

May election results analysis

13 May 2026

Overview

This briefing provides an overview and analysis of the May 2026 election results across English Councils, and Scottish and Welsh devolved administrations, highlighting major gains by Reform UK and losses for Labour in key industrial areas.

It assesses the political implications for CCUS, alongside party positions on decarbonisation, the likelihood of Labour leadership change, and potential impacts on markets and investment.

It also outlines engagement priorities, legislative tracking, and upcoming political milestones including party conferences, the 2027 Spending Review, and the 2029 General Election.

May election results

The headline result was the surge of Reform UK, alongside major losses for Labour in traditional industrial heartlands across England. Reform gained more than 1,400 council seats nationally, while Labour lost significant ground in its industrial heartlands, including northern and Midlands authorities.

English Council elections:

- Reform UK gained 1,451 seats, Labour lost 1,496 seats (lost control of 35 councils), Conservatives lost 563 seats, Liberal Democrats gained 155 seats, the Green Party of England and Wales gained 441.
- Key councils changing hands or shifting politically in and around CCUS clusters included **Newcastle-under-Lyme**, which Reform gained from the Conservatives; **St Helens, Sunderland, Gateshead** and **South Tyneside**, which Reform gained from Labour; **Hartlepool, Newcastle upon Tyne** and **West Lancashire**, where Labour lost control to no overall control; **Hull**, where the Liberal Democrats lost control to no overall control; and **North East Lincolnshire**, which remained under no overall control but with Reform becoming the largest party. The **Liverpool City Region** and surrounding councils largely remained Labour, but with significantly reduced majorities.

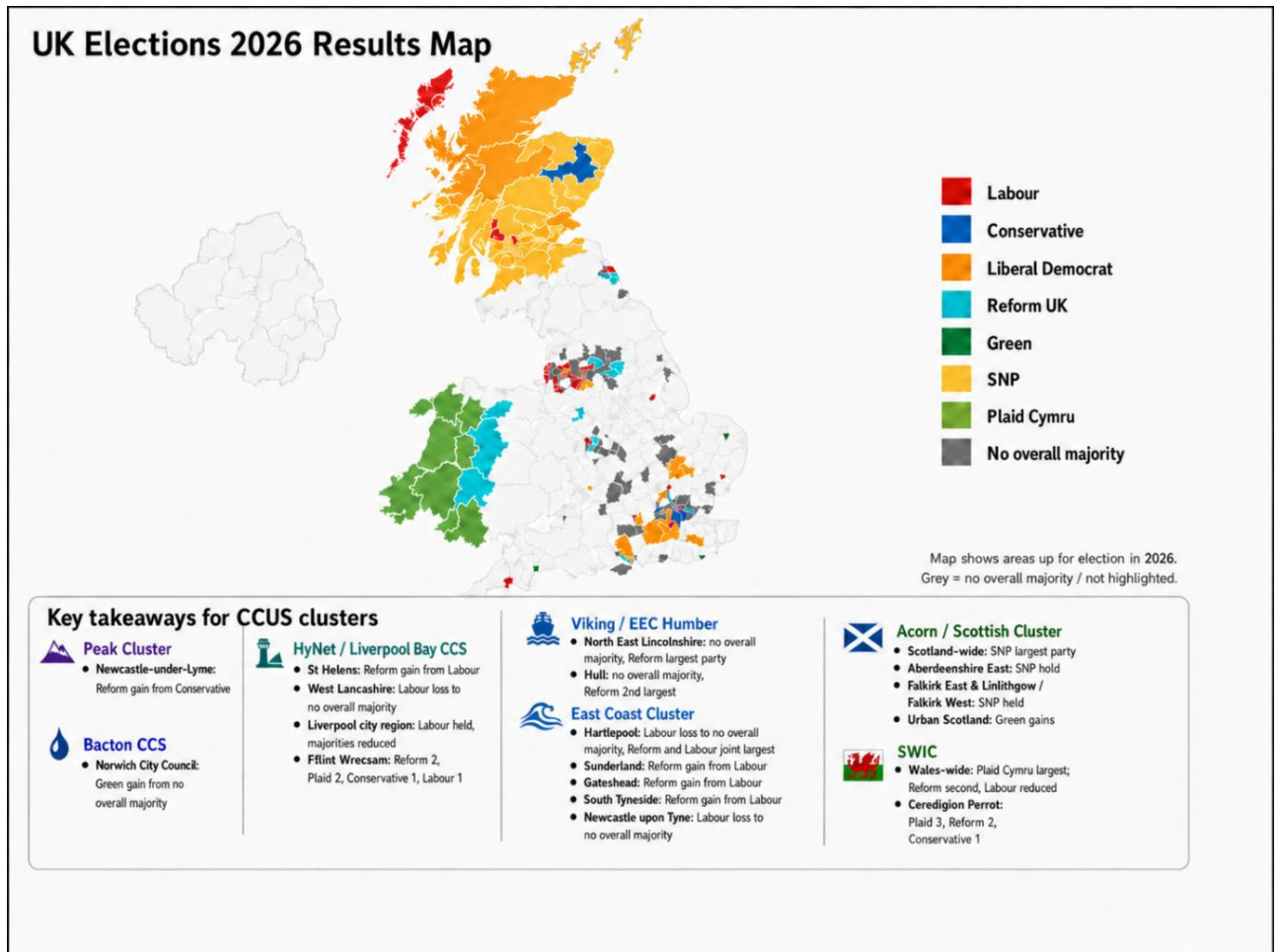
Scottish Parliament (65 seats for a majority):

- The SNP won its fifth consecutive election, but without an outright majority, Party leader John Swinney is speaking to opposition leaders, except Reform UK. SNP won 58 seats, Labour won 17 seats, Reform UK won 17 seats, Greens won 15, Conservatives won 12 seats, and the Liberal Democrats won 10 seats.

Welsh Parliament:

- Plaid Cymru emerged victorious in Wales, winning 43 seats in the Senedd but finishing short of a majority in the newly expanded 96-seat Senedd. The Party intends to form a minority government, with informal support or "case by case" cooperation from other parties, rather than a formal coalition. Plaid Cymru won

43 seats, Reform UK won 34 seats, Labour won nine seats, the Conservatives won seven seats, the Greens won two seats and Liberal Democrats won one seat.



Impact assessment

- Industrial communities remain politically volatile. Many of the areas where Labour lost their majorities are key carbon capture and industrial decarbonisation regions, including the Humber, Teesside, Merseyside and South Wales. At a national level, this increases pressure on Government, and also the industry, to demonstrate tangible economic delivery from CCUS projects across jobs creation, inward investment and safeguarding industry.
- Reform UK's gains reflect broader voter concerns around the cost of living, economic security, and industrial decline. While the Party at national level opposes Government funding for CCUS, messaging that frames CCUS as a driver of energy security, industrial competitiveness, and jobs in heavy industry and manufacturing can still resonate with locally elected Reform representatives, even where this diverges from the national policy position.
- Planning and local consent will become more politically sensitive, although national polling continues to show support for energy infrastructure tied to jobs and growth.

- The election results strengthen the argument that the CCUS sector must communicate economic value first. This includes protecting industrial jobs, attracting investment, supporting energy security and helping UK industries remain competitive during the transition to low-carbon production.
- Ultimately, the results of these elections have made a Labour leadership contest increasingly likely. At the time of writing, media reports suggest that Wes Streeting will be challenging the Prime Minister for the leadership as soon as tomorrow. It is unclear at this stage who else will be contending.

CCUS Party positions:

- **Labour** continues to support CCUS as a major part of industrial decarbonisation and energy security.
 - **Conservatives** under Kemi Badenoch the Party has shifted toward a more sceptical position on net zero, pledging to scrap the legally binding 2050 target and climate legislation, arguing it's "impossible" to meet without harming the economy and lowering living standards. More recently, they have opposed market mechanisms that help create demand for CCUS deployment, including abolishing the UK ETS if they came to power. With regard to CCUS, they are sceptical about the cost but recognise the benefits for protecting and transitioning existing oil and gas jobs, and supporting industry to remain competitive.
 - **Liberal Democrats** have limited support for CCUS as a targeted, limited tool for hard-to-decarbonise industries and potentially for negative emissions. They oppose using it to prolong fossil fuel extraction or as a substitute for rapid expansion of renewables and energy efficiency. MPs are sceptical of the cost and viability of the technology.
 - **Reform UK** announced in March 2026 that if in power they would scrap Government funding for CCUS. However, there is a difference in national policy and locally elected representatives views towards projects, with local stakeholders understanding the economic benefits.
 - **The Green Party of England and Wales** generally opposes the widespread use of CCUS.
 - **SNP supports** CCUS as part of Scotland's industrial decarbonisation and just transition strategy, particularly through backing the Acorn Project.
 - **Plaid Cymru** supports CCUS only cautiously, for hard-to-decarbonise industries, and only if it does not prolong fossil fuel use or delay a full shift to renewables.
-

Labour leadership

- At the time of writing, 93 Labour MPs have publicly called on Prime Minister Sir Keir Starmer to resign or set out a clear timetable for his departure following the poor election results at the start of the month.
- The General Secretaries of 11 Labour-affiliated unions calling for the Party to put a plan in place to elect a new leader.
- Starmer has so far remained defiant and has vowed to fight any leadership challenge.
- There is a grouping of around 111 Labour MPs who have signed a collective statement backing the Prime Minister, arguing that it is not the right time for a contest.
- It is being widely reported that the Health Secretary, Wes Streeting MP, will trigger a formal leadership contest this week.

Process for electing a new Party Leader:

- A Labour leadership election can only be triggered if the leader resigns, or if 20% of MPs (81 out of 403) nominate a challenger. In the event the Prime Minister is challenged for his position, Keir Starmer will automatically be a candidate in the election process, should he choose to contest the leadership election. The Party elects a new leader through a ‘one member, one vote’ system. Party members, affiliated trade union supporters and registered supporters then vote using a ranked ballot system, with the winner needing a majority of votes after preferences are redistributed.

Impact on bond markets:

- Uncertainty around Keir Starmer’s premiership has already had a visible market impact, with long-term borrowing costs reaching their highest level since 1998 as political instability fuelled a bond sell-off. The Financial Times reported that 30-year gilt yields reached as high as **5.81%** on Tuesday, rising **0.14 percentage points**, before falling back to **5.77%**. Meanwhile, 10-year gilt yields hit their highest level since 2008, reaching **5.13%**. A leadership contest could further unsettle gilt markets if investors interpret it as increasing the likelihood of a looser fiscal stance or weaker commitment to the Government’s fiscal rules. This matters for CCUS because investor confidence cuts both ways: bond market pressure could make HMT more cautious about long-term public commitments, while political uncertainty could also make private investors more cautious about backing capital-intensive CCUS projects without clear Government signals. For the sector, this reinforces the need to frame CCUS as disciplined, growth-focused infrastructure that reduces the economic risk of losing key strategic industries, protects industrial jobs, crowds in private capital and supports long-term product and energy security.

Engagement strategy:

- Ahead of a potential change in Labour leadership, the CCSA has engaged with prospective contenders to raise awareness of the CCUS sector, highlight economic value, and set out key policy priorities. Should a leadership contest arise, the CCSA will move quickly to brief incoming ministers and ensure they are fully informed on the sector and its priorities at the earliest opportunity.

Forward Look

Upcoming legislation timetable

- Focus will be on closely tracking the progress of relevant legislation, maintaining active engagement with Bill teams, and working with members to identify and advance priority amendments as the legislative process develops.

Party conference season – September / October 2026

- Party conferences present a key opportunity for strategic political engagement. The CCSA is currently developing its programme, with plans to attend Labour, Conservative, and Reform UK conferences. Activity will focus on stakeholder engagement, raising sector visibility, and reinforcing CCUS as central to industrial growth and energy transition policy.

Comprehensive Spending Review (CSR) 2027

- This a key moment for securing funding certainty for CCUS deployment. The CCSA is currently in the process of engaging with members on our CSR work and we anticipate commissioning consultants to support in the delivery of our submission.

General Election in 2029

- The priority will be to secure and sustain cross-party political support for CCUS, particularly within Labour, while mitigating the risk of policy opposition from parties such as Reform UK and the Conservatives. In the context of potential political volatility, including the possibility of an earlier election in the event of Labour leadership change, the CCSA will continue broad-based engagement across parties. The overarching objective is to position CCUS as a driver of economic growth, industrial renewal, and long-term job security in key regional heartlands.
-