

22nd March 2021



CECA Wales Monday Briefing

The Green Industrial Revolution

What a weekend of rugby that was! No Grand Slam for Wales unfortunately but a fantastic game played by the best two teams of the 6-nations. The Championship is still on for Wales but I wouldn't bet against France putting another great performance together next Friday nights. C'mon Scotland!

Anyway, back to business matters, and if you haven't picked up on the focus on "zero carbon" where have you been?! This week the Welsh Government will be announcing its new National Transport Strategy - Llwybr Newydd/New Path. Its sustainable transport hierarchy is underpinned by the drive towards zero carbon transportation. CECA Wales responded to the consultation which ended last month and I will provide a summary of the new strategy next week. At a UK level the UK Government announced its Industrial Decarbonisation Strategy to send a clear signal to the market of how it expects decarbonisation to happen, while improving investor confidence to harness private capital to reach net zero by 2050. It creates a framework for new industrial sectors to base themselves in the UK and attract inward investment, while future-proofing businesses to secure the long-term viability of jobs in industrial heartlands. Other key commitments within the Strategy include:

- using carbon pricing as tool for getting industry to account for their emissions in business and investment decisions
- establishing the right policy framework to ensure uptake of fuel switching in industry from fossil fuels to low carbon alternatives such as hydrogen, electricity or biomass
- establishing a targeted approach to mitigate against carbon leakage that meets the government's domestic and global climate goals, while keeping businesses competitive
- developing proposals for new product standards, enabling manufacturers to clearly distinguish their products from high carbon competitors
- exploring the role of coordinated action on public procurement to create demand for green industrial products, helping to drive down costs and allowing a broader market to develop
- initiatives around better delivery, steel production and skills
- an expectation that industrial emissions will fall by two-thirds by 2035, and by at least 90% by 2050, compared to 2018 levels
- an expectation that at least 3 megatons of CO₂ is captured within industry per year by 2030, compared to minimal levels at present

More immediately £171 million of projects have been announced from the Industrial Decarbonisation Fund and for Wales that means one project in the north and one in the south. The north of Wales is linked to hydrogen energy and carbon capture, usage and storage via HyNet North West which will receive almost £33 million funding for 2 projects to decarbonise industry by directly capturing and storing emissions, creating a hydrogen economy across the north of Wales and North West England, this includes repurposing old oil and gas facilities for carbon transport and storage. In the south of Wales nearly £20 million will go to the South Wales Industrial Cluster which aims to create a net zero industrial zone from Pembrokeshire to the Welsh/English border by 2040, which will open up opportunities for south Wales to become a leader in decarbonised industrial and economic growth. The project will look at options to support the deployment of hydrogen across regions and to develop carbon capture, usage and storage.

Future investment in infrastructure is clearly going to have "zero carbon" at its heart and as civil engineering contractors we will need to make sure that what we do aligns with these objectives. All the more reason to host our May Annual Conference on "Decarbonising Our Infrastructure"!

CECA Wales Political Update

In terms of infrastructure matters at the Senedd :

- On Tuesday 23 March, the Deputy Minister for Economy and Transport will announce Wales' new Transport Strategy.
- The Public Accounts Committee has [published](#) a comprehensive report focusing on the barriers to implementation of the Well-being of Future Generations (Wales) Act 2015 and how it can be implemented successfully in future. Senedd Members will debate the report next Wednesday, 24 March.
- The Senedd has [approved](#) the establishment of four regional committees to co-ordinate major transport, planning and economic development projects. Plaid Cymru and the Conservatives voted against. The Welsh Government hopes to have CJsCs up and running by September 2021.

- Laura Anne Jones MS [called on the First Minister](#) to recognise Newport City Council's support for a referendum for an M4 Relief Road.
- The UK Government has published an [Industrial Decarbonisation Strategy](#). £171m has been allocated to nine green tech projects, including in south Wales, to study the deployment of hydrogen and infrastructure such as carbon capture, usage and storage.
- The UK Government has launched a [call for evidence](#) to explore the barriers to improving broadband in very hard to reach areas, including in Wales, and how innovative new technologies might help change this.
- The Welsh Government has launched a [new consultation](#) seeking views on plans for improving rail services within the Swansea Bay and west Wales area. The deadline for submissions is 8 June 2021.
- The [Welsh Affairs Committee](#) held two evidence sessions with stakeholders in renewable energy development as part of its ongoing inquiry into renewable energy in Wales.
- Senedd Members have agreed the [Climate Change \(Wales\) Regulations 2021](#) which will change Wales' commitment to reducing greenhouse gas emissions by at least 80% in 2050 to 100%, or 'net zero'.
- The Hinkley Point C Stakeholder Reference Group, first convened by the First Minister last July, has [reported](#) on its independent assessment of the implications for Wales of the new nuclear power station currently being developed in Somerset.
- The Welsh Government has issued an [implementation update](#) on the Planning (Wales) Act 2015.

At Westminster the Welsh Affairs Select Committee held an oral hearing into its inquiry into renewable energy in Wales. Let me know if you'd like to read CECA Wales' response to the inquiry. The Panel discussed the role of renewable investment for community development and were positive in their assessment of harnessing Wales's potential.

CECA Wales Director Activities

Here's a summary of my week :

- Meeting of members to discuss renewable energy opportunities
- Attending a webinar on the Social Partnership and Procurement Bill
- Hosting the CECA Wales Rail Forum with Transport for Wales and Network Rail Wales and Borders
- Meeting consultants regarding the Deeside Corridor project
- Meeting CITB Cymru and the Social Value Network to develop a training programme for members on school engagement
- Working with City and Guilds to develop new qualifications for groundworkers
- Meeting CECA Wales members on various matters

Client engagement and business opportunities

Here's a reminder of some of the opportunities that are out there (some speculative, some committed) :

- The Welsh Government has published an updated Wales Infrastructure Investment Plan project pipeline, detailing investments across public and private sectors with a value of around £29.9 billion. This complements the Welsh Construction Forum short term pipeline.
- The CECA Wales Rail Forum was held last Friday, 19th March 2021. A recording will be made available via our website.
- The following details relating to the issuing of a Prior Information Notice on Sell2Wales in regards to the re-tender of the South East & Mid Wales Highways & Civil Engineering Framework (SEWH) 4 - Please see link to the Notice - View Notice - Sell2Wales (gov.wales). Contractors who are interested in this opportunity are asked to register an interest on Proactis Portal - Proactis - Supplier Network (proactisp2p.com) ref: ERFX1007335, as all information in regards to a market day will be issued via the Portal.
- On 13th April 2021 at 1pm a webinar will be held by the Contracting Authorities of the current Southeast Highways Framework to share updated "pipeline" information on the current framework. This is the third in a series of webinars to increase visibility of workflow for contractors and I hope that you find this level of engagement helpful. I will issue further details in due course and will be seeking similar updates in other parts of Wales.

Training Events

Please note that our events programme for 2021 has been relaunched on our website. Keep an eye on the website as the programme will be constantly refreshed throughout the year. Here's the link <https://www.ceca.co.uk/wales/events/>