NET ZERO POLICY ROUNDUP OCTOBER 2026: SPECIAL BUDGET EDITION

HUB UPDATES	LINK
GBE has launched two new funding programmes (GBE Community Fund and GBE Partnerships Grant) aiming to support over 1000 local and community-led clean energy projects. Further details can be found on our website on the link opposite **The funds are open until November 12th.** While the Hubs are not managing the administration of the funds this time round, we are still playing an active role in supporting communities and organisations through the grant application process with tailored advice. **This support can be accessed through our Expression of Interest form until November 4th.**	GBE
The Hub has recently published a Clean Energy Workforce Mapping Study for the North East and Yorkshire at the request of the government. The study, launched at a roundtable of regional employers, local authorities and training providers, sets out how clean energy employment could more than double in the region by 2030 – creating up to 55,000 direct jobs – but highlighted how weaknesses in workforce data could impede efforts to take advantage of the opportunity.	NEYNZH
The Local Net Zero Hubs are coming together to deliver a month-long programme of free online webinars designed to help public sector organisations reduce energy use, lower costs and improve building performance ahead of the winter heating season.	GSENZH

STRATEGY/POLICY UPDATES	LINK
The Chancellor of the Exchequer delivered the Autumn Budget on October 29th. Highlighting how gas prices have tripled since the start of the Iran War, the Budget sought to combine short-term relief on household energy bills with measures intended to address longer term costs. The Budget signalled a stronger emphasis on cheaper electricity as the central objective of energy policy, with the chancellor pledging that new generation will only be procured where it lowers bills and can connect to the grid. The Chancellor nonetheless stated that the government continues to be committed to Net Zero by 2050. Key policy commitments included: • Extending the VAT cut to electricity to July 2027. • Introducing of a £100 Household Energy Payment from January 2027 for up to 20 million households in England in council tax bands A–D. These payments will be made directly into recipient bank accounts. • Providing funding of £100m to local authorities in England to support households particularly affected by rising energy costs. • Requesting Ofgem to abolish domestic gas standing charges. Ofgem will transfer the costs into gas unit rates, benefiting	HMT

households with lower consumption but potentially increasing bills for higher users – although there will be mitigations for this in the final design of the scheme. The government will also bring forward reforms to electricity standing charges in 2027.
- Continued funding for the British Industrial Competitiveness Scheme, which provides electricity bill discounts of 20–25% to more than 10,000 energy intensive businesses.
- No new policy costs will be put on bills until a comprehensive Cost Control Framework is in place at the spending review in 2027. This framework will set budgets for components of energy costs, including policy costs.
- The Gas Shipper Obligation will be scrapped with the government rather than consumers funding the Hydrogen Allocation Round.
- The government will add heat batteries to the list of materials that qualify for the reduced rate of VAT of 5% applying to energy saving materials from April 2027, as long as these technologies are being installed in residential accommodation or charitable buildings.

In addition to these announcements, the budget includes:

- Publication of a consultation response on strategic demand connections which will confirm the use of powers in the Planning and Infrastructure Act to prioritise grid connections for strategically important projects.
- Introduction of a Data Centre Covenant setting tests for approving new strategic data centres and new requirements for developers including:
    - Covering any energy costs they create "so households, communities and other businesses do not pick up the bill. Their growth should help spread energy system costs across a larger base, reducing the share paid by households and businesses. They should also support grid resilience, flexibility and clean power"
    - Capturing the heat they produce for nearby homes, schools, hospitals or businesses "wherever practical".
    - In exchange, a Ministerial Control Centre will be established to accelerate data-centre grid connections. This centre will have the power to reserve and reallocate connections for strategically important projects, work with NESO to identify locations where additional capacity may exist and example access to temporary power to bridge the gap to grid connections, but only in exceptional circumstance**s**. Northern Powergrid | Storm Boelo

Alongside the budget, the government also announced a joint strategy with Ofgem aimed at reducing existing domestic energy debt and prevent new debt from building up. The Energy Debt Circuit Breaker seeks to prevent arrears accumulating and improve repayment arrangements.

The Budget also sets out the departmental settlements for the Department for Energy Security and Net Zero

- Resource spending in DESNZ will rise from £1.8bn in 2025-26 to £2bn in 2026-27, reaching £2.1bnin 2027-28, before falling to £1.7bn by 2029-30.
- Capital spending will fall from £11.5bn in 2025-26 to £8.1bn in 2026-27, before recovering to £10bn in 2028-29 and falling to £9bn in 2029-30. These reductions have been agreed to contribute towards the Defence Investment Plan

○ Affected areas include Warm Homes grants, hydrogen, and CCUS funding. Grant funding for the Viking project and investment in hydrogen and CCUS in the Tees Cluster will continue to be prioritised. ○ The Boiler Upgrade Scheme will continue to be funded at current levels. ○ As detailed elsewhere in this update, the government has also launched a Warm Home Loans scheme offering interest-free or low-interest loans of £7,500 to £35,000 for households installing heat pumps, solar panels and batteries.	
In his party conference speech, the Prime Minister announced plans to establish Great British Grid within Great British Energy, The new body will invest public capital, alongside private investment, in electricity network infrastructure projects across the country in order to increase competition and accelerate delivery.	DESNZ, GBE
The Energy Secretary has agreed consent for gas to be produced at the licensed Jackdaw field can be granted. The decision is expected to increase domestic gas production by around 6% and add an estimated £2.9 billion to the UK economy while boosting energy security. As part of the consenting a new Energy Wealth Fund – starting with £2bn of funding and delivered by the National Wealth Fund - will use tax revenues from North Sea oil and gas to invest in renewable and low carbon energy projects and support the green transition	DESNZ
The government has extended the deadline for the National Energy System Operator to submit the Strategic Spatial Energy Plan from December 31st 2026 to December 31st 2027.	DESNZ
The Secretary of State for Energy delivered a speech on the future of the UK's energy system to the Energy UK annual conference. The speech set out current government thinking on the energy system, specifically: • The government sees energy policy as a core part of its wider plan for growth, reindustrialisation and improving living standards • Consumers judge success by bills, not gigawatts. While renewables deployment is acceleration the government recognises many households and businesses still face high energy costs and do not feel the benefits of the transition • The current energy system is fragmented with the current model separating generation, networks, suppliers and regulator, spreading accountability across many organisations. The result is a system that is neither fully market-led nor strategically coordinated. Th government intends to take a more active strategic role in shaping the energy system while continuing to rely on private investment and market delivery The speech also highlighted, is the importance of giving communities a greater role in shaping local energy projects and ensuring they feel the benefits of the transition to a cleaner energy system. *"When communities host the infrastructure that powers Britain's future, they should share fairly in the rewards.'*	DESNZ
Planning permission is no longer needed when installing cross-pavement EV chargers which run under pavements - saving residents up	DfT

to £300 in installation costs and helping households without off-street parking access cheaper domestic electricity prices.	
New protections have been announced for households that rely on heating oil, following price shocks caused by conflict in the Middle East. These include: • Formal regulation of the heating oil market • Formalised standards consumers should expect from suppliers, including protections during periods of price volatility. • Better compensation mechanisms. • A review of minimum order requirements aimed at ensuring consumers only need purchase what they need.	DESNZ

CONSULTATIONS AND REVIEWS	LINK
The government is seeking views on the introduction of a "right to charge" for tenants and leaseholders installing looking to install electric vehicle (EV) charge points. Options under investigation include: • Option 1: New guidance on how these requests should be made and on what grounds landlords should freeholders should assess them – including timescales and legitimate grounds for refusal. • Option 2: Legislation require landlords and freeholders to make decisions within a defined timeframe and not to unreasonably refuse a request. While the consultation proposes that the tenant or leaseholder would normally arrange the installation, pay the upfront installation costs and pay associated permission fees where applicable, the government is seeking views on who should be responsible for: • Maintenance costs. • Running costs. • Removal or decommissioning costs *The consultation closes on December 16th.*	DfT, MHCLG
A consultation proposes changes to Part S of the Building Regulations, which governs EV charging infrastructure in England. Proposals include: • Requiring EV charging points in covered car parks • Reviewing the £3,600 installation cost cap • Introducing minimum technical standards • Simplifying and clarifying existing regulations. • Exploring how new buildings could be made ready for emerging technologies which allow EVs to: ○ Power homes. ○ Store energy. ○ Export electricity back to the grid *The consultation closes on December 16th.*	DfT, MHCLG
The government is seeking views on proposals to improve standards of electrical alliances in standby mode.	DESNZ

FUNDING ANNOUNCED	LINK
The government has launched a Warm Homes Loan Scheme, designed to allow people to install heat pumps, batteries and solar panels with no-upfront cost by spreading payments over many years though no and low interest loans. Ten lenders are offering the loans of the following amounts: • Solar panels – up to £15,000 • Electrical storage battery – up to £15,000 • Air-water source heat pump – up to £20,000 • Air-air source heat pump – up to £10,000 (when MCS certification available) • Ground source heat pump – up to £35,000 • Biomass boiler – up to £20,000 • Heat network connection – up to £7,500 • Micro-renewable system – up to £20,000	DESNZ

RESEARCH AND STATISTICS	LINK
Research from Regen explores how the UK can deliver the energy infrastructure needed for net zero, while ensuring local communities have a meaningful role in shaping decisions and sharing the benefits, draws on lessons learned from Australia and New Zealand. Key lessons from the report include engaging communities early and considering the impacts of multiple projects on local areas, improving transparency around future pipelines, ensure communities receive long-term social and economic value, and building local capacity and access to independent information.	Regen
Further analysis from Regen suggests 1350 onshore wind turbines, representing 1.4 GW of capacity, could reach the end of their operational lives by 2035 creating a growing challenge for an industry that has, until now, been largely focused on building new infrastructure, and the need for planning for decommissioning related circular economy activities and the supply chain necessary for replacement infrastructure.	Regen
The Centre for Sustainable Energy has launched a new tool designed to help community voices to be heard in development of local energy projects.	Future Energy Landscapes
Researchers at Imperial College London are mapping how evidence moves through the UK's net zero policy network and would appreciate stakeholder views. *The survey is open until March 2027.*	Imperial College London

MISCELLANEOUS	LINK
Severe weather linked to Storm Boelo on the weekend of October 24th and 25th "significantly damaged" parts of Northern Powergrid's network, causing disruption for over 127,000 customers. Power was restored to all homes by October 27th.	NPg

The mine water heat network at Seaham Garden Village in Durham is now fully operational, bringing low-carbon heating to around 750 homes. Using naturally warmed mine water from the Dawdon Treatment Centre, the network delivers sustainable and dependable heat to local residents. The project is also expected to save approximately 2,600 tonnes of CO2 emissions annually.	MRA
As part of their Ready Eco programme, Sunderland AFC's Stadium of Light now features 20 ultra-rapid charging bays powered fully by renewable energy. The project contributes towards the football club's goal of being net zero by 2040.	The Northern Echo