



Infrastructure Takeaways from the U.K. Spring Statement

March 9, 2026

Key Takeaways

- ▶ While the U.K.'s Spring Statement contained no substantive policy developments, it offered a slightly weaker near-term growth outlook and highlighted growing energy-driven inflation risks.
- ▶ With energy-driven inflation risks rising, regulated infrastructure businesses with revenues linked to their regulated asset bases become increasingly attractive.
- ▶ The statement largely confirms the key takeaways for infrastructure from the Autumn Budget in late 2025: U.K. policy remains steady in its endorsement of the energy transition, to the benefit of renewables and regulated utilities.

Steady Energy Transition Support Amid Higher Energy-Driven Inflation Risks

The British Government recently released its Spring Statement, which updates economic projections based on the latest data. As expected, it contained no substantive policy developments, but it offered a slightly weaker near-term growth outlook and, while it noted inflation had come down, it also highlighted growing energy-driven inflation risks, particularly related to the recent escalation of conflict in the Middle East.

What are its takeaways for listed infrastructure? For one, the Middle East conflict underscores the importance of U.K. energy security, reinforcing the urgency of grid expansion, domestic renewables deployment and investment in gas storage and hydrogen infrastructure. This is positive for energy infrastructure companies in the U.K. that ClearBridge currently holds.

Second, with energy-driven inflation risks rising, regulated infrastructure businesses with revenues linked to their regulated asset bases become increasingly attractive. These businesses also retain defensive appeal in a more modest growth environment given their visible, policy-backed capex pipelines, though valuations remain sensitive to higher bond yields.

As a reminder, listed infrastructure assets often have allowed returns linked to inflation, enabling price adjustments that help protect investor returns from inflation erosion — effectively an inflation “pass-through” mechanism. Approximately 90% of our portfolio benefits from these direct or indirect inflation pass-through mechanisms.

With no policy changes, the statement largely confirms the key takeaways for infrastructure from the Autumn Budget in late 2025. We are pleased to see U.K. policy remain steady in its endorsement of the energy transition, to the benefit of renewables and regulated utilities. As [we have discussed](#), the Autumn Budget's North Sea Future Plan and Warm Homes Plan are examples of this: the new and permanent Oil and Gas Profits Mechanism — a 35% revenue-based tax above specified oil and gas price thresholds — cements a high-tax regime for oil and gas in the North Sea basin and should accelerate the pivot to renewables. The North Sea Future Plan further frames the role

of offshore wind, carbon capture, utilization and storage (CCUS), hydrogen and associated infrastructure there as explicitly strategic.

Power generators and integrated utilities should continue to benefit structurally from these and other supportive energy transition policies. A temporary period of elevated power prices can be earnings accretive, particularly for flexible generation assets, while the energy trading operations of these businesses are typically well-positioned to navigate and monetize heightened volatility.

The key political risks we will be monitoring are persistent inflation and a material rise in consumer bills. A stronger government focus on energy affordability could increase the risk of regulatory or fiscal intervention, though we believe the odds of this are very low.

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