

4th October 2021



CECA Wales Monday Briefing

Time to safeguard payments for construction businesses : Civil engineering contractors welcome a new guidebook for Project Bank Accounts

A key priority for the Welsh Government and the Welsh Construction Forum, which was established by the Welsh Government during the Covid-19 pandemic (more information on the Forum can be found via this link [Welsh Construction Forum web-page](#)), was to support the construction sector with prompt and secure payment processes. I'm pleased to say that one of the first outputs of the Welsh Construction Forum is the publication of a new "12-step guidebook" to support public and private sector construction partners to prepare project bank accounts for public sector contracts. These will provide cash-flow assurance to contractors and SME's as part of the Welsh Government's policy of fair payment. The interactive guidebook, which has been produced by the Forum's Infrastructure Working Group and is available in Welsh and English, can be viewed here :

Welsh language : <https://bit.ly/3uyQ8kO>

English Language : <https://bit.ly/3B6RJ3I>

In my role as chair of the Welsh Construction Federation Alliance (WCFA) and obviously as Director of CECA Wales I'm pleased that we're finally been able to share the guidebook with the industry. We know that cashflow is the lifeblood of our industry and we hope that this simple guidebook, prepared and published through a partnership between public and private sectors, will encourage public sector clients to play their part in helping businesses. Setting up Project Bank Accounts will safeguard monies owed to the supply chain, speed up payments and ensure that, in the worst cases of big contractors going bust, smaller businesses don't lose out.

The Project Bank Account (PBA) guidelines were drafted by Prof Rudy Klein together with Michelle Morgan-Loughman of Actuate UK Wales, who said : "It has been over three years since the Welsh Government mandated project bank accounts and its usage has already protected many Welsh SMEs in the construction supply chain from late payments and cashflow insecurities. With thanks to the Welsh Construction Forum and its chair, the Minister Lee Waters MS, our colleagues at the Welsh Construction Federation Alliance and Professor Rudi Klein, this easy step by step guide will ensure wider adoption as this practice is embedded in public procurement and help the industry recover from the pandemic."

And Deputy Minister for Climate Change and Chair of the Welsh Construction Forum, Lee Waters said :

"I'm delighted that these simple to use Project Bank Accounts Guidelines have come out of the Construction Forum. These guidelines provide confidence to construction clients, contractors and small businesses regarding payments especially during these extraordinary times. The guide complements the detailed information and training available via Business Wales and the Welsh Government. I am also delighted that some Local Authorities and contractors have already used the guidelines to great effect and look forward to working with the construction sector to ensure a stable sustainable thriving sector in Wales."

We know that delivering on PBAs is only part of the story on securing fair and prompt payments for civil engineering contractors and that there are wider issues. But publishing this document and sharing it across the industry, particularly amongst public sector clients, is another step forward. It also means that the Forum can now move forward with some of its other payment related plans around retentions and payment charters as well as procurement, skills and decarbonisation.

CECA Wales Political Update

Here's an update on some of the infrastructure related matters addressed at the Senedd last week :

- The Climate Change, Environment, and Infrastructure Committee held a [pre-appointment hearing](#) with Dr David Clubb, Chair Designate of National Infrastructure Commission for Wales (NICW). Dr Clubb said he intends to recruit a new Commission which is smaller, which will include a deputy chair and will be more project-focused.

- The Welsh Government has **confirmed** that future developments in Wales will have to take into account future flooding and coastal erosion risk caused by climate change following the issuing of revised planning guidance.
- Janet Finch-Saunders MS has tabled **written questions** concerning the re-establishment of the Wales Construction Forum and the 12 easy step guide to setting up a project bank account. She has also tabled a **written question** asking about what plans are in place to address urgent construction sector issues around materials delays, prices and skills shortages.
- Rhun ap Iorwerth MS has **called** for the Port of Holyhead to receive a percentage of the UK Government's £160m fund to upgrade ports and infrastructure for energy projects.
- The Welsh Government has partnered with the Offshore Renewable Energy Catapult to evaluate current **grid** and **port** capability for the floating offshore renewable energy sector.
- Janet Finch-Saunders MS **requested** a statement from the Minister for Climate Change regarding Awel y Môr offshore wind farm, expressing concern that there has been very little engagement with stakeholders.
- The Welsh Government has **published** a Procurement Policy Note on decarbonisation through procurement - taking account of carbon reduction plans.
- The First Minister **confirmed** that the approved portfolio business case for the Mid Wales Growth Deal should be submitted to both Welsh and UK Governments in early October and full deal agreement could be reached by end of this year.
- The Economy Minister made a **statement** on the Shared Prosperity and Levelling-up Funds, noting that increasing concerns about emerging problems and funding gaps have been raised with him by Welsh partners.
- The Minister for Climate Change will respond to **questions** in plenary on Wednesday 6th October. CECA Wales have been in discussions with Senedd Members on a range of issues.

CECA Wales Director Activities

Some of my activities from last week are summarised here :

- Attending a meeting of the Infrastructure Working Group of the Welsh Construction Forum to sign off the Project Bank Account guidebook
- Attending the CECA SW annual lunch and awards
- Attending the Andrew Scott 150th Anniversary Dinner
- Launching the Project Bank Account Guidebook for the Welsh Construction Forum
- Meeting UK CARES to discuss proposals for digitising steel reinforcement to offer traceability
- Finalising arrangements for the CECA Wales Annual Dinner and Awards
- Meeting with members to discuss current concerns

Client engagement and business opportunities

Having confirmed that the Deputy Minister for Climate Change, Lee Waters MS, will continue to chair the Welsh Construction Forum it has now been confirmed that Dr David Clubb is the new designate chair of the National Infrastructure Commission for Wales and will be seeking new Commissioners to join him shortly - see political update above.

The Southeast Wales Highways (SEWH) Framework has issued a Contract Notice via Sell2Wales and Find a Tender Service - [View Notice - Sell2Wales \(gov.wales\)](#). The Pre Qualification Questionnaire (PQQ) documentation has been issued via the Contracting Authorities e-tendering system; [Proactis Plaza](#), where all interested bidders will be able to access information free of charge. The Framework Team with support of Business Wales will be holding a Bidders Engagement and Support Session on Tuesday 12th October 2021 09:00-12:00. The aim of the session is to engage with all Bidders who wish to bid for the next iteration of the SEWH Framework, and walk-through the Pre-Qualification Questionnaire of Stage 1 of the procurement process, please see link for further information - <https://wales.business-events.org.uk/en/events/bidder-engagement-and-support-session-south-east-mid-wales-highways-and-civil-engineering-framework/>

Training Events

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

Our series of NEC4 workshops for members are well underway. The next workshops will be held on October 7th, 14th and 20th and 3rd, 4th and 8th November. Further details on how to register has been issued to all members plus you can view details via our website <https://www.ceca.co.uk/wales/event/nec4-communication-flow-and-the-role-of-the-project-manager/>

Presentations from the recent CECA Wales Annual Conference on "Decarbonising Our Infrastructure" are now available via our website <https://www.ceca.co.uk/decarbonising-our-infrastructure/>