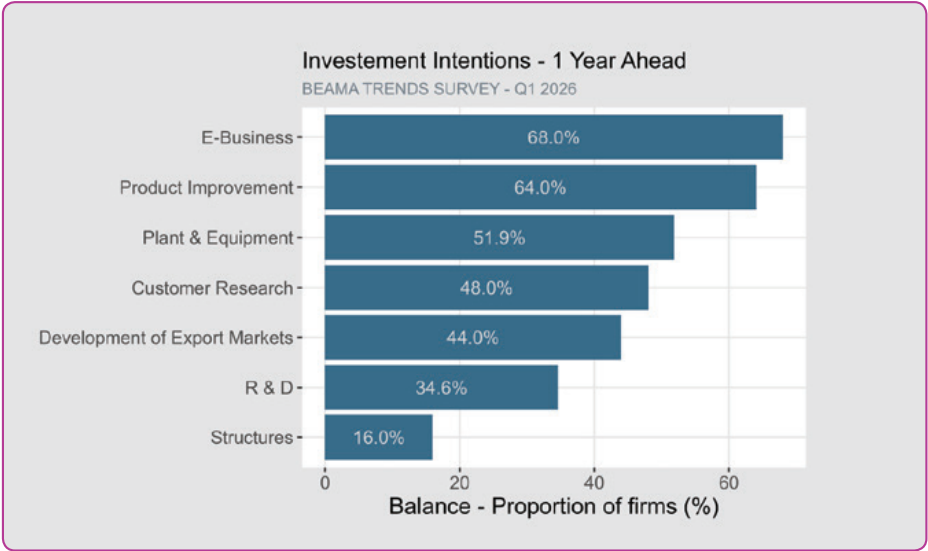
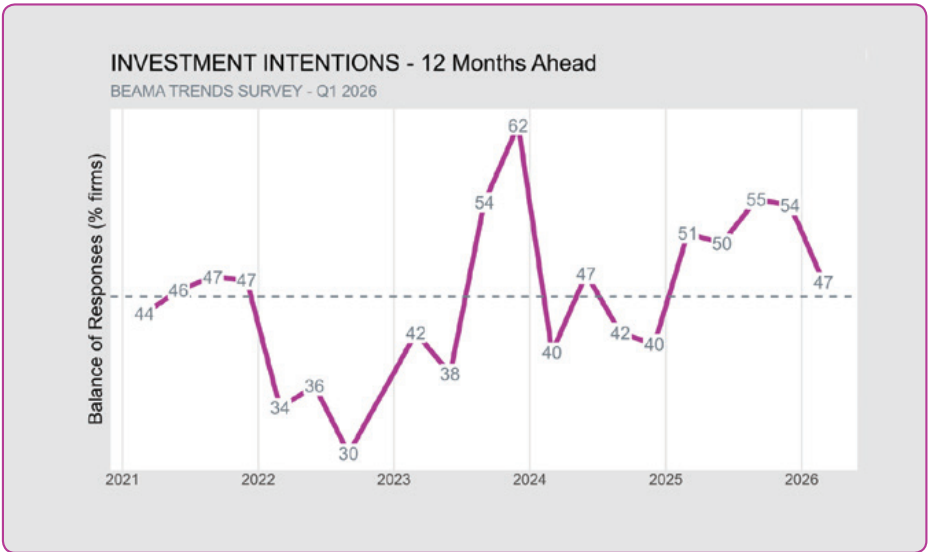


Investment intentions for the next 12 months took a dip in Q1 2026 but remained just above the 5-year average.

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

A positive outlook across the BEAMA membership for the coming 12 months was maintained throughout 2025 but dropped down during early 2026, somewhat mirroring the drop in Business Optimism.

The biggest proportion of investment had been Product Improvement, but this has dropped into second place behind e-business, which includes investment in AI. Despite this innovation emphasis, R&D has dropped to second from bottom and the low position of Structures may illustrate that the majority of members are not currently at full capacity for their existing factory set-ups.

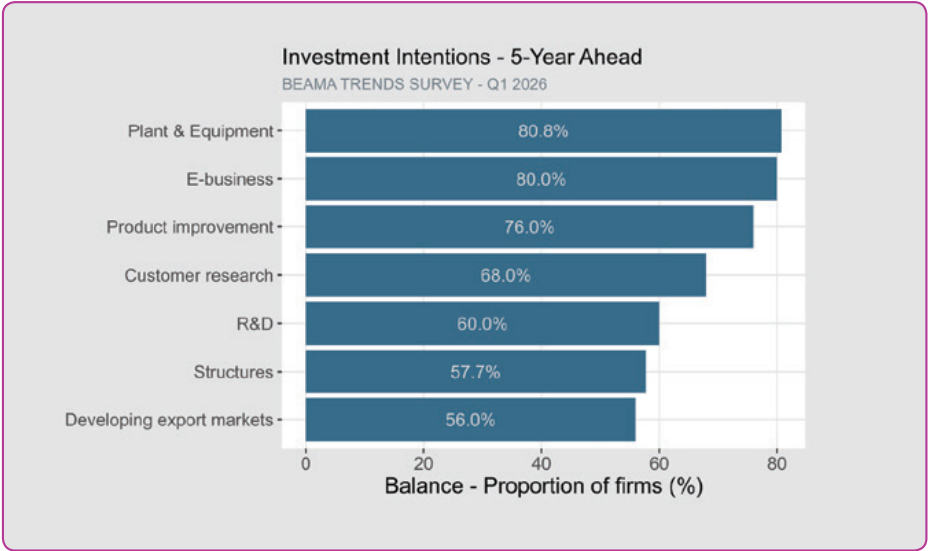
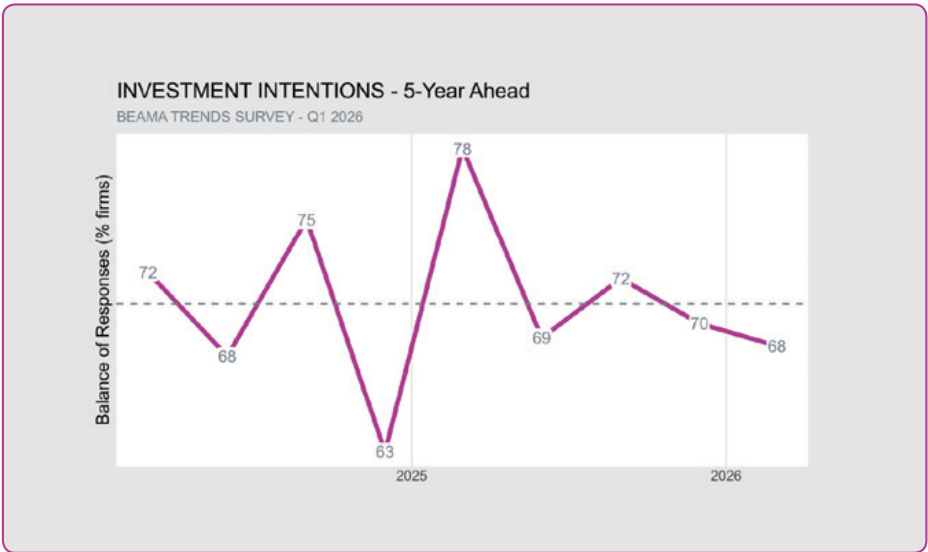


Source: BEAMA

Investment Intentions over the longer term are positive but show some slight decline.

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 albeit not quite so strongly as in some previous quarters. Plant & equipment has risen to the top position but is very closely followed by e-business, including AI, and Product Improvement.



Source: BEAMA



BEAMA Members continue to plan jobs expansion despite business challenges.

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

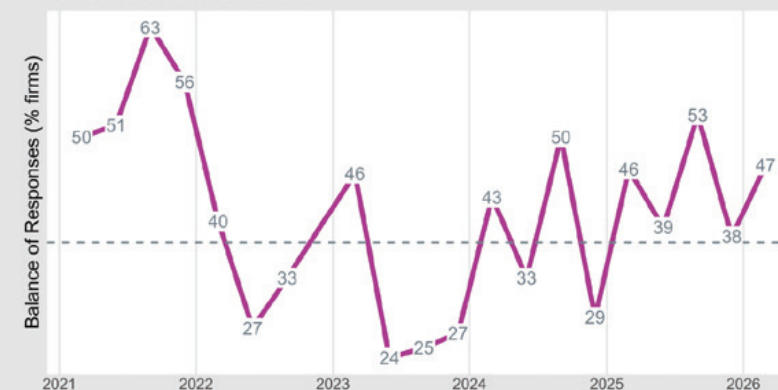
BEAMA members' hiring intentions increased to well above the 5-year average in Q1 2026. They continue to find their intentions difficult to fulfil due to (1) skills shortages (2) overall employment costs and (3) salary expectations that are challenging to meet.

Particularly interesting is that even in those Sectors with low Business Optimism and low recent Sales, Hiring Intentions remain extremely strong. Being able to turn those intentions into reality remains the further challenge.



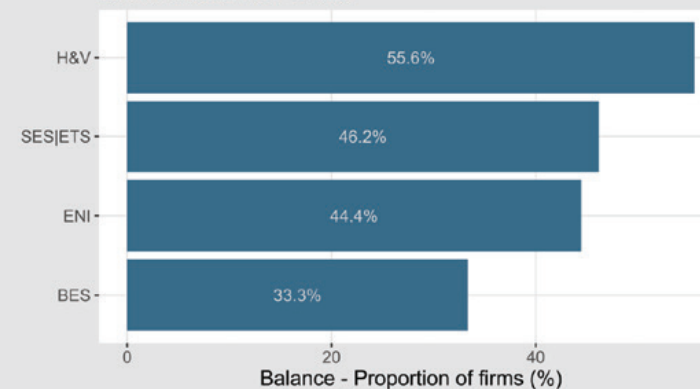
HIRING INTENTIONS - Next 12 Months

BEAMA TRENDS SURVEY - Q1 2026



Hiring Intentions By Sector

BEAMA TRENDS SURVEY - Q1 2026



Source: BEAMA

Policy tracker

Our members tell us that two major factors affecting their output are market demand, and policy and regulatory decisions (which themselves heavily impact demand).

In determining the red-orange-yellow-green ratings in the progress chart below for each area of cross-sector 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 four Market Pulse documents.

On subsidy schemes, scopes have expanded somewhat but still not fully enough, and stats on Warm Homes Grants suggest there is still a big gap to fill from the soon-to-end ECO, particularly for heating technologies, and the proposed eVED tax will not help.

On smart metering, the programme continues with a somewhat changed emphasis but with slower than hoped progress towards completion.

On grid investment, the Government's backing for our Growth Plan is welcome as is the continued push to Clean Power by 2030, but we have mixed signals from Ofgem and cannot take deployment for granted given the somewhat boom and bust nature of price controls.

On electricity prices, there have been further measures to chip away but the spark gap remains large and we lack a true long term pathway to closing it.

On the market for sustainable industry, we have a challenge to meet on data reporting.

On recognition of product benefits, we have had some further policy steps on improved EPC formats and the Home Energy Model, but a lot of detail is still needed and implementation is behind schedule.

Across all sectors, members are eager to see actual implementation of measures that can have a material impact on their markets. While we have seen recent policy announcements on everything from building regulations to SSERs, warm homes funding and industrial energy costs, in this challenging economic climate members remain desperate for faster and more coherent action to stimulate construction, retrofit and infrastructure activity.

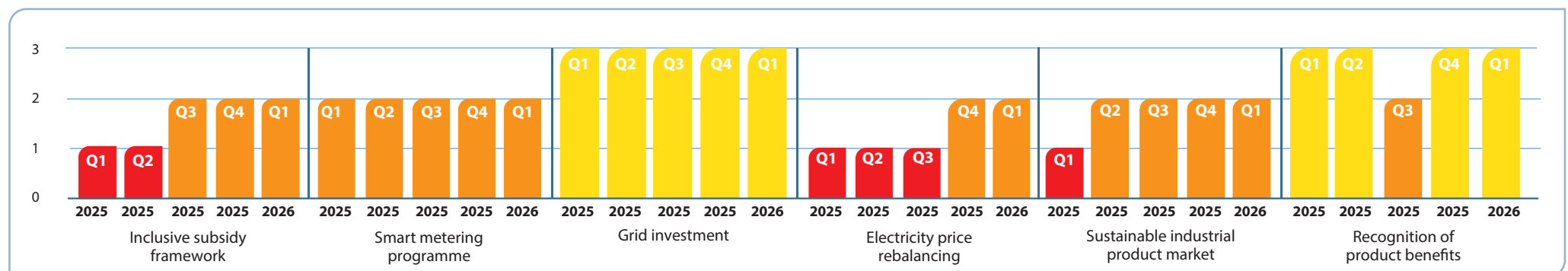


Figure 1: Policy tracker

Electric Transport Systems

EV Sales Figures:

Cars

June 2026 has marked a record month for EV sales, with **30% of new car sales being EV**. This is the highest market share outside of the traditional December peak³.

EV sales have had a strong 2026 aided by the ongoing geopolitical crisis, which has accelerated the decision to going electric for drivers. EV sales halfway through the year now represent over 25% of the market share, ensuring that new EV sales are now higher than the real ZEV Mandate target of 24.7% once flexibilities are accounted for.

Vans

For vans the picture is more complex. **The ZEV Mandate target for 2026 is 26%** and the real target after flexibilities as around **15.7%**. In May only 4 manufacturers were hitting this target and in June a further two were getting close, with small negative ZEV Mandate credit mechanisms which they could make up in the second half of the year. However, with changes to van licencing ongoing that will make the purchase of e vans more attractive, the second half of 2026 should see stronger e van sales.

HGVs

For HGVs where there is no ZEV Mandate but two targets to end the sale of ICE trucks in 2035 and 2040 the picture is more complex. This year truck sales have been far less than at the end of last year where positive momentum had seen in **excess of 100 electric trucks sold in December 2025**. **In June 2026 only 33 eHGVs were sold – 0.96% market share**. With fleet purchase cycles a key enabler of eHGV adoption, the second half of the year may see greater uptake, with an improved Plug In Truck Grant a strong enabler.

With Government consulting on a HGV ZEV Mandate, this could be a key enabler to see growth in new eHGV sales, particularly with a requirement for larger fleets to have a mandate put on them as well.

What this tells us

Overall, it is clear that the ongoing price instability of oil has shown once again that EVs are the more affordable option for drivers and fleets, who through electrification will be increasingly protected from price inflation as a result of geopolitical turmoil.

With Clean Power 2030 making great strides, the price of electricity with more of it coming from domestic sources, the price of electricity should also remain more stable in future.

Vehicle manufacturers are making significant strides towards compliance with the ZEV Mandate for cars, with 6 months left and flexibilities to use, meanwhile with regulatory changes coming in for vans, previously lower than expected e van demand should take off. And policy discussions around a eHGV ZEV Mandate and improved grant funding may see a stronger second half of the year for eHGV sales.

³ <https://newautomotive.org/ecc>

EV Charging Figures:

Public charging

Meanwhile with more EV drivers on the road, public charge point rollout is continuing to rise steadily, with over 5,000 installed in the first half of 2026, taking the total to 121,171 public charge points, with a majority of these coming from ultra rapid and on street charge points⁴.

Wider market commentary

The market has also seen consolidation with a number of businesses becoming part of larger charging brands, which is a sign the market is maturing and that attracting new funding will be critical for many organisations should they wish to continue growing in the UK. The policy and regulatory landscape is a key decider on investment in the product and cost of doing so to businesses may be a critical factor in their continued success in the UK for private and public charging. With the Energy Smart Appliance Regulations, Load Control Licence Regulations, SSER phase 2, proposed changes to BS 7671, PAS 1878, PAS 1899 and new changes to G12, and consultations on BS EN 18324 and ISO 15118 changes in Europe that we know of at present, the cost of product development and compliance is likely to continue to rise in the next 18 months for this sector.

We have argued that the unintended consequences of these changes coming in could be a freeze in new charge point supply should the timelines proposed for some of these changes remain as tight as they currently are. We are urging Government, and other bodies to consider manufacturing timescales when proposing these changes to ensure our members and other manufacturers are able to comply with these changes.

Of particular concern is the proposed Energy Smart Appliance regulations requiring significant product changes for some manufacturers in the space of 18 months, and changes to G12 commencing in Jan 2028 that will see some manufacturers need to deal with significant product and/or testing changes to ensure compliance.



⁴ <https://www.zapmap.com/ev-stats/how-many-charging-points>

Electricity Networks: under-delivery by DNOs

Ofgem's annual report on RIIO-ED2, published on January 15th, contains updated data on spending by distribution network operators on network reinforcement for the year 2024-25.

The report finds that:

- Across both load and non-load related capital expenditure, DNOs have underspent their allowances by **£280m** in 2024-25, and a cumulative **£841m** across the first two years of ED2 (all numbers in 2020-21 prices).
- All six DNOs are underspending on **load-related expenditure** – on average by **35%** across ED2.
- This is driven by lower expenditure on **connections** and **primary reinforcement**. Network companies have cited long lead times, supply chain constraints and rising material costs as some of the reasons for this under-delivery.
- Most DNOs say they expect to catch up by the end of ED2, with the exception of UKPN, who forecast a 19% underspend driven by efficiency savings and lower low carbon technology uptake.
- **Secondary reinforcement** has improved in the second year of ED2, with four DNOs reporting cumulative overspends – though this is primarily driven by higher unit costs rather than higher volumes of work.
- **Non-load related expenditure**, such as asset replacement and refurbishment, is **14% below allowances across ED2**, with all network companies except SSEN **at least 10% below their allowances**. Network companies also cite supply chain constraints and extended lead times for critical assets as part of the reason for delays.

- **While DNOs are still underspending in 2024-25, this is by a smaller amount** – the percentage of underspending in 2024/25 is lower than across the whole of ED2, indicating that the picture is improving compared to the first year of the price control.



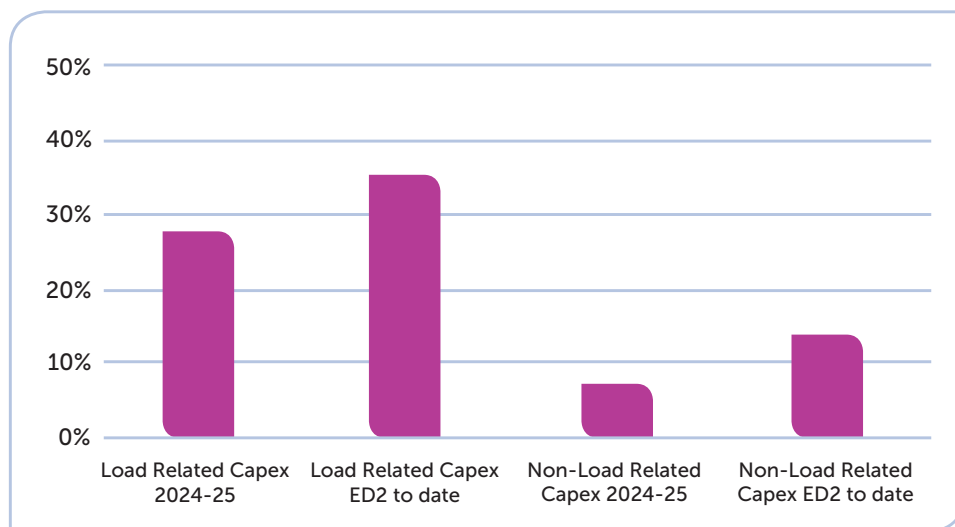


Figure 2: Underspending in RIIO-ED2 by capex type and year (%)

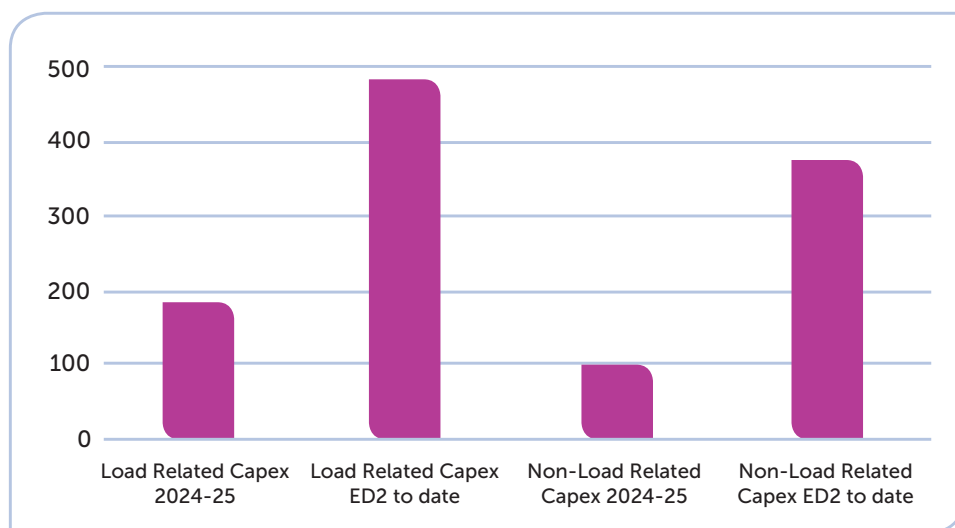
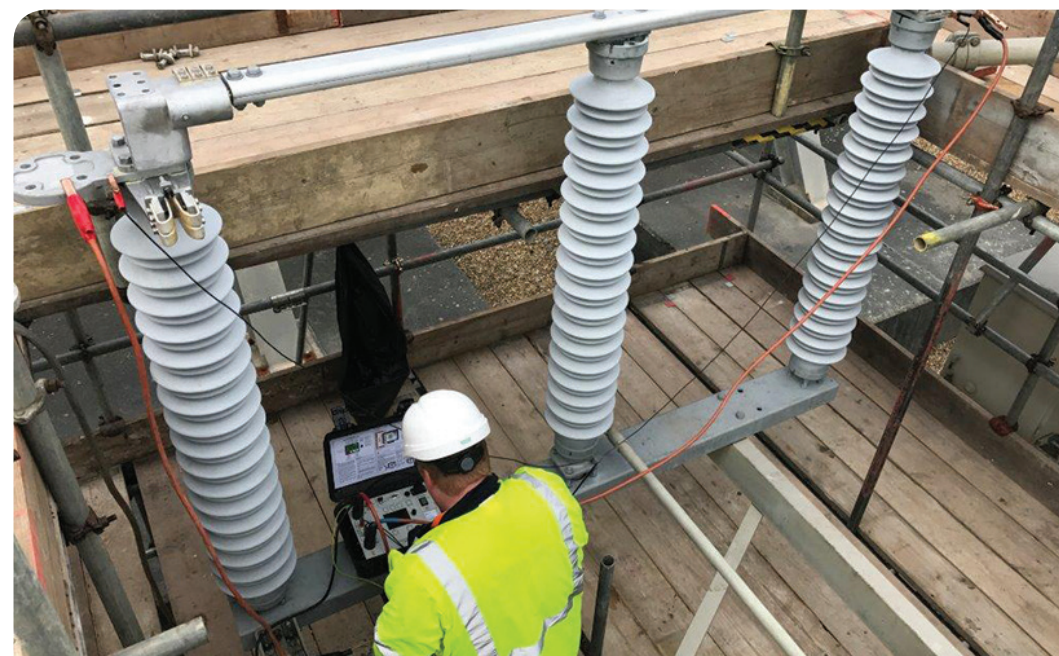


Figure 3: Underspending in RIIO-ED2 by capex type and year (£, 2020-21 prices)

This data illustrates the problem of boom and bust across price controls. Network operators have failed to deliver in the first years of the price control, creating a slowdown in orders at a critical time, and requiring a more significant acceleration in delivery in the later years. It is critical that Ofgem follows through with robust action to counteract this in ED3, giving confidence in the volume of demand and ensuring a steady pipeline of work across a longer period, enabling key suppliers to scale up and meet the demands of electrifying the economy.



Ofgem – ED3 methodology decision

Ofgem published their **sector specific methodology decision** on the ED3 price control on 21st May 2026. This sets out the framework for the next distribution price control, which will run from 2028 to 2033.

Ofgem have moved away from their consultation position, which proposed a shift to more proactive investment in the distribution network.

Ofgem sees greater uncertainty in the amount of build that will be required on the distribution network, particularly given the uncertainty around the rollout of heat pumps and the impacts on when and where demand will increase. Ofgem is also shifting their focus more towards minimising short-term costs to consumers, delaying build on the network where possible.

They are now setting out a requirement to balance “build and flex” in the hope of accommodating the required network growth while minimising short term costs to consumers. Consequently, Ofgem will now fund less load-related investment upfront, asking DNOs to determine a proportion of investment which may not be needed in ED3 and holding that funding back until the need is clearer.

Ofgem still plans to require the publication of a long-term network plan – though this will no longer effectively be an investment blueprint for the sector given the greater uncertainty. And they plan to require delivery strategies from network operators but have yet to make key decisions on key issues such as what visibility of future volumes network operators will be required to offer, or how networks will be held accountable for delivery.

There have been positive developments on SF6 and innovation. Ofgem have taken an explicit stance that DNOs should buy SF6-free equipment as a default where technically and economically feasible. They will require DNOs to explicitly justify where they are purchasing equipment containing SF6 by exception. And Ofgem has extended the deployment fund introduced at transmission level to distribution network operators to support the rollout of innovations at scale.

DNOs will now develop their business plans and submit them to Ofgem in Q4 2026, with Ofgem publishing draft and final determinations in 2027. BEAMA will continue to engage with Ofgem as the process develops.



This is a step backwards from Ofgem. Ofgem is sending mixed messages about how they expect DNOs to balance build and flexibility. This creates uncertainty for manufacturers, making it difficult to plan output and stifling investment. There is not a serious plan for how to give the supply chain more confidence in demand, nor action to avoid the “boom and bust” demand that manufacturers have repeatedly raised as an issue. All of this increases the risk that the supply chain will not be able to scale up when demand does increase, leading to longer lead times and higher costs for consumers.

Electricity Networks Sector Growth Plan

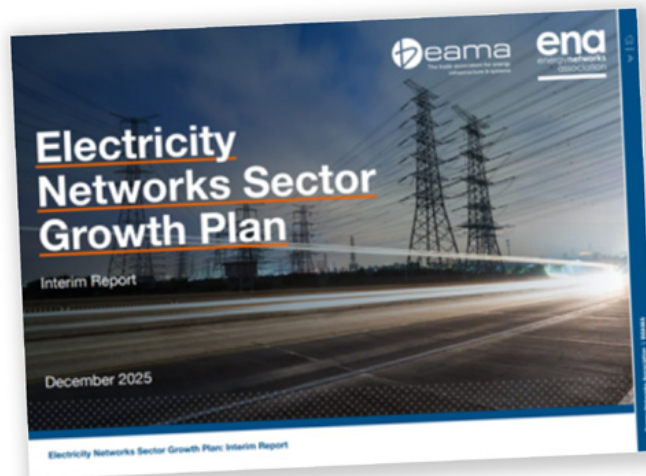


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Since publishing the Interim Report in December 2025, BEAMA and ENA have been working with our respective members, wider stakeholders and consultant consortium to build a robust plan to maximise the contribution that the electricity networks sector makes to UK growth.

The plan seeks to strengthen domestic supply chain benefits, resilience and export potential by leveraging existing strengths and identifying high-potential growth areas to build domestic capabilities.

The full Electricity Networks Sector Growth Plan is due to be published on 8th September, detailing the scale of the opportunity and urgent need for action. BEAMA members have contributed evidence in the form of data and insight, including previous editions of the Market Pulse and stakeholder interviews.



►► [CLICK HERE](#)

The final reports will deliver:

- A comprehensive economic and supply chain analysis to quantify the economic opportunity stemming from network investment.
- An action plan to support the growth of the UK supply chain and to strengthen domestic manufacturing capability.
- A collaborative work programme to deliver workforce and skills requirements for the whole sector, covering transmission, distribution and the supply chain.



Smart and Secure Electricity Systems (SSES) Programme



The Smart and Secure Electricity Systems (SSES) programme, led by DESNZ, is now moving from policy development into implementation. It is establishing the regulatory, technical and governance framework needed to enable smart and flexible electricity use across homes and small businesses.

The programme introduces common requirements for smart energy devices including electric vehicle charge points, electric heating systems and battery storage, helping ensure these technologies operate securely, interoperably and respond to electricity system needs.

SSES is a key enabler of Consumer-Led Flexibility and the Government's Clean Power 2030 ambitions. For manufacturers, it represents one of the most significant changes to product design, software functionality and routes to market in recent years. Alongside new technical requirements, the programme introduces enduring governance arrangements that will allow requirements to evolve as technologies and energy markets develop.

Key work areas

The SSES programme continues to progress across several linked workstreams:

- **Energy Smart Appliance (ESA) regulations** – progressing towards implementation, introducing common requirements for smart functionality, cybersecurity, interoperability and system stability.
- **Load Controller Licensing** – developing the regulatory framework for organisations providing demand flexibility through consumer devices.

- **Tariff Interoperability** – enabling smart products to consistently access and respond to tariff information, regardless of supplier.
- **Cyber Security** – implementing proportionate security requirements that protect both consumers and the wider electricity system.
- **Enduring Governance** – establishing the Technical Governance Group (TGG) and Security Governance Group (SGG) to maintain and evolve technical requirements after regulations come into force.

Together these workstreams provide the foundation for a more interoperable, secure and flexible energy system. As implementation progresses, manufacturers are preparing products, investing in redesign and certification, and working closely with Government and industry to ensure delivery remains practical and achievable.

“*BEAMA continues to represent manufacturers across every major SSES workstream, providing technical expertise to Government, coordinating industry responses and ensuring implementation reflects the realities of product development, manufacturing and certification. As the programme transitions into delivery, BEAMA's focus remains on helping members prepare for implementation while ensuring the regulatory framework supports innovation, investment and consumer-led flexibility.*”

Programme update

Over the past quarter, the Smart and Secure Electricity Systems (SSES) programme has continued its transition from policy development into implementation.

Government has progressed the Energy Smart Appliance (ESA) regulations, tariff interoperability and load controller licensing, while enduring governance arrangements are now being established to support long-term delivery.

A major milestone has been the launch of the SSES Enduring Governance framework, with Elexon appointed to administer the Technical Governance Group (TGG) and Security Governance Group (SGG). Manufacturers have been encouraged to register, nominate candidates and participate in elections, ensuring industry has a direct role in shaping future technical and security requirements.

As implementation gathers pace, manufacturers are increasingly focused on product redesign, cybersecurity, metering requirements, certification and manufacturing readiness. With approximately 18 months remaining before the proposed implementation of many Phase 1 requirements, there is growing urgency to resolve the remaining technical questions within the ESA regulations. Many manufacturers are now reaching the point where product design decisions can no longer be deferred, making early regulatory clarity essential if implementation timelines are to remain achievable.

BEAMA activity this quarter

Over the past six months, BEAMA has continued to play a leading role in supporting the practical implementation of SSES, ensuring manufacturers' expertise informs Government policy as the programme moves towards delivery.

Convening industry

BEAMA brought together manufacturers, policymakers and regulators through its **From Policy to Product** Westminster event, creating an opportunity to discuss the practical realities of implementing SSES. We have continued to work closely with DESNZ, Ofgem, OPSS, Elexon, NESO, BSI and wider industry partners to improve alignment across policy, regulation, standards and market delivery.

Supporting members

Throughout the quarter, BEAMA has provided practical support to manufacturers through guidance documents, technical briefings and regular member workshops. This has included guidance on Energy Smart Appliance regulations, Enduring Governance, implementation timelines and regulatory developments, helping members prepare for the next phase of delivery.

Influencing implementation

BEAMA has continued to coordinate technical input from manufacturers across heat, EV charging, battery storage, smart controls and metering, ensuring implementation reflects the realities of product design, testing, certification and manufacturing. This quarter we have:

- Delivered more than **100 pages** of technical consultation responses across the SSES programme.
- Submitted over **50 technical clarification questions** to DESNZ to improve regulatory certainty.
- Continued to advocate for realistic implementation timelines that reflect product development and certification cycles.
- Supported manufacturers through the introduction of the SSES Enduring Governance framework, including guidance on participation in the Technical Governance Group (TGG) and Security Governance Group (SGG).

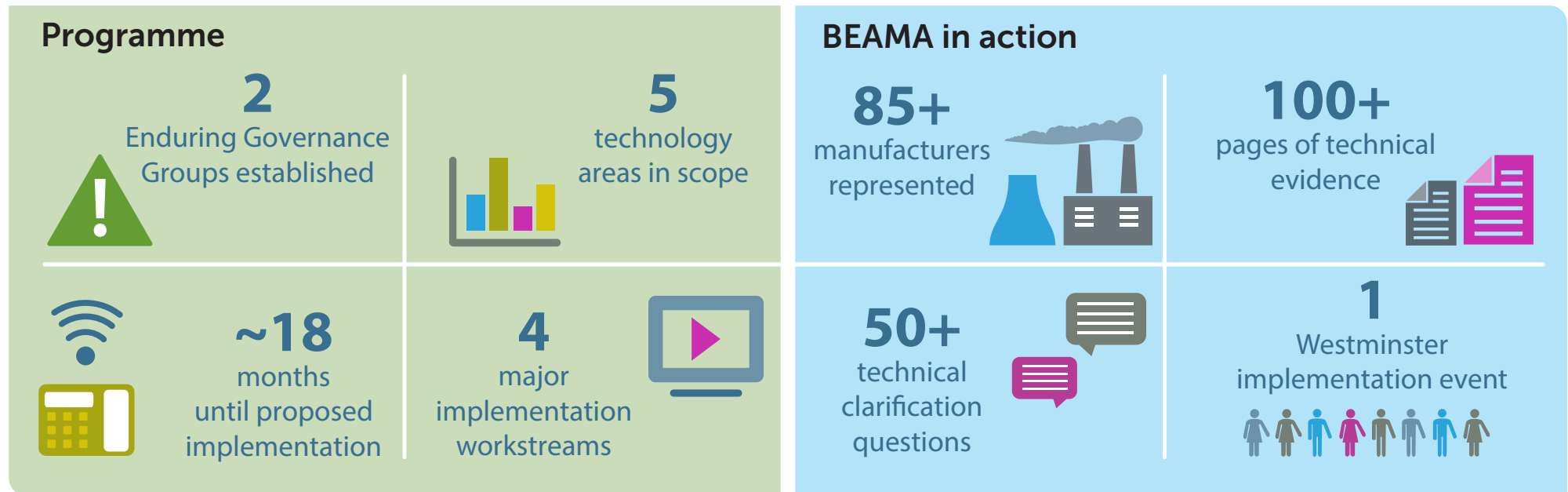
Key priorities we're continuing to influence

As SSES enters implementation, BEAMA continues to work with Government and regulators on several priority areas to ensure the framework remains practical, proportionate and investable. Key areas of focus are;

Priority area	Key issue	BEAMA's objective
Implementation timelines	The proposed implementation periods do not reflect the 2–3 year product development, testing and certification cycles required for many Energy Smart Appliances, particularly where multiple regulatory changes are occurring simultaneously.	Secure realistic implementation timelines that support investment, product redesign and market readiness.
Metering (MIR) requirements	Manufacturers require greater clarity on how MIR requirements apply across different technologies, alongside proportionate testing arrangements and recognition of equivalent approaches where appropriate.	Deliver a practical metering framework that provides consumer confidence without creating unnecessary cost or product redesign.
Randomised delay	Current proposals require further refinement to ensure they do not adversely affect consumer comfort, product performance or existing smart charging functionality.	Introduce clear implementation rules that balance system stability with consumer experience and product functionality.
Tamper protection	Existing proposals may not be appropriate for all Energy Smart Appliances, particularly heat technologies where routine servicing and consumer interaction are expected.	Ensure tamper protection requirements are proportionate, evidence-based and practical across different product types.
Cyber security alignment	Manufacturers require greater alignment between SSES requirements and existing UK and international cyber security standards to avoid duplicated compliance.	Achieve a consistent cyber security framework that maintains security while reducing unnecessary regulatory burden.

BEAMA also continues to advocate for a technology-neutral regulatory framework that can evolve alongside innovation, ensuring new technologies and consumer services can develop without creating unintended barriers to investment or market growth.

SSes Programme in Numbers



Looking ahead

As SSes moves further into implementation, the focus is now on providing manufacturers with the certainty they need to prepare for delivery. While significant progress has been made, several technical aspects of the ESA regulations still require clarification before product design, testing and certification can progress with confidence. With around 18 months remaining before the proposed implementation of many Phase 1 requirements, timely resolution of these issues and implementation timelines that reflect real-world manufacturing cycles will be critical. BEAMA will continue to work with Government and industry to ensure SSes is delivered in a way that supports investment, innovation and the successful rollout of consumer-led flexibility.

Heat Electrification

This has been a critical quarter for heat electrification as heat pump deployment statistics show an 18% decrease. The picture is perhaps not as clear cut though as we know comparative quarters (2025-2026) showed an increase in overall technology sales.

However, whichever way we choose to define the numbers, it is clear the required increase in deployment is just not happening. This may be because the 'low hanging fruit' for demand has been fulfilled, or we are not offering customers any choice. It is also likely that we are seeing a comparable picture across many product sectors in heating and ventilation which reflects a real pressure on demand. It could be this is a construction industry issue, and not just electrification.

It is clear that Government still does not understand that there is a customer at the end of the supply chain, and there has been little progress in offering choice. Flexibility technologies such as high heat retention storage heaters and heat batteries remain marginalised in policy terms, and we are fast losing customer faith as Government continues to pursue ONLY the 'holy trinity' of heat pumps, battery energy storage and solar PV.



At a more practical level, we are still seeing policy failing to meet customer needs to reduce energy bills. The recent collaborative public opinion project between leading trade associations – including BEAMA – entitled '*Watt Communities Want*', shows that the cost of energy remains top of customers' agenda. It has been the same for 30 years. So we have to ask why the Government is abandoning its support for heating controls through the demise of ECO, when it remains in the top 3 measures for saving money. The Warm Homes Agency will need to pick this up in policy, as will the Low Income Support Scheme when it is finally ready.

▶▶ [CLICK HERE](#)



Conclusion: Delivery, or lack of it, is now a critical issue for Government. We have no coherent and workable heat electrification framework; we are not providing customer choice; we are not supporting innovation through the Home Energy Model and other policy mechanisms; and we know this is leading to Ofgem pulling back on ambitious network reinforcement programmes. Our transition is not driven on a 'one in, one upgrade' basis, it needs to be long term planned and, again, respondents to the Watt Communities Want' survey stated clearly they understand the need to pay for infrastructure but do it over an even timeframe with no 'bill shocks'.

Smart Meter Installations

Programme update

The smart metering programme is increasingly shifting from rollout to long-term system performance. While completing the rollout remains a Government priority, attention is now focused on improving connectivity, communications resilience and the technical capabilities needed to support a smarter, more flexible energy system. Smart meters remain the digital foundation of Consumer-Led Flexibility, enabling time-of-use tariffs, Energy Smart Appliances and the wider transition to Clean Power 2030.



Alongside continued deployment, attention has increasingly focused on restoring smart functionality, improving communications resilience through the transition to 4G communications hubs, and ensuring the system is capable of supporting the next generation of connected energy technologies. The Smart Metering Policy Framework continues to set the direction towards near-universal coverage by 2030, supported by annual supplier deployment plans and improvements to customer experience. Rollout continues, but the rate of deployment remains below the level required to achieve near-universal coverage by 2030.

BEAMA activity this quarter

Over the past six months, BEAMA has continued to represent manufacturers across both the strategic direction and technical evolution of the smart metering programme. Working closely with Government, DCC, SECAS, energy suppliers and industry partners, we have ensured manufacturers remain at the centre of discussions on the future of smart metering.

Strategic engagement

- Continued engagement with DESNZ on the future Smart Metering Policy Framework and the role of smart metering in enabling Consumer-Led Flexibility.
- Submitted manufacturer feedback on the DESNZ Virtual WAN (VWAN) consultation, helping improve connectivity for premises with limited mobile coverage.
- Influenced discussions on the future consumer journey, promoting greater coordination between smart meter deployment and low-carbon technology installations.

Technical delivery

Through BEAMA's Smart Metering Group, members continue to play an active role in the technical development of the smart metering ecosystem, including:

- **Led manufacturer coordination on SEC Modification MP320**, ensuring proposed enhancements to Meter Asset Provider (MAP) and manufacturer reporting reflected practical operational requirements.
- Supporting the rollout of **4G Communications Hubs** and providing technical feedback on deployment, interoperability and communications resilience.
- **Coordinated manufacturer feedback into DESNZ's Virtual WAN consultation**, supporting the rollout of alternative communications solutions for hard-to-reach properties.
- Supporting the evolution of **Smart Meter Device Assurance (SMDA)**, including new testing arrangements and the introduction of 4G communications hub assurance.
- Providing manufacturer expertise through technical forums on firmware management, Technical Issue Resolution Group (TIRG) activities, Smart Meter Not Operating in Smart Mode (SMNOSM), PKI transition, RTS replacement and wider Smart Energy Code developments.
- Contributing to the review of **BS 7856** and ongoing standards development to support the next generation of smart metering products.

Looking ahead

As smart metering moves beyond rollout and into long-term operation, BEAMA's focus is increasingly on ensuring the technical framework evolves alongside connected homes, Consumer-Led Flexibility and Energy Smart Appliances. Reflecting this evolution, BEAMA has begun establishing a new Metering Solutions Group to bring together manufacturers from across the wider metering ecosystem, supporting technical collaboration, policy development and innovation as metering becomes the digital foundation of the future energy system.

Smart Metering today

40 million
Smart & advanced
meters installed



~70%
of GB homes now
have smart meters



2030
Government target for
near-universal coverage



What's next



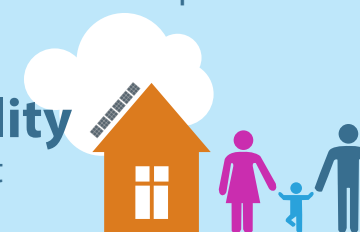
Communications hubs
being deployed



Alternative communications for
hard-to-reach premises

Consumer-Led Flexibility

Smart meters enabling the next
generation of energy services



Building Electrical Systems



The Building Electrical Systems sector represents more than 40 manufacturers whose products support the safe and reliable distribution, control and management of low-voltage electrical power across homes, businesses and infrastructure. The sector covers four core product groups: LV Infrastructure and Distribution; LV Switchboard and Busbar Systems; Cut-Out and Feeder Pillars; and Cable Management Systems.

Through nine technical committees and associated working groups, members develop and maintain product standards, produce practical industry guidance and provide technical expertise on the issues shaping the sector.

Standards, Regulation and Innovation

Bringing new and innovative products to market is essential to improving safety, efficiency and resilience across the electrical supply chain. The sector supports this process by helping manufacturers, specifiers, installers and procurement professionals understand new technologies, standards and best practice, while also working with government departments and regulators to ensure legislation remains practical, proportionate and aligned with the needs of industry and consumers.

Products manufactured by members of the Building Electrical Systems sector form the backbone of the infrastructure needed to deliver energy safely and reliably to homes and businesses across the country.

Safety and quality are the sector's highest priorities. Designing and manufacturing products to recognised standards demonstrates safety, performance and reliability, while supporting compliance with UK, EU and international market requirements.

Product standards and the UK Wiring Regulations are subject to continuous review and improvement. Our members play a critical role in developing and maintaining these standards and regulations, helping innovative products reach the market while supporting simpler, safer installation practices and stronger consumer confidence.

BS 7671 18th Edition IET Wiring Regulations Amendment 4 was released in April 2026. BEAMA supported its development and provided technical expertise across the supply chain through webinars, seminars and CPD content.

Industry Guidance

BEAMA members in this sector have published more than 50 free guides, technical bulletins and safety checklists on the BEAMA website. These resources are developed by experts from across the membership and present a clear consensus view for audiences including learners, designers, specifiers, installers and procurement professionals.

A further 10 guides are currently in development, including updates to existing guidance where changes in standards or regulations require revision.

The sector's first Technical Specification will be released shortly to accompany the updated *Prevention of Premature Collapse of Wiring Systems* guide. It has been written by manufacturers and validated through testing with manufacturers and third-party test facilities.

Additional guides covering electrical installation products and low-voltage switchgear will also be available soon.



Collaboration

Collaboration with trade associations, government departments and standards bodies in the UK and internationally is essential to ensuring a coordinated approach to sector priorities, regulation and technical development.

Skills and Competency

As a sector, we are committed to supporting a number of working groups focused on developing clear routes to competence across the wide range of skills required to deliver safe installations and construction. This ensures that manufacturers can equip their workforce with the appropriate skills, knowledge, experience, and behaviours needed to perform their roles effectively. A competent workforce is fundamental to achieving safe, compliant, and high-quality outcomes, reducing risk, meeting regulatory and customer expectations, and maintaining confidence across the supply chain.

“*The findings in this Market Pulse Report reflect many of the challenges and opportunities we are seeing across the industry. Despite ongoing economic uncertainty, UK manufacturers continue to invest in innovation, skills and production capability. With the right policy framework and a stable pipeline of projects, our sector is well placed to play a leading role in delivering the UK's Net Zero ambitions.*”

Jon Chamberlain, Managing Director, Marshall-Tufflex Ltd



Conclusion

In the previous edition of Market Pulse we saw a shift in emphasis from purely market-driven considerations to concern over uncertainty and instability in the political outlook. In this edition, where responses were gathered during April of 2026, the political uncertainty was arguably greater still in the UK but global instability, conflict in the Middle East and the consequent effects on trade and supply chains shifted focus back to the market.

Our members working in the Electricity Networks Infrastructure sector continue to show relatively strong optimism and sales due to the promise of significant investment in UK grid infrastructure. Even here, there are significant threats to production due to the reduced availability and substantial increase in costs for key materials and disruption to overseas production facilities in the supply chain.

For our members in the Heating & Ventilation sector a typically strong sales profile in autumn/winter 2025 flattened out in Q1 2026 and the neutral level of Optimism they had been feeling plummeted to a -50% result. The UK Warm Homes Plan did not serve to increase positivity in the face of wider market pressures.

Members in Building Electrical Services again reported a zero increase in Sales and a still worse drop in Business Optimism. In Q4 2025 the balance was at -37.5% but this dropped still further to -66.7%. Low expectations for house-building and construction in the UK and more widely in Europe, have led to severely negative sentiments for construction-oriented manufacturers.

When asked to comment on the key issues influencing whether they had become more, or less optimistic about the general business situation in Q4 2025 the emphasis was on terms such as “political”, “instability”, and “uncertainty”, along with “flat demand”. For Q1 2026 this shifted to “Middle East”, “conflict”, “fuel”, and “energy”.

The full effects of Middle East conflict have yet to be felt but the effects on Optimism and Sales were already apparent.



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 database⁵ 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 that 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.

⁵ [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



The trade association for energy
infrastructure & systems

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