



Summary Subgroup 3 • 4 June 2026

**Directorate for Energy
Supply Chain (DESC)**



4 June 2026

SUBGROUP 3 - POLICY CERTAINTY

Executive Summary

The subgroup discussion focused on the practical consequences of policy uncertainty for the UK energy supply chain. Participants described a gap between headline commitments to energy transition and the detailed, investable decisions required by companies that must plan resources, workforce, capital expenditure and bidding activity years in advance. The central message was that government needs to move beyond high-level policy statements and provide clear, durable decisions on the energy mix, project timelines and final investment decision pathways.

The strongest concerns related to delayed or uncertain hydrogen, carbon capture, pipeline, nuclear, offshore wind, floating wind and wider infrastructure projects. Participants emphasised that repeated slippage does not merely postpone revenue; it erodes confidence, redirects skilled people and resources overseas, creates repeated sunk bidding costs, weakens regional economies and makes it harder to attract or retain talent. The group also noted that the UK risks losing supply-chain capability at the point when delivery capacity will be most needed.

A recurring proposal was to develop a concise, evidence-based document showing the positive and negative consequences of policy certainty. The document would use anonymised company examples, project timelines, supply-chain intervention points and indicative regional impacts to show how decisions translate into jobs, orders, tax receipts, skills development, local economic activity and industrial resilience. The intended audience would include relevant government departments, parliamentarians, local representatives and cross-party policy groups.

Present

Kim Stephen, EIC (KS)

Neil Golding, EIC (NG)

Rebecca Groundwater, EIC (RG)

Carl Townsend, Sentinel ICCS Ltd (Formerly Eldor UK)

Jasmina Tuncheva, FRACHT UK Ltd

Stuart Billingham, Koso Kent Introl Limited

Andrew Ball, Murphy Group

Paul Mudd, TRS Workforce Solutions

Dan Rigby, Wood Group UK Ltd

Sheena McGuinness, RSM

1 Key Themes

1.1 Policy Certainty Is a Delivery Issue, Not Just a Policy Preference

Participants stressed that certainty is needed at a practical delivery level. Supply-chain companies need clarity on which projects are genuinely proceeding, when final investment decisions will be made, when procurement will begin and where each part of the supply chain is expected to contribute. Without that clarity, businesses cannot confidently update five-year plans, allocate specialist resource, retain skilled staff, commit to apprenticeships, invest in equipment or explain future opportunities to boards and employees.

The group viewed the current situation as particularly challenging because multiple policy statements have been issued over several years, yet major delivery decisions continue to move. The result is a perception that policy is being refreshed more often than it is being implemented. Participants argued that government should either confirm projects and delivery routes or be transparent where priorities have changed, so that companies can adapt their strategies accordingly.

1.2 Delays are Redirecting Capacity Away from the UK

A clear theme was that UK uncertainty is causing people, capability and corporate focus to move elsewhere. Participants pointed to more visible opportunities in mainland Europe, North America, the Middle East and other international markets. These markets were described as offering stronger pipelines of work, clearer commercial signals and, in some cases, better financial incentives for skilled workers.

The concern is not simply temporary labour mobility. Participants suggested that, once experienced workers and their families relocate, they may not return unless the UK can demonstrate a credible long-term runway of opportunity. This has implications for skills retention, regional economies, workforce confidence and the ability of UK projects to mobilise quickly if approvals are eventually granted.

1.3 Project Delay Creates Hidden Costs Across the Supply Chain

Participants highlighted that delayed projects create costs long before construction begins. Companies may bid repeatedly for the same or similar scopes as projects are rephased, redesigned or re-tendered. This absorbs management time, commercial resource, engineering effort and specialist input, often without resulting revenue. These sunk costs are particularly burdensome for smaller businesses and can weaken willingness to engage in future tenders.

The group also emphasised that a major energy project supports much more than the headline contractor. Pipeline, processing, logistics, valve manufacture, aggregates, civil works, hotels, fuel, local services, apprenticeships and professional services all form part of the economic footprint. A delay therefore affects not only the named project but also the network of firms and communities that would have benefited from timely delivery.

1.4 The UK Needs an Honest Energy-Mix Conversation

Several participants questioned whether the UK has a clear energy mix or whether different technologies are being signalled without sufficient delivery commitment. Electrification was recognised as a major policy priority, but participants argued that it cannot be treated as the only route. Hydrogen, carbon capture, pipelines, oil and gas transition, nuclear, offshore wind, floating wind, onshore wind and grid infrastructure were all raised as part of a wider industrial and energy-security discussion.

The group considered that government may underestimate the importance of transitional assets and

existing industrial capability. Participants argued that oil and gas skills, infrastructure and capital could support transition if managed constructively. Conversely, turning sectors off too quickly without a credible replacement risk damaging communities, losing expertise and making the UK more dependent on imports.

1.5 Tax and Investment Conditions Need to Match Policy Ambition

Participants raised concerns that tax policy and investment rules may not align with stated ambitions for energy transition. The discussion noted that high-capital, long-life infrastructure requires supportive fiscal treatment if developers and investors are to commit at scale. Particular concerns included capital allowances, interest deductibility, project value erosion arising from tax treatment and the wider signal sent to investors when policy ambition is not matched by commercial attractiveness.

The tax theme was identified as important but potentially a later-stage workstream. The initial priority is to establish the delivery and supply-chain case, then connect fiscal policy to the same narrative: certainty enables investment, investment enables orders, orders sustain jobs and skills, and those outcomes support the wider economy.

2 Proposed Evidence Base

The group proposed creating a short, accessible evidence pack using anonymised examples. The pack should show both the opportunity created by certainty and the consequences of delay. It should be framed constructively, making clear that the supply chain is offering practical evidence and solutions rather than simply criticising policy.

- Map selected high-value projects from original anticipated milestones to current expected timelines.
- Identify where different supply-chain companies would normally enter the project lifecycle.
- Show the difference between expected order timing and current delayed order timing.
- Illustrate the cost of repeated bidding, re-tendering and resource mobilisation without award.
- Use anonymised company examples to show impacts on revenue, staffing, training and regional activity.
- Include a hypothetical project model, such as a 100-kilometre pipeline with associated processing facilities, to show employment, materials, local services, tax and community impacts.
- Capture positive case studies where confirmed projects have created confidence, order book visibility and supply-chain engagement.

The proposed evidence should avoid naming individuals and can anonymise companies where needed. Examples could be described by company type, size, region and position in the supply chain. This would allow participants to share commercially useful information without exposing sensitive details.

3 Policy Messages to Develop

The subgroup identified several messages that could form the basis of future engagement with government, parliamentarians and regional representatives.

1. **Move from ambition to investable delivery.** The supply chain needs firm project decisions, realistic timelines and transparent delivery pathways.
 2. **Confirm the role of the full energy mix.** Electrification is important, but hydrogen, carbon capture, pipelines, nuclear, offshore wind, floating wind, onshore wind, grid and transition assets must be considered together.
 3. **Recognise the economic footprint of projects.** Major energy infrastructure supports jobs, apprenticeships, local services, regional economies, tax receipts and industrial resilience.
 4. **Address the cost of delay.** Repeated slippage imposes sunk bidding costs, weakens confidence and pushes people and investment into competing markets.
 5. **Use certainty as a skills policy.** Long-term visibility enables companies to recruit, train, retain and reskill workers.
 6. **Align fiscal policy with transition goals.** Tax and investment rules should support, not undermine, high-capital energy transition projects.
 7. **Engage locally as well as nationally.** Local representatives should understand how national uncertainty affects constituents, employers, colleges, universities and regional supply chains.
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4 Engagement Approach

The group discussed a staged approach. The first step would be to produce a manageable draft document for review by subgroup participants. The wider committee could then consider the emerging messages before the evidence base is built out further. Once the core document is ready, it could support engagement with government departments, all-party parliamentary groups, select committee contacts, local MPs, MSPs and other regional representatives.

Participants also proposed preparing template letters for member companies to send to local political representatives. These would explain the company's role in the wider supply chain, highlight regional impacts and invite representatives to engage with the group or attend a future discussion. This would help connect national policy uncertainty with constituency-level consequences.

Regional committees may also be asked to sense-check the evidence and add regional perspectives. This would help ensure that the work reflects the UK-wide supply-chain footprint, including communities affected by energy transition, skills migration, delayed infrastructure and changes in local industrial activity.

5 Indicative Next Steps

- Prepare a first draft of the anonymised evidence document ahead of the next wider meeting.
- Develop a project-timeline visual showing original versus current milestones and supply-chain intervention points.
- Invite subgroup participants to provide anonymised examples of revenue impact, bidding cost, workforce impact, skills implications and regional economic effects.
- Include at least one positive example showing how confirmed project activity creates supply-chain confidence.
- Explore comparative data on UK project delays, FID timelines and committed capital expenditure against selected international markets.
- Consider a hypothetical project model to explain the wider economic footprint of a major pipeline or energy infrastructure project.
- Develop draft cover letters for local political engagement once the core evidence document is ready.
- Use regional committees to test and strengthen the UK-wide evidence base.
- Aim to have a starter document available during August, with broader engagement targeted around September and conference season.

6 Actions Log

Action	Owner	Timing
Develop first draft of the policy certainty evidence document.	EIC policy and data leads	Before next wider meeting
Prepare project timeline visualisation showing original milestones, current delays and supply-chain entry points.	EIC data team, with member input	Initial version for review
Share editable project-stage visual template.	Participating member company	As soon as available
Provide anonymised examples of commercial impact, sunk bidding cost, workforce implications and regional effects.	Subgroup participants	For incorporation into draft evidence pack
Provide a more structured note on tax and investment policy impacts.	Tax specialist participant	For later-stage policy development
Draft local representative engagement letters to accompany the evidence document.	EIC policy lead	After starter document is available
Use regional committees to test evidence and broaden regional input.	EIC team and regional committee contacts	Following initial draft review



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