

## **The UKSIF Scorecard: Labour's First 100 Days**

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This document presents UKSIF's view on the progress made by the new UK government in their first 100 days in office. We separate our analysis into areas of positive progress, areas where more work is needed and finally, missed opportunities. We continue to work with the government to highlight our views on the pathway towards becoming the world's leading sustainable economy.

### **Wins and Positive Progress**

- Securing major private investment into renewables (announced ahead of the International Investment Summit)
- Removing the de-facto onshore wind ban in England
- Announcing GB Energy, a public-private investment mechanism to crowd in private investment for the energy transition
- Announcing the National Wealth Fund, with the aim to invest in developing UK low carbon supply chain
- Increasing the Contracts for Difference (CfD) budget for Auction Round 6 and securing record offshore wind contracts
- Securing long term rent cap of CPI+1% for social housing
- Reforms in train to National Planning Policy Framework (NPPF) for England and related planning measures
- New support for solar (e.g. planning approval for two large-scale solar projects)
- Energy efficiency proposals for social housing (subject to consultation later this year) and other EE measures (e.g. consultation on reforms to EPC system)
- Re-commitment to regulation of ESG ratings providers
- Commitment to an 'Industrial Strategy' (in Spring 2025)
- Establishing the new regulator, the Audit, Reporting and Governance Authority (ARGA) to oversee a higher standard of corporate governance

The new government has identified its clean energy mission as a key priority. In its first 100 days, we've seen some big, initial steps on addressing longstanding investment barriers, aimed at unhobbling the flow of private capital into the UK's sustainable energy industries and climate technologies. Planning permission has long been a major barrier to investment. Removing the de-facto onshore wind ban and forming a partnership between GB Energy and the Crown Estate could go some way to unblocking that flow, but the most significant reforms are those which are in train to the National Planning Policy Framework.

UKSIF's 2024 consultation with the energy industry revealed 40% of companies would increase their investment into the UK if planning decision timescales were shortened, translating to billions in private capital. The government's announcement of £24bn in private capital secured for clean energy projects ahead of the International Investment Summit could demonstrate the efficacy of policy signals in providing investors with confidence in the UK, although some questions remain on the overall figure cited by government.

The National Wealth Fund is another example of a measure boosting investor confidence, although further details are required on its remit. In the last several years we have lagged behind parts of Europe and far behind the US and China in our investment into the clean energy transition, for example in gigafactories, which are essential for any future domestic production of electric vehicles. The National Wealth Fund could help us make up lost ground if implemented in the right way.

### **Could Be Better**

- GB Energy should have the explicit objective to attract private investment into the energy transition
- Vision needed for why companies should choose to invest in the UK over other countries – risks being undermined by ‘gloomy’ narrative around the economy
- Clarity required on National Wealth Fund and its place in the broader public finance ecosystem
- Announcement of massive CCUS investment positive but could prolong heavy pollution
- Role of pensions investment review in supporting sustainable growth
- Clarity needed on whether the government plans to reinstate ICE phase-out by 2030

The establishment of GB Energy could mark a new chapter in the UK's energy transition story, but questions remain about its effectiveness as a catalyst for private investment. Its statement of purpose currently lacks the explicit mandate to drive private finance into the UK's energy transition. The National Wealth Fund also has the potential to boost investor confidence, but clarity is needed on how it will operate in relation to the wider public finance ecosystem.

Looking at industry-specific moves, the broader narrative around UK investment opportunities also risks been overshadowed by ‘gloomy’ messaging, which could spook investors and hurt our ability to compete effectively with other markets for green capital. Recent discussions around reinstating the 2030 ICE phase-out target suggest some positive movement, but the market requires definitive policy signals rather than speculation. To attract the scale of private investment needed for our energy transition, we need a compelling vision that positions the UK as a competitive destination for green finance, backed by clear, consistent policy frameworks.

Finally, the pensions review is a chance for the government to unhobble the flow of investment into sustainable industries, and we would urge policymakers to provide more clarity on the role of sustainability in the review.

### **Missteps and Missed Opportunities**

- Lack of progress on sustainable financial regulations and policies as set out in Labour's Review of Financial Services prior to the election e.g. no progress seen yet on the Green Taxonomy and transition plans
- Roll out of insulation and heat pumps continues to be far too slow for the UK's leaky inefficient housing
- Industry awaits an industrial decarbonisation strategy for transport, particularly for freight, and support for other hard to abate sectors
- Listings rules for companies likely to weaken corporate responsibilities when looking to IPO
- The Prime Minister's comms slide towards sensationalist language at times around net-zero in his op-ed in [The Sun](#)

The ambitious financial services reforms outlined in Labour's pre-election review still require implementation, with the promised Green Taxonomy and transition plans still in limbo. Such regulatory uncertainty is unhelpful to investors where the UK should be endeavouring to become the world's leading sustainable finance hub.

The housing sector presents another, stark example. Despite the clear economic and social benefits, the rollout of insulation and heat pumps continues to crawl forward at a wholly inadequate pace for addressing the UK's leaky, inefficient housing stock. Similarly, we're still waiting for a comprehensive plan to address the decarbonisation challenges facing our freight sector and other hard-to-abate industries, which we hope to see in the upcoming industrial strategy.

Also slightly concerning is the shift in political messaging around net zero. While the Prime Minister and his cabinet have been very positive about seizing the economic opportunities of green growth, Keir Starmer's recent op-ed in The Sun appeared to pit British industry against environmental progress, which is a false dichotomy. Mixed messages risk undermining the momentum of confidence the government has so far built behind the green transition.

#### Overall:

Progress to date in some areas has been quick and impressive, especially towards taking initial steps decarbonising our energy grid and planning. Much remains to be done and progress must not slip. The government should seize on the opportunity presented by the upcoming budget and COP29 to set out a clear vision to get investors behind them.