PRIORITIES IN TRANSITION

Sentiment and investment signals across energy and energy-intensive sectors in a complex political and policy environment

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Welcome to Grayling UK's new energy trends report: Priorities in Transition, 2025.

This report examines UK-wide energy sector, energy-intensive industry, and investor sentiment towards the Government's energy and industrial plans, including the transition to net zero and the ambition to accelerate clean growth.

The findings show that the next phase of the transition is defined by rising political complexity and growing system challenges, at a time when the economy and the grid are expected to deliver faster, at greater scale, and with clearer sequencing. With 2026 emerging as a critical moment on the path to Clean Power 2030, this pressure is only increasing.

Our research shows that while business supports the UK's clean energy ambition, confidence is conditional rather than assured. These organisations are delivering the transition – from project development and capital deployment to the goods and digital services used daily – and many see the pressures first-hand. They clearly recognise the public's concerns about affordability, fairness, and whether the benefits of the transition are reaching them.

Business leaders are calling for greater policy stability, credible timelines, and more consistent cross-government coordination. They believe progress must be grounded in economic opportunity, national resilience, and more collaboration between government and industry.

For the Government, these insights signal the need to adjust how it engages with business – listening more closely, addressing concerns and involving industry earlier and more constructively in the policy cycle. Doing so would build trust, reduce risk, and unlock the investment required for delivery. The stated ambition demands clearer signals, steadier coordination, and a stronger case for the economic benefits of clean growth.

As energy experts, we want to support clients, the Government and key stakeholders through this transition. That is why Grayling provides integrated energy communications support to ensure we offer the most effective and specialised 360° service, drawing on our unrivalled UK-wide talent and expertise.

We hope you find the report a stimulating and informative read. And, of course, if you would like to discuss the findings in full or explore how Grayling can support your organisation, please do not hesitate to get in touch.

Thank you,

Heather Blundell,
UK CEO, Grayling UK

EXECUTIVE SUMMARY

The UK is entering a pivotal phase in its energy transition. Ambition is high, but our new report, *Priorities in Transition 2025*, shows that for energy businesses, energy-intensive industries, and investors, confidence now hinges on stability, delivery, and clear communication.

What business leaders are seeing

Political fragmentation, public expectations on affordability and fairness, and competing government priorities are sharpening businesses' caution and weakening confidence in policy - especially where politicisation creates 'daylight between the pieces of the net zero consensus.'

Confidence in policy stability

Around four in five business leaders express only conditional and fragile confidence in the UK's long-term energy transition: they broadly welcome the statutory direction of travel, but stress that credibility is dependent on durability, consistency, and coherent sequencing.

Confidence in Investment Frameworks

77% of leaders express moderate or limited confidence, noting that while CfDs, RAB, and Cap & Floor remain good and well understood tools, scheme design, shifting timelines, and inflation-driven cost pressures limit predictability.

Communicating the case for investment

Growth, jobs, and long-term affordability remain the strongest public messages for the transition, and leaders underline the need for clear, consistent government communication with industry - creating the conditions for collaboration so that policy, delivery, and investment stay aligned.

Creating Advantage from challenge

Business is on the frontline of the transition and central to the Government's clean growth mission, but requires stability, certainty, and clear policy sequencing. Confidence rises when ambition, delivery, and consistent communication align and when government strengthens cross-Whitehall coordination to reduce risk and enable investment.

Grayling's view

The UK's advantage lies in a consistent, stable, and clearly communicated policy environment that unlocks capital at pace. Preserving this is a necessary condition but not a sufficient one. The challenge is overcoming structural economic pressures and physical system constraints that raise risk and slow delivery. Grayling helps industry to navigate these pressures, strengthen clarity, and work to reinvigorate confidence in the energy transition.

Grayling's Industry and Investor Survey and Methodology

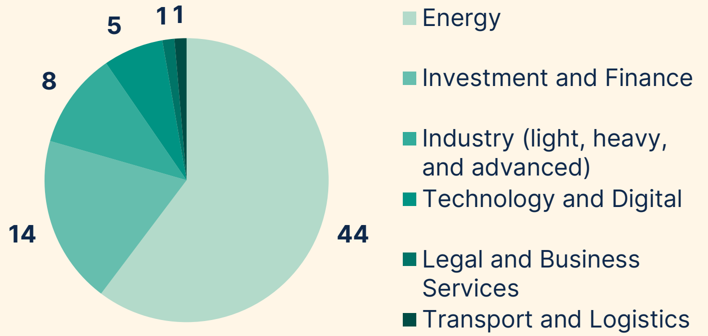
Grayling issued an Industry and Investor Survey on an anonymous basis, built around three core questions and two optional qualitative questions.

We received strong engagement from 73 senior business leaders across energy, energy-intensive industries, and investment and finance - including CEOs, Partners, Managing Directors, and Heads of Government Affairs and Corporate Communications.

Our analysis combines quantitative findings with verbatim qualitative insight, interpreted through Grayling's policy and political lens, with sector breakdowns shown in the chart below.

We are grateful to all participants for their time and contributions to this survey and report.

Sector profile of surveyed business leaders



STATE OF PLAY FOR UK ENERGY

What Business Leaders are seeing

The UK has entered a pivotal moment in its energy transition

The Government's overall direction of travel on decarbonisation and economic growth is clear, but business leaders remain conscious of political fragmentation and rising voter pressure for tangible progress, credible delivery, and clearer communication on the transition. With the May 2026 Scottish, Welsh, and local elections fast approaching, these pressures will sharpen as political parties compete to present alternative visions for tackling high energy bills and the UK's weak economic competitiveness.

Government priorities and internal tensions

For this Labour Government, the focus remains Clean Power 2030 as a driver of green economic growth. Internal tensions have nonetheless materialised, with some unions warning against "decarbonisation through deindustrialisation" and the Tony Blair Institute calling for a broader 'Cheaper Power 2030' approach focused on abundant electricity and long-term system resilience. Competing priorities are also emerging inside government - particularly between growth-focused policies and the infrastructure required for decarbonisation.

Recent decisions, such as prioritising AI Growth Zones and data-centre expansion over some decarbonisation projects, show how **economic growth and carbon reduction goals are increasingly in tension**. With surging energy demand, including through digitalisation, these pressures will only intensify.

Diverging party positions and policy signal

Recent commitments from the Conservative Party - including proposals to repeal the Climate Change Act, abolish the Carbon Budgets framework and replace the UK's net zero target with a "Cheap Power Plan" - are focused on reducing energy costs. **This break from past commitments under previous Conservative administrations underscores how politically exposed long-term frameworks for the energy transition have become.**

It has also been spurred on by interventions from Reform UK in the summer, when its deputy leader, Richard Tice MP, warned renewable developers not to participate in Allocation Round 7 of the Contracts for Difference scheme or future rounds, stating that a Reform government would cancel awarded contracts. This signalled an effort to politicise the scheme, put pressure on the sector, and promote a more market-led approach with selective use of CfDs, under a potential future Reform UK administration.

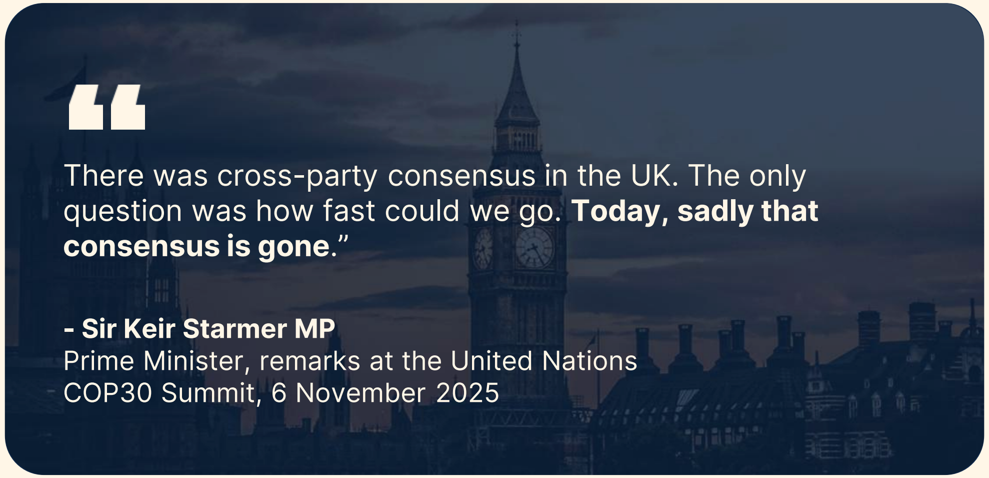
A Budget for Bills

Measures in the 2025 Autumn Budget - including moving the Energy Company Obligation and part of the Renewables Obligation (RO) off household bills and advancing the Warm Homes Plan - **demonstrate the Government's pivot to consumer affordability and, along with other measures, efforts to provide Labour MPs with ammunition ahead of the 2026 Local Elections.**

At the same time, schemes such as the new British Industrial Competitiveness Scheme (BICS) and the recent uplift of the Network Charging Compensation continue to signal support for industrial competitiveness. However, the Government has only just started to consult on BICS eligibility, with the Budget noting that funding is expected to come from reductions in levies and other system costs - a commitment that provides direction but not clarity for industry.

Elsewhere, DESNZ's review of the RO - including possible reindexation of this subsidy that runs to 2037 - reflects the policy shift toward affordability but has raised industry concerns due to its impact on the business cases of existing assets and its tension with the clean-power narrative.

This is all taking place against the backdrop of the UK's low economic growth, tight fiscal conditions, and comparatively high industrial energy prices, underscoring the issue of balancing affordability commitments with decarbonisation and competitiveness objectives.



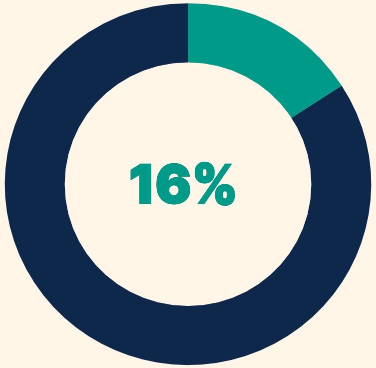
> There was cross-party consensus in the UK. The only question was how fast could we go. **Today, sadly that consensus is gone.**"
>
> **- Sir Keir Starmer MP**
> Prime Minister, remarks at the United Nations COP30 Summit, 6 November 2025

Public expectations and affordability in focus

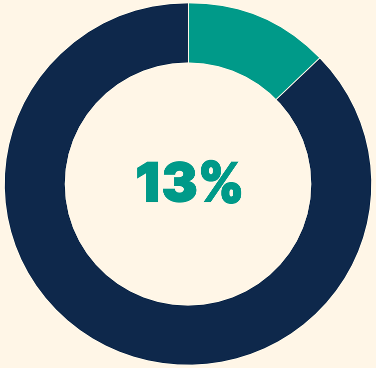
Against this backdrop of political tension and rising expectations, Grayling's *Power, Perception & Progress* report showed public attitudes shifting in ways that reinforce these pressures. Affordability, fairness, and tangible benefit now outweigh climate goals when it comes to generating public support. Business leaders must factor this into assessments of policy stability and delivery.

Our research revealed that only 16% of the public believe that the energy transition will benefit their region, and just 13% think costs and gains will be shared fairly - indicating that consent for the transition is becoming more conditional. For policymakers and business leaders, this marks a structural shift in expectations that must be reflected in strategy and delivery.

As noted earlier, the May 2026 Scottish, Welsh and local elections are expected to be a significant moment. With smaller parties such as Reform UK, Plaid Cymru, and the Green Party polling strongly, energy and climate policy - particularly questions of affordability, fairness, and who benefits – will become an increasingly contested political space at a local, regional, devolved, and national level.



Just **16%** of the public believe the energy transition will benefit their specific region



Only **13%** think the costs and benefits of this transition will be shared fairly across the UK

Implications for investor confidence

This combination of political fragmentation, policy tension and shifting public sentiment is shaping how industry leaders, investors, and developers assess the UK's readiness for large-scale infrastructure delivery. It is clear that:

- Political fragmentation is increasing, with competing priorities and growing 'daylight between the pieces of the net zero consensus' creating greater uncertainty over the durability and direction of policy signals.
- Public expectations are hardening, with bills, fairness and visible local benefit now outweighing abstract ambition - raising pressure on government and industry to show tangible progress.
- These dynamics sit within a rocky economic environment, where low growth, tight fiscal conditions and tensions between decarbonisation and growth priorities heighten investor caution around major capital decisions.

The next section - and those that follow - draw upon our Investor and Industry Survey to assess business leaders' confidence in the Government's policy direction and the factors that strengthen or weaken that confidence.

> "Clear targets and strong policy frameworks that balance the interests of investors and consumers - combined with the UK's attachment to the rule of law - give confidence that delivery is possible. **But any deterioration in these elements weakens that confidence.**"
>
> **- Head of Government Affairs**, Energy

Grayling online survey of 2,000 nationally representative respondents (May 2025).

POLICY CERTAINTY IN AN UNCERTAIN CLIMATE

Business confidence in UK policy stability

Conditional confidence in the UK's long-term direction

There is a degree of confidence amongst businesses in the UK's long-term energy transition, with **79% of business leaders reporting either moderate or limited confidence in targets**.

Business leaders in energy and energy-adjacent sectors (industrial offtake, digital economy etc.,) welcome the UK's statutory direction of travel yet underline that **confidence is contingent rather than assured**.

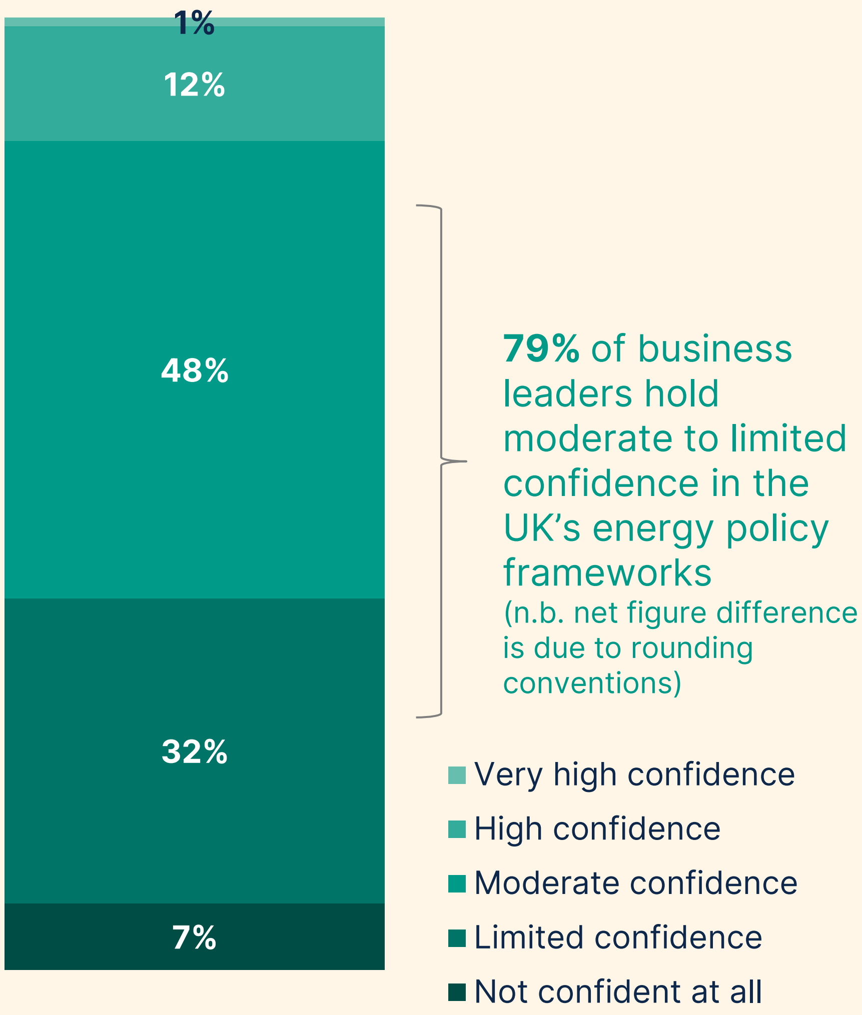
As one leader noted, *"There seems to be little conviction about policies when they are announced. Track record is everything."* This conditionality reflects concerns about the durability, consistency, and sequencing of policies.

Clarity on goals, but questions on stability remain

Many business leaders value statutory commitments - including the Climate Change Act and targets such as Clean Power 2030 - and treating them as important markers of the Government's intent. However, **confidence weakens when long-term plans feel uncertain or underdeveloped**. Leaders highlighted:

- **Misaligned incentives**, such as the new EV-per-mile tax, which several respondents felt signalled ambiguity over energy transition priorities and risks sending mixed signals to consumers, developers, and investors about long-term electrification pathways.
- **Political leadership uncertainty and a government absorbed by short-term pressures** can leave long-term energy plans exposed, with policy volatility, reactive fire-fighting, and shifting narratives heightening concern about the durability of long-term commitments.
- **Uncertainty over post-2050 infrastructure roles**, including long-term gas use, depreciation models, and the future treatment of regulated assets, directly affects investors looking for stable, long-lived assets and clear end-of-life regulations / rules.
- **Lack of clarity in key energy system choices**, particularly the future frameworks for strategic spatial planning, long-duration storage, system flexibility and backup generation, which respondents viewed as essential enablers of a credible long-term delivery pathway.

The level of confidence that the UK's current policy framework gives investors and industry on the long-term credibility and stability of the UK's energy transition objectives



Grayling online Industry and Investor survey of 73 energy, investment, industrial, transport, and technology business leaders (November 2025).

Short-term pressures that erode confidence

While long-term confidence is shaped by questions of durability and clarity, business leaders' short-term sentiment is driven by more immediate pressures - particularly costs, delays, and delivery uncertainties that directly affect day-to-day investment decisions for their businesses and projects.

Short-term confidence is shaped primarily by affordability challenges and delivery friction within the energy system. High electricity prices - influenced by green levies, network charges, and the wholesale market - continue to weigh heavily on economic competitiveness, with leaders repeatedly describing current cost structures as a barrier to near-term investment. Leaders highlighted several pressures that undermine short-term confidence:

- **High and volatile industrial energy costs**, which continue to erode the UK's competitiveness relative to other markets.
- **Uneven support for industrial decarbonisation outside established cluster geographies like Teesside or the Humber region**, creating concerns about regional consistency and investment incentives.
- **Uncertainty around the UK Emissions Trading Scheme (ETS)**, particularly future linkage with the EU ETS and overall price stability, affecting forward planning and hedging strategies for energy-intensive sectors.
- **Frequent and unexpected tax changes**, increasing perceptions of fiscal unpredictability and long-term investment risk.
- **Grid investment and grid connection challenges**, which influence grid onboarding timelines, reliability, and overall system adequacy.
- **Energy pricing, availability, and grid-capacity constraints for data centres**, cited by several respondents as "*material to competitiveness*" for the digital economy and energy-intensive sectors.
- **Repeated delivery delays**, with industry noting that while it meets policymakers' accelerated implementation windows, it also expects comparable consistency and follow-through from government and regulators.

Taken together, these immediate pressures contribute to a near-term sense of 'postponed ambition', where implementation risks increasingly outweigh stated intent.

A crowded and sometimes contradictory policy landscape

Across both long and short-term perspectives, **business leaders described a policy environment that can feel crowded and, at times, contradictory.** Multiple overlapping mechanisms - from the Capacity Market and Contracts for Difference (CfD) allocation rounds (AR) to tailored support structures - create a system that is difficult to navigate. **This layering complicates risk assessment, blurs market signals, and makes investment comparisons more difficult**.

Several leaders also noted that inconsistencies across schemes - including differences in contract structures, indexation, and procurement levels - add further planning risk and weaken clarity around long-term returns.

Conversely, confidence improves where policy frameworks are clearer, more predictable and easier to understand, or where structured competitive processes are introduced. Leaders linked these features to greater visibility on future returns and the reduced need to interpret conflicting policy signals.

> "The UK Government is under pressure to reduce energy costs and ensure incentive schemes offer value for money. **This creates downward pressure and regulatory risk."**
>
> **- Partner**, Investment and Finance

Ambition holds but delivery confidence is wavering

Our survey showed that leaders consistently differentiate between ambition, which they support, and delivery stability, which they see as the key determinant of confidence. This distinction underpins sentiment across the transition and shapes how businesses view the UK's investment frameworks.

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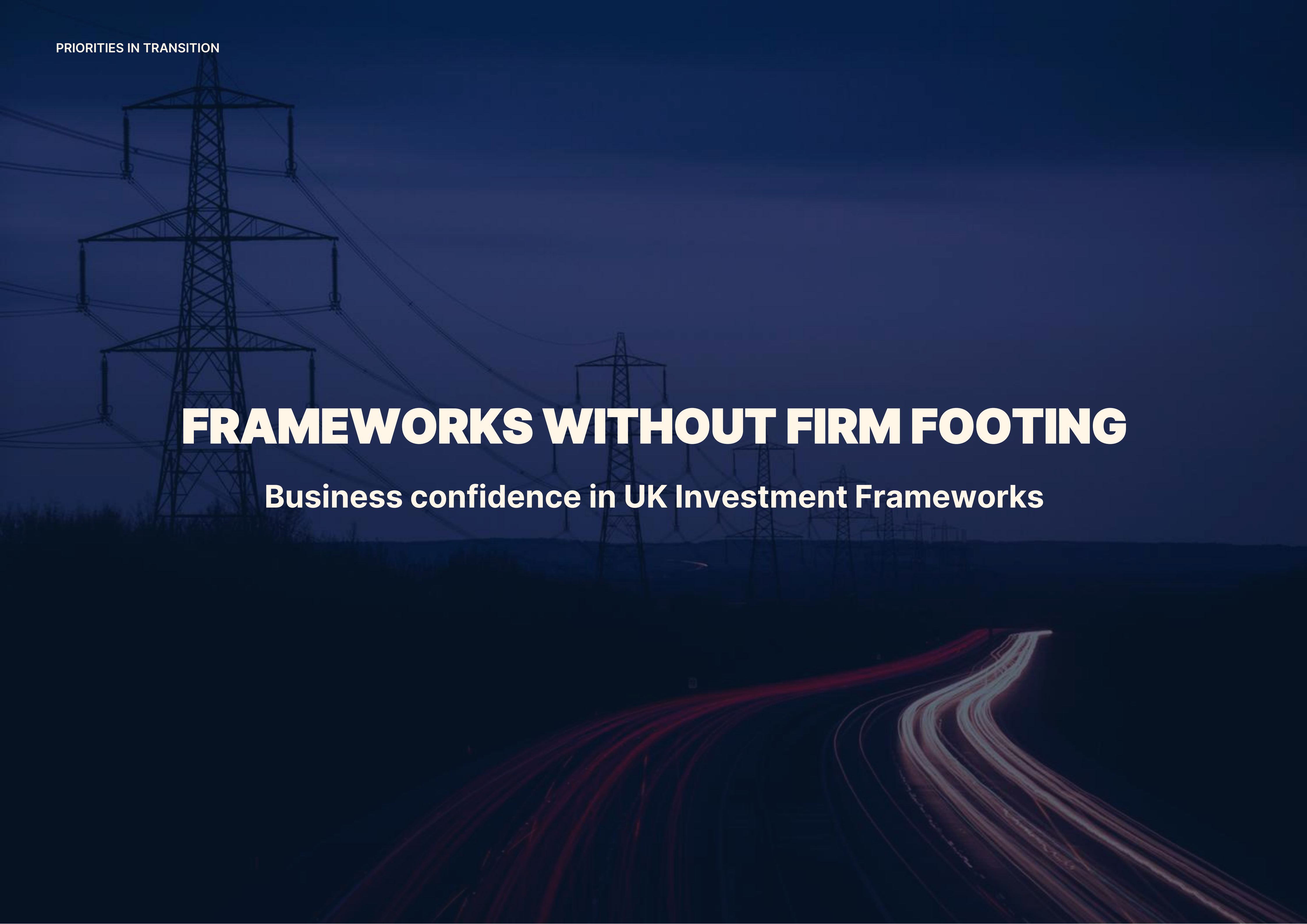


FRAMEWORKS WITHOUT FIRM FOOTING

Business confidence in UK Investment Frameworks

A mature toolkit for support

If policy ambition and delivery stability influence overarching confidence, investment certainty in the UK's growth ambitions hinge upon whether its frameworks provide predictability, competitive returns, and clear signals. Sentiment mirrors the broader picture, with caution outweighing conviction. **77% of leaders reported moderate or limited confidence in the UK's investment mechanisms, while only 13% said they had high or very high confidence.**

Despite operating within a crowded set of frameworks, most business leaders recognise that the UK has a mature suite of support tools, with CfDs viewed as the most established mechanism for capital-intensive renewables. Models - including Regulated Asset Base (RAB) for nuclear and the Cap and Floor for interconnectors and soon, long-duration storage – are also viewed positively.

Confidence in the flagship scheme

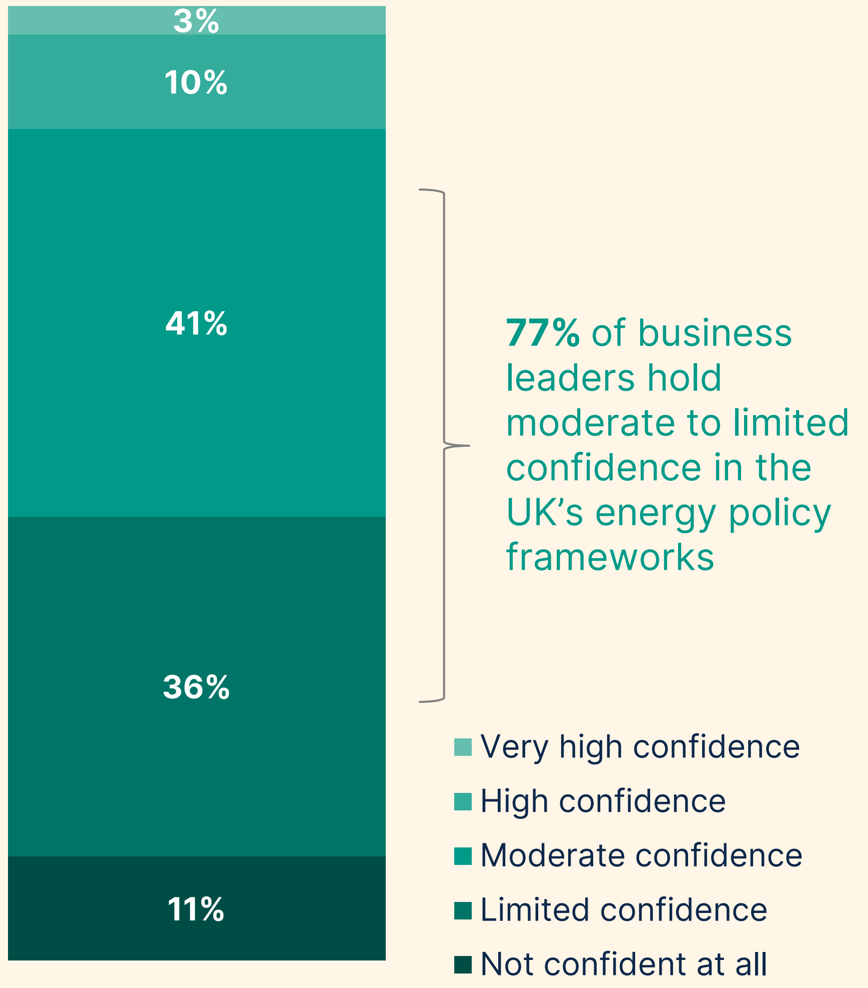
Confidence in the CfD regime, however, is weakened by uncertainty around future allocation rounds and future volume signals. Leaders pointed to unclear timelines for AR7 and AR8 and the lack of multi-year commitments, which they view as key for supply-chain planning. Some queried whether CfDs are being applied through a 'cookie cutter' approach across technologies, arguing that using a renewables-focused structure for hydrogen, Carbon Capture, Utilisation, and Storage (CCUS) or the forthcoming Sustainable Aviation Fuel (SAF) revenue certainty mechanism fails to reflect global investment conditions, weakening competitiveness where overseas incentives are stronger.

Delays, Inflation, and the Cost of Uncertainty

Beyond scheme design, leaders repeatedly highlighted delays and missed timelines as major constraints on confidence. Many noted that while core mechanisms exist, decisions on hydrogen, CCUS and other business models have slipped, creating frustration as inflationary pressures persist.

Delays reinforce expectations that government, regulators and delivery bodies must meet agreed timelines, especially as industry consistently meets the compressed windows that are set. Confidence improves when large, complex projects move through approvals efficiently and with clearer decision pathways, reducing the risk premiums created by slow or uncertain delivery.

Level of confidence in the UK's incentive mechanisms / investment frameworks' ability to attract the scale of capital required to meet the Government's growth ambitions



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Fragmentation, overlaps, and coordination gaps

Many business leaders argued that the UK's challenge is not a lack of mechanisms but a policymaking system that feels fragmented and tricky to navigate. The proliferation of overlapping schemes and bespoke support packages increases complexity and makes investment decisions harder to plan.

New institutions, targets, strategies, and incentives such as the National Wealth Fund, the Industrial Strategy, the SAF Mandate / forthcoming SAF Revenue Certainty Mechanism, were welcomed as positive signals of intent, but many leaders felt they contribute to a **sense of unconnected initiatives rather than a coherent pathway to support investment**. Some also noted that adjustments to existing schemes have created uncertainty for projects already in development.

Leaders consistently stressed the need for stronger cross-government coordination, pointing to gaps between DESNZ, DBT, Defra, NESO, Ofgem and HM Treasury. Some described cases where sector particpants must update one institution on the actions of another - a symptom of unclear oversight across grid connection reform and investment; the CfD process; NESO's development of the Strategic Spatial Energy Plan; and wider market-design changes, such as DESNZ's electricity market reform programme and DBT's BICS. **Separately, many advocated for better-targeted tax incentives to support early-stage investment**, rather than relying mainly on large, slow-moving national schemes.

Barriers to investment and picking winners

A key theme was the concern about the Government's perceived tendency to "*pick winners*" within its industrial and energy strategies. Leaders argued that prioritising specific technologies can restrict innovation and deter investment in emerging options such as hydrogen or Small Modular Reactors.

> **The Industrial Strategy is a very good framework for growth**, but its deployment and the coordination between industry and government would be greatly facilitated by the formation of Advisory Councils for each of the IS8 growth sectors."
>
> **- Group Government Affairs Director**, Industry

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For example, some leaders noted that market interventions - such as the Clean Heat Market Mechanism - can prevent UK manufacturers from bringing alternative products to market, limiting potential jobs and tax revenue simply because those options fall outside the Government's preferred policy pathway.

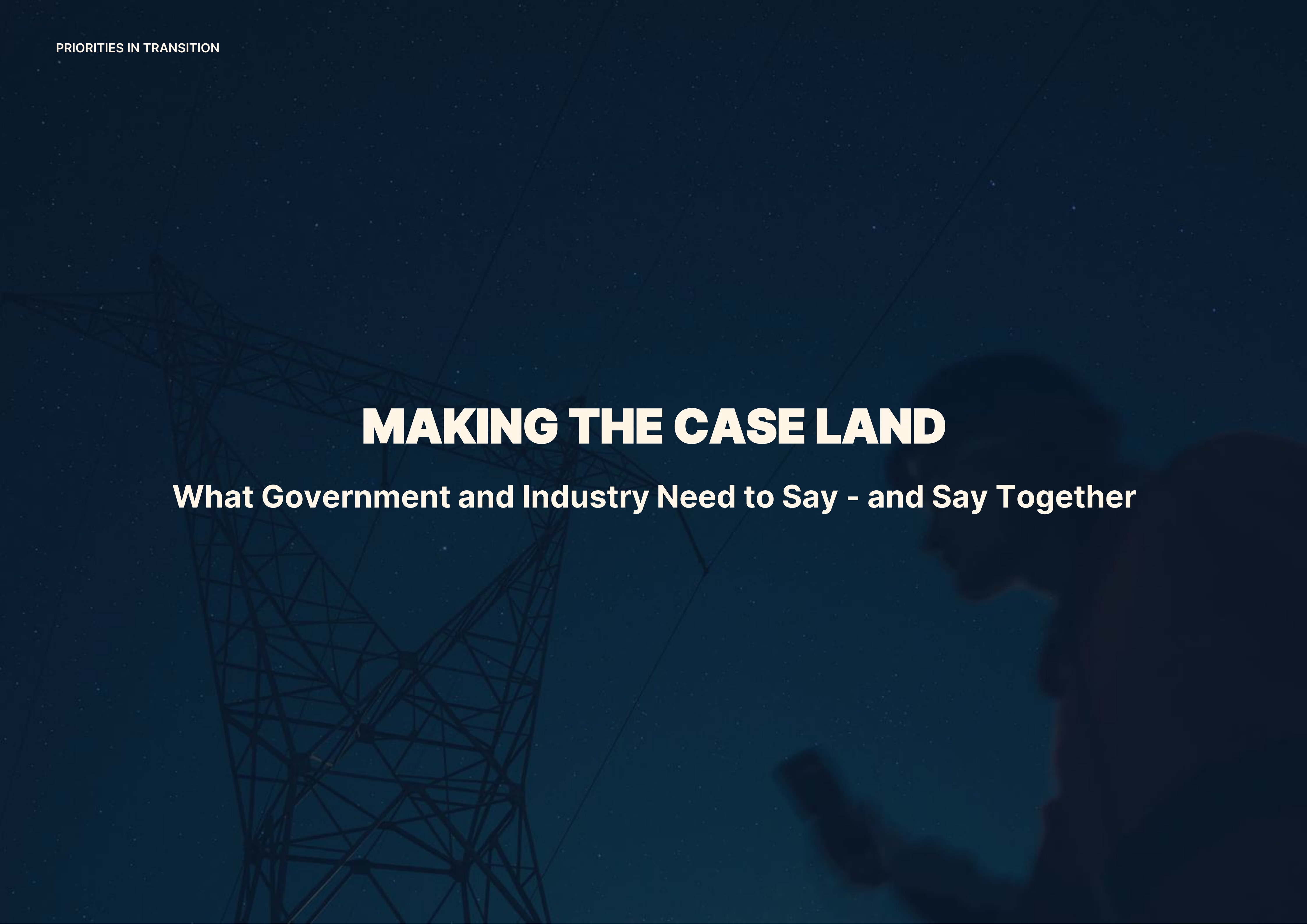
Several leaders noted that the cancellation of planned trials has been particularly damaging. Sunk costs cannot be recovered, and the absence of UK-specific data weakens future business cases - creating a catch-22 where projects cannot proceed without evidence, but evidence cannot be generated without approval**. Leaders argued that enabling a competitive, technology agnostic, market**, rather than advancing only pre-selected technologies, **would send a clearer signal that the UK is genuinely open for business**.

> "**The Government needs a more realistic approach to designing business models that support long-term investment**. Stronger market engagement and less siloed policymaking would lead to delivery models that reflect investor feedback more effectively**."**
>
> **- Director**, Investment and Finance

Good mechanisms, but confidence relies on coherence

Leaders were clear that while the UK has strong mechanisms on paper, confidence is weakened by uncertainty, cross-government gaps, and a system that feels harder to navigate than it should. They continually emphasised that predictability and coherence matter as much as the mechanisms themselves.

These conditions also shape how they see, hear, and believe the Government's wider narrative on the transition, reinforcing the importance of clear, consistent, and credible communications when making the case for investment in clean growth.



MAKING THE CASE LAND

What Government and Industry Need to Say - and Say Together

Messaging matters in an uncertain transition

The pressures described in previous sections - political fragmentation, policy flux, delivery uncertainty, and complex investment mechanisms - **influence how business leaders interpret the Government's narrative**. Credible, consistent communication strengthens confidence where policy signals feel uncertain and maintains support at a time when affordability, fairness, clarity, and deliverability matter more than ever.

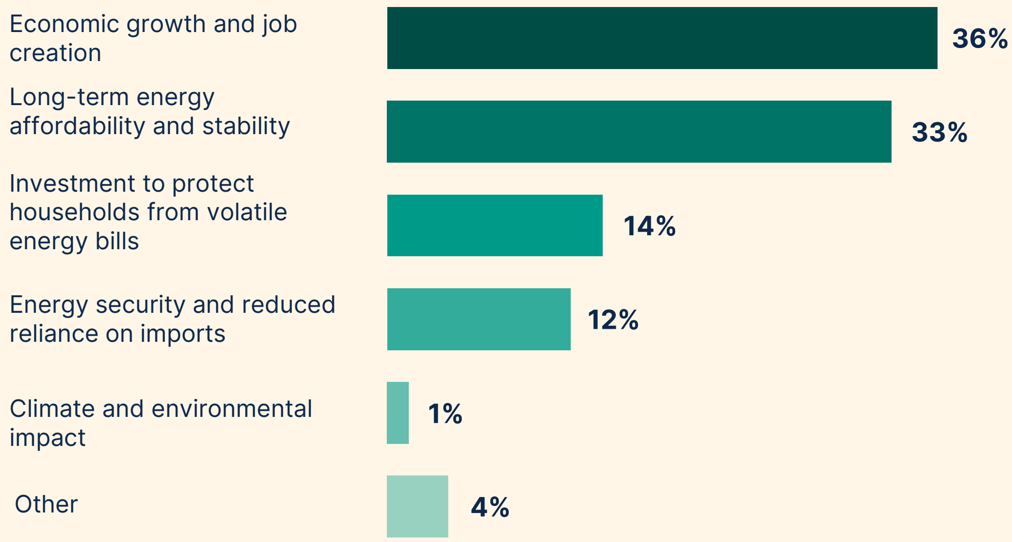
Business leaders 'get It'

Business leaders were consistent on the messages that secure public understanding of - and permission for – clean growth investment. As highlighted in our *Power, Perception & Progress* report, **growth and jobs remain the strongest narrative anchors, shaping how people judge the value of projects and technologies in their communities**. Leaders also noted the Government's shift towards affordability framing, reflecting a wider public expectation that investment should contribute to lower, more stable bills over time.

While climate change remains important, leaders noted it must be grounded in tangible economic outcomes - a change from earlier climate-led narratives. Some recognised that the debate has become increasingly politicised, with voter sentiment on affordability now defining the boundaries of what is deliverable.

> **People want to see how investment in the energy transition and system benefits them**. Lower bills now or in the near term, not hypothetical savings in 20 years."
>
> **- Director**, Energy

The primary message that the Government and industry should focus on when communicating a compelling case for energy transition investment to the public



Affordability is key, while energy security lingers

Long-term affordability and stable bills were repeatedly highlighted as essential to maintaining public support - reinforcing themes from earlier sections on expectations, policy stability, and investment clarity. Leaders stressed that messaging must link investment decisions to tangible household benefits, particularly in places that feel they have not yet seen the gains of the transition.

Energy security remains a similarly powerful issue, especially when framed around reduced reliance on imports and greater national resilience. Both affordability and security messages resonate most when delivered in plain, practical, community-focused language, avoiding technical jargon.

Grayling online Industry and Investor survey of 73 energy, investment, industrial, transport, and technology business leaders (November 2025).

Consistency, clarity, and public buy-in

These insights closely align with Grayling's previous report, which found that affordability, fairness, and visible regional benefits now underpin public consent for the energy transition. Business leaders echoed these themes, emphasising that coherent and consistent messaging is essential when policy delivery is perceived as uneven or when wider system complexity risks confusing audiences.

Several communication principles directly reinforce this:

- Anchor investment narratives in regional / local prosperity and fairness.
- Prioritise certainty, deliverability, and credibility over abstract ambition.
- Keep messages simple, consistent, and durable across political cycles.
- Focus on co-benefits such as jobs, competitiveness, resilience and lower bills.

Together, these findings indicate a clear communications opportunity**. We must knit investment in clean growth to direct economic benefit, everyday affordability, and national resilience, providing a stable narrative that complements - rather than competes with - policy and investment signals.**

Engagement that builds industry and investment confidence

How government engages with industry is as important as the policies themselves. Formal channels such as consultations, calls for evidence, and one-way announcements remain essential, but leaders noted they are not always sufficient for building confidence or shaping workable delivery models.

Informal, more interactive formats - bilateral meetings, targeted roundtables, and regular forums - often create clearer routes for challenge, feedback, and practical problem-solving, enabling those at the forefront of delivering the energy transition and growth to engage those developing the guiding rules and frameworks.

Departments have also trialled more innovative approaches, such as DESNZ's use of Slido to gather input during its policymaking process on zonal and reformed national pricing under the Review of Electricity Markets Arrangements programme. While useful, these tools are still largely one-way and time-limited; **many business leaders stressed the importance of dialogue and collaboration, where assumptions can be tested, and ideas discussed openly**.

> **The Government needs to avoid the drift toward 'death by consultation'.** Constant cycles of formal processes slow progress, and major investment announcements shouldn't be tied solely to fiscal events - it creates avoidable uncertainty."
>
> **- Senior Manager**, Energy

Leaders also stressed the need for clear, predictable communication across DESNZ, DBT, HM Treasury, NESO and Ofgem. Confidence rises when timelines and decision points are communicated early and consistently, and when cross-government signals align rather than conflict.

Principles that business leaders said matter most:

- **Clarity on timelines and sequencing**, with early visibility of key decisions and minimal last-minute change.
- **Consistency across institutions**, so signals from government departments, executive agencies and others align rather than conflict.
- **Transparency on delivery assumptions**, allowing businesses to understand risk, plan realistically, and avoid repeating advice to officials.

These expectations reinforce a core theme of this report: **confidence improves when communication is predictable, joined-up, and based on genuine exchange and collaboration**, offering an antidote to the uncertainty and inconsistency that weaken investment and deliverability.

> **Standing firmly behind commitments would send a stronger signal** to overseas investors and underpin green economic growth."
>
> **- Managing Director**, Investment and Finance

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CREATING ADVANTAGE FROM CHALLENGE

Turning system pressures into strategic opportunity

The energy transition is shaped by constraint

While clear and consistent communication can steady expectations, it cannot offset the structural pressures shaping the investment environment. **Business leaders stressed that the most significant challenges stem from system constraints and costs that directly influence where capital flows** - including grid capacity limits, congested connection queues, major reinvestment needs across networks and lengthy planning processes. These pressures are expected to sharpen through 2026 and beyond, as government accelerates towards Clean Power 2030 and industry races to meet this target.

Others, such as Tone Langengen, author of the Tony Blair Institute's *Cheaper Power 2030* report, have highlighted deeper trends in the UK economy. Decades of declining industrial demand, the shift from manufacturing to services, and a long-term rise in electricity prices have left energy-intensive sectors exposed.

Rapid decarbonisation has delivered major emissions reductions via efficiency gains, but it has also contributed, in part, to higher power costs, creating concerns about 'deindustrialisation at a cost' if economic and industrial competitiveness are not addressed together.

The pace of the transition has not gone unnoticed by the public, many of whom remain unsure how it will improve their lives. As noted in our *Power, Perception & Progress* report, this contributes to a sense of 'warp-speed decarbonisation' - ambition appearing to outpace the infrastructure, frameworks and broad confidence needed to achieve it.

That report revealed moderate to high public support for new clean-energy jobs (60%), offering a bright spot, but this sits within a narrative of wider uncertainty, reinforcing the need for a transition grounded in clear benefit.

New Skilled Jobs in Clean Energy v Protecting Existing Jobs in Traditional Energy

Grayling online survey of 2,000 nationally representative respondents (May 2025).

These deep structural and narrative issues are reflected by themes that recur in this report: unclear sequencing, institutional gaps, mixed signals and uncertainty around timelines.

Combined, they make the transition both in *feeling* and *in practice* harder to navigate than the ambition suggests, influencing how businesses assess risk, pace, and overall credibility.

Where opportunity lies and rising to the challenge

Our survey showed that leaders remain broadly optimistic about the UK's potential to lead in clean growth, *if* ambition, delivery, and communication are aligned. They stressed that when signals are coherent, timelines firm and frameworks predictable, confidence improves, and investment follows. This, in turn, enable them to unlock high-value jobs, economic competitiveness and regional benefit for the country, while bringing the public on the journey.

Because business is investing in and delivering the transition at the coal face of delivery and interacting with the public daily, it depends on the stability and clarity needed to turn policy ambition into tangible progress on the ground through:

- **Clearer sequencing and earlier visibility of key decisions**
- **More consistent cross-government signals and cohesion**
- **Predictable, long-term frameworks that support early-stage investment**
- **Steady, transparent, and credible communication that provide stability**

A key opportunity for the Government emerges when ambition, delivery, and communication work in tandem, creating the clarity needed to crowd in investment for the energy transition.

As priorities evolve, industry, with partners like Grayling, can turn this challenge into advantage.

Positioning for advantage

The organisations that will thrive in 2026 and through the next phase of the transition are those able to navigate system complexity, anticipate political and regulatory shifts, and communicate with clarity, consistency and credibility. They will be the ones that build confidence across government, investors, communities and the media.

Grayling helps industry, investors and developers do exactly that - aligning ambition, delivery, and communication so clients can create advantage in a more demanding environment. Working across the value chain and from nine offices spanning the UK - with experience in interconnectors, CCUS clusters, offshore wind, dispatchable power, nuclear, networks and advanced manufacturing - we offer a practical understanding of how the system works and where influence is most effective.

- **Navigate policy complexity and developing engagement strategy**
  Helping business understand complex political issues, anticipate policy sequencing, spot diverging signals early, and engage UK, devolved, and local government and politicians effectively in a fragmented system.

- **Build narratives and deploy messages that secure confidence**
  Crafting messaging that resonates with the media, investors, communities and employees - anchoring growth, affordability and regional benefit, backed by executive profiling, campaigns and ESG communications.

- **Plan and secure major infrastructure**
  Supporting TCPA and NSIP projects through community engagement, consultation, and DCO processes - helping clients navigate planning complexity and build local support.

- **Generate sharper insight**
  Bringing together data, social intelligence and primary research to understand audiences, track sentiment and help organisations see the context they and their competitors operate in.

- **Elevate creative and communications**
  Turning technical concepts into clear, compelling visual and audio-visual materials that build understanding, strengthen public licence, and support investment-led campaigns.

In an environment defined by structural constraints and political uncertainty, clarity, coordination and credible communication become strategic assets. Grayling helps its clients turn these into advantages that strengthen business cases and position them to lead through the transition.

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