

13<sup>th</sup> June 2022



# CECA Wales Monday Briefing

## Demystifying carbon for civil engineering SMEs

Last month, at our joint annual conference with ACE Wales and CSS Cymru, we touched on the “value” of carbon (alongside other value criteria) and mention was made of the CECA report “Carbon reduction demystified for SMEs in civil engineering”. For your information I’ve attached a copy to this weekly briefing. This also tied in to our 2021 report on [Decarbonising Our Infrastructure](#). Given how important this matter is, and how it’s likely to become more important as this becomes a more regular feature of tenders, I wanted to share the report in a bit more detail and explain how it could help all businesses, not just SMEs, start to tackle this matter.

The driver for all of this is climate change and carbon emissions with the Welsh Government declaring a climate emergency and both Welsh and UK Governments setting challenging targets to achieve Net Zero by 2050. At CECA we wanted to help those SMEs (small and medium-sized construction enterprises) understand the issues that surround ‘carbon’ and we hope that with this document the task will be made a little easier. SME organisations are typically those with less than 250 employees although other definitions include those businesses with a turnover of less than c£45m and a balance sheet of less than c£40m. Combined, these make up a significant part of the construction industry. Many resources have been made available to help organisations with understanding their role around carbon reduction, but we feel that this document, written by a mixture of main and sub-contractor members of the CECA Environment Group, provides specific awareness, advice, and examples of good practice that may be helpful. This document is a live document, therefore should you have any feedback on it, please don’t hesitate to let me know.

The report introduces the concepts of climate change and carbon in simple terms, the impact of carbon across our sector and the role of SMEs in managing carbon impacts and the relationship between carbon and costs. It goes on to offer simple explanations of key concepts and definitions including Green House Gas (GHG), Global Warming Potential (GWP) and Carbon Dioxide equivalent (CO<sub>2</sub>e) as well as descriptions for Scope 1, 2 & 3 Emissions and how to manage them.

The different components of carbon are discussed including capital, operational, whole life, end-user and embodied. The importance of target setting from a baseline are also discussed and offsetting, insetting, science-based targets and the debate around Carbon Neutral(ity) vs Net Zero are described.

Section 3 covers carbon management, PAS 2080:2016 and other carbon standards and what PAS 2080 means for CECA members and what it means to work on a PAS 2080 project. Estimating, monitoring and reporting emissions are covered in section 4 including boundary and scope setting, time periods, data gathering, emissions factors, calculating carbon emissions (there are links in the report to various tools), targets, and reporting tools. Key actions to reduce emissions are also highlighted along with suggestions for the sector.

And finally, we get on to carbon calculators where, as an industry, we need to see as much consistency from construction clients as possible so that we jointly measure “apples with apples”!

*We’ll be picking much of this up in our work with the Welsh Construction Forum following on from our own CECA Wales joint report on [Decarbonising Our Infrastructure](#) but, inevitably, this is something that will feature more and more in the way projects are tendered across the Welsh and UK public sectors so it’s important that SMEs are fully up to speed.*

## CECA Wales Political Update

Infrastructure matters at the Senedd and Westminster last week included :

- **Shared Prosperity Fund:** The Minister for Economy has [confirmed](#) that the Welsh Government is unable to endorse the approach the UK Government is taking on the Shared Prosperity Fund.
- **UK Government Procurement Bill:** The Welsh Government has laid a [Legislative Consent Memorandum](#) on the UK Government’s procurement Bill. The Finance Minister has expressed caveated support for the Bill, subject to matters of concern (as outlined in paragraph 119 of the LCM) being resolved.
- **Social Partnership and Public Procurement (Wales) Bill:** The [Social Partnership and Public Procurement \(Wales\) Bill](#) has been laid before the Senedd. The Bill creates a duty for socially responsible public procurement which covers the full procurement cycle (planning, procurement, contract management, review and compliance).
- **Grid inquiry:** The Welsh Affairs Committee held its final evidence session exploring [Grid capacity in Wales](#), questioning the UK Energy Minister Greg Hands MP. A transcript will shortly be available [here](#).

- Greg Hands MP said the holistic network design will be published by National Grid ESO at the end of this month, establishing a blueprint for the onshore and offshore infrastructure.
- Shortly after this, and by working with Ofgem, the UK Government will establish a blueprint approach for the whole onshore electricity network.
- The UK Government will consult later this year on Community Benefit options to ensure local communities benefit from the development of local onshore grid infrastructure in their area.
- **Marine energy:** Sam Kurtz MS's [Written Questions](#) regarding balancing renewable marine energy projects with maintaining biodiversity have been answered by the Minister for Climate Change.
- **Net Zero:** The Welsh Government have published a [report](#) summarising carbon emissions and net zero data over the last two years and identifying priority areas for action. An accompanying [written statement](#) outlines that Wales expects to meet its 2020 target to reduce greenhouse gas emissions and is moving in the right direction.
- **Young Person's Guarantee:** The Welsh Government has published guidance for [young people](#) and [focus group facilitators](#) taking part in the Young Person's Guarantee National Conversation.
- **Next week:** On [Wednesday 15 June](#), Plaid Cymru will lead a debate calling on the Welsh Government to produce a Wales Hydrogen Strategy.
- The Environment Agency published its strategic regulatory goals and how it will continue to improve its regulation and adapt to future changes.
- The UK Government published the outcome to the consultation on Restoring trust in audit and corporate governance: proposals on reforms.
- The Department for Business, Energy, and Industrial Strategy announced that the Government will invest over £31 million to help industry slash emissions and energy costs.
- The Product Security and Telecommunications Infrastructure Bill had its Second Reading in the House of Lords.

## CECA Wales Director Activities

My activities over the last, short week included :

- Hosting two separate workshops for members on the NEC4 form of contract
- Meeting Welsh Government officers to prepare for the next meeting of the Welsh Construction Forum on 14<sup>th</sup> June
- Meeting our public affairs consultants to plan political engagement activities for the next 6 months
- Meeting CECA colleagues to scope out proposals for preparing schools engagement/curriculum support resources for CECA members
- Meeting the CECA Wales Chair to develop our programme for the next 6 months
- Meeting members of the Welsh Infrastructure Alliance to plan future events
- Meeting members to discuss business development opportunities

## Client engagement and business opportunities

Our Joint Annual Conference was held 20<sup>th</sup> May with our partners at the County Surveyors Society (CSS) Cymru and ACE. We were joined by a number of public and private sector clients. More about this when we publish our post conference report later in the summer.

I am continuing to engage regularly with construction clients across Wales and the UK. However, if you feel that your business would benefit from particular engagement please let me know.

## Training Events

Please note that our events programme for 2022 is underway and will be constantly refreshed throughout the year. Here's the link <https://www.ceca.co.uk/wales/events/> .

Our current series of **NEC4 workshops** for members is coming to a close today. We are organising a further programmes of courses for the coming Autumn and Winter seasons. Please be assured that, as always, we will ensure that all CECA Wales members will be able to access these courses but please keep an eye out for further announcements via these briefings and our website.

We are also assessing the need for membership training in **Carbon Management** and will announce proposals in the near future.