



BEAMA is the leading trade association which represents manufacturers of electrical infrastructure products and systems from transmission through distribution to the environmental systems and services in the built environment. We form a significant part of a sector which employs 128,000 people and is directly worth £20bn, with a tenfold multiplier applied to the indirect supply chain. BEAMA has over a century of manufacturing experience and has been a long term top tier stakeholder to successive Governments for many decades.

In recent years BEAMA has welcomed the apparent shift towards market based initiatives to supplement policy direction as we have steered a path through a period of de-regulation and light touch appropriate policy intervention. However, as industry prepares for the challenges of a new Government, we urge all political parties to bear in mind that we require long term, clear and consistent policy direction that encourages the market based approach to continue with necessary investment and capacity building. **Shifting policy puts the brakes on investment.** Our focus is the digitalisation of industry, low carbon buildings and energy networks and our strategic priorities are energy, skills, innovation and trade.

### Energy Policy

BEAMA is committed to the Climate Change Act target of reducing emissions by 80% up to 2050 and consequently supports an energy policy path that promotes balance in generation but firmly points towards electrification. Electrification falls within the National Infrastructure Commission's remit for gross public investment at 1-1.2% GDP (source: *Climate Change Committee*) and over £620m has already been invested by DNOs (with a further £240m projected up to 2023) in an effort to demonstrate repeatable innovation that promotes flexible grid management, DSR and customer engagement. **We call for a continued commitment to this electrification policy path** to ensure sustained investment and avoid wasting nearly a decade of activity. We note some commentators are focused on the myth of needing centrally despatched energy supply to support peak demand in an electrified energy system; however this fails to take into account that flexible and smart electrical networks are designed precisely to flatten demand and prevent excessive peaks through a balance of active network management, storage and flexible DSR propositions.

Industry needs a clear market framework for domestic demand side response, almost certainly delivered through the creation of new energy service providers and DSOs. Our view is that this is best deployed through regional plans that provide signals for capacity building in the areas of network assets, heat pumps and building energy storage (battery, heat and hot water storage) and electric vehicles. BEAMA will work with a new Government through its partnership arrangement with the Energy Systems Catapult.

## Energy Efficiency of Buildings

A mix of building regulations, incentives and progressive BIM levels has had a marked impact on the designed efficiency of buildings, but we believe more can be done. Through our engagement in the independent and market based Each Home Counts framework we are aware that there is latent potential for private finance investment in domestic energy efficiency. **We propose continued support for the Each Home Counts framework as this will set the platform for investment. We also propose an extension of the framework to commercial buildings to expand its reach and impact.** Alongside the obvious links to private finance, we see Each Home Counts as an important touch stone for regulatory compliance and we would urge the future Government to demand tight links with building regulations and incentives.

**Overall energy efficiency and buildings policy must avoid 'missed opportunities'.** Successive regulations have failed to promote a suitable minimum heating controls package and recent evidence now underlines an urgency to incorporate individual room temperature controls, for example Thermostatic Radiator Valves, into minimum heating standards; the industry's Boiler Plus initiative is a suitable vehicle for this. Our shift to a smart and flexible energy system also requires us to have appropriate policy intervention to mandate a minimum level of heat or hot water storage in dwellings (building regulations for hot water and ECO for heat, promoting the replacement of old storage technology with modern dynamic electric storage equivalents). Finally, with heat pumps offering an ideal solution to overall system efficiency and the alleviation of fuel poverty, new buildings on the gas distribution network must be 'low temperature ready' to accommodate heat pumps as we tackle the shift to heat electrification up to and beyond 2030.

## Skills

The UK faces an engineering skills shortage, the effects of which is already being felt in the area of manufacturing and electrical system design and installation. This is due to a mix of the ageing population of skilled engineers & technologists and the lack of encouragement to pursue an engineering career at pre-GCSE stage. **We welcome the recent Apprenticeship Levy and Technical Level initiatives and urge the future Government to sustain a commitment to these in order to provide the stability companies need to invest in skills development.** Again this is a long term policy commitment issue. There are specific issues with the Apprenticeship Levy to work through (e.g. use of Levy funds to fund university tuition fees, thus draining resources for vocational training; lack of links between the Levy and T-Level work placements) and we will commit to work with the Government to provide practical solutions.

In addition to UK education and the apprenticeship system, BEAMA members are strongly supporting a political drive to promote free movement of people within the BREXIT negotiations to allow recruitment from EU member states.

## Industrial Strategy

BEAMA recently responded to the Industrial Strategy consultation and the above areas were all covered. **We remain committed to promoting an electrotechnical sector**

deal and look forward to pushing this forward with the incoming Government. As well as the previous sections, the continued competitiveness of our UK industry will also require a concerted effort to promote Research & Development and encourage international trade. BEAMA is a Trade Challenge Partner and can support Government in engaging potential exporters and facilitating their export activity (through advocating knowledge transfer through missions and exhibitions). The UK has significant infrastructure challenges and we advocate a public/private partnership approach to developing a regional development model that tackles not only capacity building but also procurement frameworks.

### Brexit

BEAMA has formed the EURIS Task Force with aligned trade associations. This is an industry led initiative to assist the UK industry to evolve and adapt to the changing relationship between the UK and the EU, and to provide a well-informed partner for the UK Government. Existing EURIS policy papers cover the overall policy position; the development of new international trade; the future role of European legislation and standards; intellectual property; Energy & Climate Change. **As we negotiate our exit from the EU, the incoming Government is invited to engage with EURIS as an industry advisory stakeholder.**

EURIS has developed a paper outlining the important issues to be taken into consideration by all political parties.

24<sup>th</sup> April 2017