

Utility Capital Expenditure - UK - December 2017

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“The business environment is in transition across the utility sectors, with the industry challenged by a changing regulatory environment, climate change, security of supply and uncertainties regarding future network requirements.

These factors also influence the industry’s approach to capital expenditure.”

– **Claudia Preedy - B2B Analyst**

This report looks at the following areas:

- What are the key drivers for capital investment in the water and sewerage industry?
- What are the key drivers for network investment in the electricity transmission and distribution sector?
- What drives capital investment in the gas supply and distribution industry?
- How do recent changes in the regulatory framework affect the approach to capital investment?
- What are the expenditure plans for the current regulatory control period in the various utility sectors?

Infrastructure investment will continue to be a key focus across the utility sectors, driven both by the need to replace old assets and new capacity requirements on networks. However, approaches to investment are now shifting across sectors due to changes in the regulatory environment, including increased pressure to reduce costs for consumers while ensuring security of supply. There is a focus on innovation, efficiencies and long-term outcomes in infrastructure management and investment, replacing the short-term outputs and capital expenditure preferred in the past. The scope for traditional infrastructure investment may be limited, but there will be more opportunities for companies that can provide innovative solutions for efficient network and asset management.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Further Sources & Contacts

Trade associations & regulatory bodies

- Energy UK
- Energy Networks Association
- Energy Industries Council
- Office of Gas and Electricity Markets (Ofgem)
- Office of Gas and Electricity Markets - Scotland (Ofgem Scotland)
- Office of Gas and Electricity Markets - Wales (Ofgem Wales)
- Association of Consulting Engineers
- British Water
- Chartered Institution of Water & Environmental Management
- International Water Association
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