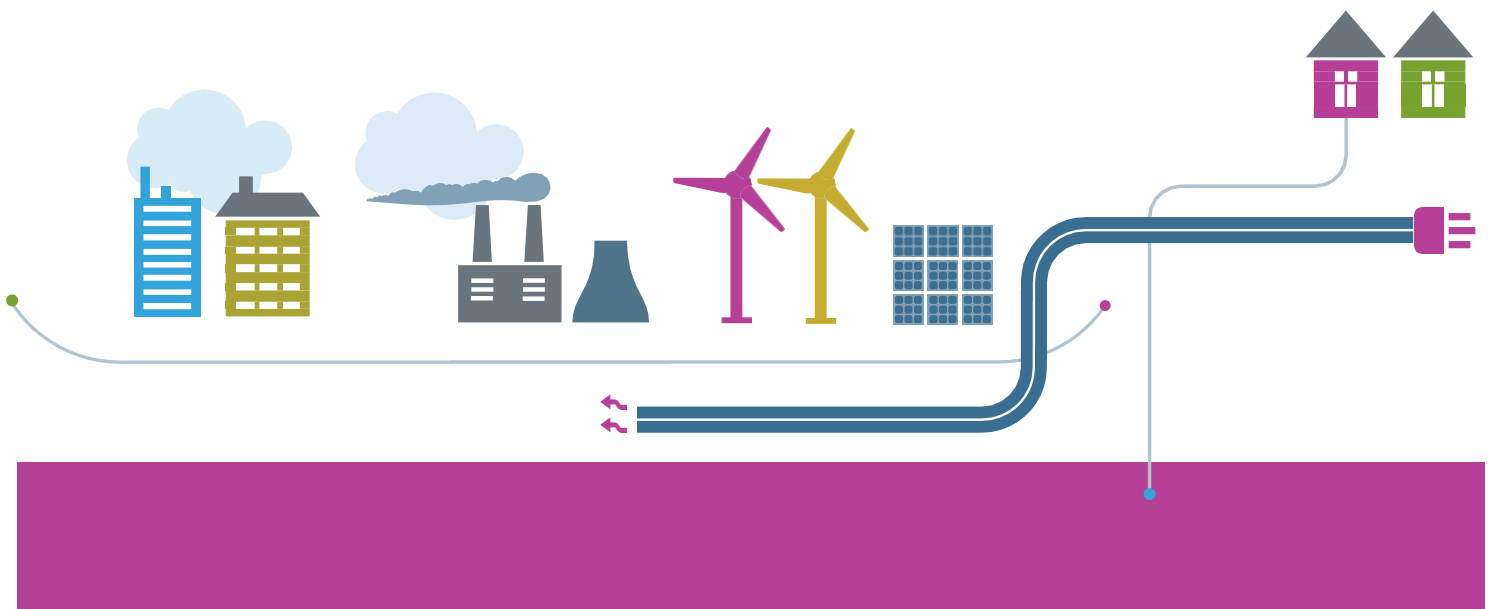


BEAMA General Election Briefing

UK Electrotechnical Manufacturing – Supporting clean growth

This briefing sets out the issues that a new Government must address, in partnership with our industry. It proposes policies that will benefit the country by growing investment, creating jobs and exporting more UK products.



BEAMA sector turnover - £12.6billion

BEAMA sector exports - £4.2billion

BEAMA, led by our members, has set our commitment¹ to deliver on the net-zero emissions by 2050 target. The delivery of this target by 2050 (or earlier) should be the priority of any future UK Government. The success of this target is dependent on industry and business adapting to stable and effective regulation.

However, the current investment landscape for our sector is wavering, and the regulatory environment for the energy industry is not conducive to a stable investment landscape which encourages clean growth.

Brexit has had a huge impact on manufacturing in the UK to date. BEAMA's 'Brexit Watch'² reported in October a 22.5% decline in manufacturing investment in Q2 of 2019 – the biggest fall since 2009. While the primary cause of this downturn is likely to be linked to Brexit, we also know some specific sectors (e.g. energy storage) are suffering from hesitancy in the reforms to the energy sector that are needed to create a viable market for flexibility services in the UK.

Our industry needs action now to establish a stable and profitable manufacturing environment in the UK, based on the ambition of meeting net-zero by at latest 2050. Meeting this aim can benefit the prosperity of consumers and businesses while improving the comfort and safety of householders, and can be met largely using products already on the market.



¹ <http://www.beama.org.uk/resourceLibrary/net-zero-by-design.html>

² <http://www.beama.org.uk/resourceLibrary/euris-brexit-watch---october-2019.html>

PARTY MANIFESTO REQUESTS

We therefore ask UK parties to adopt the following principles:

1 Brexit – ensure close alignment of product and environmental legislation with the EU

The EU will continue to be our sector's largest trading partner and regulatory divergence is the most pressing concern of our members. The cost of divergence in product regulation would be significant and will create widespread non-tariff barriers to trade. Continued access to some regulatory regimes (e.g. REACH) is in the interest of UK manufacturing, due to the cost incurred by duplicating compliance procedures, and the most efficient and secure route to protecting the environment. Moreover, divergence opens up the risk of unsafe lower standard products entering the UK market from non-EU countries. Divergence will reduce the ability of manufacturers to contribute to clean growth and safety policies. Our members are carefully considering the risk of regulatory divergence as a key consideration in whether they keep business in the UK.

3 Make improving indoor air quality a government priority

Poor indoor air quality (IAQ), or indoor air pollution, is a growing public health concern. It is responsible for thousands of deaths per year, healthcare costs in the millions and wider economic costs that are even greater.

As homes become more air tight, through retrofitted energy efficiency measures and the building of more airtight energy efficient homes, the need for effective ventilation becomes ever more important. Numerous studies have shown the critical role that ventilation plays in removing indoor pollutants from the home – reducing exposure levels, improving cognitive performance and minimising the health symptoms suffered by occupants. The ventilation industry can play its part in delivering good indoor air quality if two big issues are tackled: One, energy efficiency and ventilation improvements must be joined up, and Two, poor-quality installations of ventilation systems need to be rooted out through better enforcement of Building Regulations.

2 Transition UK homes to use low carbon heat, and drive a national retrofit program aimed at meeting net-zero and tackling fuel poverty

For a 2050 target, homes need to be upgraded ten times faster than under the current ECO policy. We need clear regulation, including upholding the current proposals on the Future Homes Standard and Part L and F reviews for new homes. For existing buildings, as the future availability of low carbon gas is not yet certain, there needs to be a retrofit program in suitable homes across the UK to drive the uptake of low carbon heating solutions (which are on the market today). Deployment of lower cost energy efficiency measures such as heating system improvements must be accelerated to reassure householders and industry that progress is being made. Improving homes is the best route to tackling fuel poverty but costs need to be distributed fairly. To do this the market also faces a huge skills challenge. Industry and government need to develop training and programmes for installers. This presents a significant opportunity to create new skilled jobs in the UK energy sector.

4 Continue work on improving electrical safety standards and regulatory enforcement in UK homes and across the industry

Our members support the need for enhanced regulatory enforcement in the market in all areas, but especially where non-compliant products may be entering the UK market. Industry has made a significant contribution to the work resulting from the independent Hackitt report, and this should be built into future policy to develop a robust framework.

5 To progress to net-zero, significant investment is needed in the UK energy system (£2billion a year by 2050 according to The CCC).

Currently the supply chains for the Transmission and Distribution of power are experiencing increasing pressures on spend from network operators and reduced investment. We believe market failures exist and a clear sector strategy and a long term investment plan is needed to ensure the energy system will be fit for purpose for the electrification of heat and transport, all the while keeping energy bills down and ensuring that a UK supply chain can deliver on the UK energy needs. Maintaining the 2025 target for the smart meter rollout will benefit consumers and businesses, and facilitate wider improvements to support a smart, flexible energy system.

6 Competent, coherent policy development and management, where regulations are adequately enforced

Businesses and the general public desire an approach to policymaking that balances short term actions with long term vision, clear leadership and trajectories with cross-party work, and consistency and coherence between policy areas. Our industry stands ready to continue and increase our cooperation with government and we hope to contribute to a constructive and open policy process which will also be valued by consumers. We expect that existing regulations will be comprehensively enforced to ensure a level playing field.

Our industry needs action now to establish a stable and profitable manufacturing environment in the UK, based on the ambition of meeting net-zero by 2050. Meeting this aim can benefit the prosperity of consumers and businesses while improving the comfort and safety of householders and can be met largely using products already on the market.

ABOUT US

BEAMA, the leading association for the manufacturers of electrical and related equipment in the UK.

BEAMA is the UK trade association for manufacturers and providers of energy infrastructure technologies and systems. We represent more than 200 companies, from start-ups and SMEs to large multinationals. Our members' products ensure low carbon energy and environmental services are delivered safely, securely and efficiently to UK homes, businesses, transport and grid networks. We support our members in ensuring that the UK has a strong electrotechnical industry that is recognised as an essential part of modern society and brings invaluable economic, social and environmental benefits.



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