

PRIORITIES FOR THE SENEDD CLIMATE CHANGE, ENVIRONMENT, AND INFRASTRUCTURE COMMITTEE

ACE Cymru | Wales submission



Role of ACE

- We are the association for the UK's professional consultancies and engineering companies operating in the social and economic infrastructure sectors.
- The Association for Consultancy and Engineering (ACE) champions infrastructure and the built environment to government and other stakeholders, representing the views of around 400 members.
- Our members employ over 60,000 in UK and 250,000 worldwide, contributing more than £15 billion to the UK economy. However, the buildings they create actively contribute over £570 billion a year of GVA.
- Our vision is for a political, economic, and commercial environment that enables the consultancy and engineering businesses to thrive and make the world a better place.
- We promote the interests of companies delivering professional services in the natural and built environment. We do this by bringing members together to share knowledge, experience, and insight. This shapes our tangible business support, as well as our proactive engagement with policymakers across the UK.
- Our members provide solutions to some of our biggest challenges – How do we design a Net Zero future? How do we create opportunity for communities across the devolved nations and level-up regions? How can we kickstart growth and jobs on a path to economic recovery? How can we deliver more social value?
- Through ACE Cymru | Wales we champion Welsh infrastructure. The group works closely with Government Ministers, the Welsh Government, and the National Infrastructure Commission for Wales, applying pressure for greater investment, but also acts as a trusted adviser to key clients and representatives in Cardiff.
- Our group's members have worked hard to nurture these relationships in recent years, providing a platform to share our collective expertise and knowledge with local politicians and civil servants. As the Welsh Assembly gains more powers, we will continue to help it make informed decisions on local infrastructure.
- Members include representatives of the following ACE member companies: AECOM, Amey, Arup, Arcadis, Burroughs, Cass Hayward, Mott MacDonald, Ramboll, Stantec, Tony Gee, WSP and many SMEs. The Chair is Piers Burroughs, Managing Director of Burroughs. You can read more about the role of ACE Wales [here](#)

Overview

- ACE welcomes the opportunity to contribute to this consultation and ensure that the view of our members is heard. Ahead of the 2021 Senedd elections, ACE published an open letter outlining some of our key priorities for next Welsh Government. The letter can be read [here](#)

Government priorities

- We have themed our response on topics outlined in the Minister's [letter](#) on the Welsh Government's priorities in relation to climate change, environment and infrastructure.

Environment, Climate Change & Net Zero

- How society responds to the Net Zero challenge is the biggest question of our time. The Government has committed the UK to cutting greenhouse emissions to net zero and in doing so is playing its part in capping global heating at 1.5 degrees, thus mitigating the worst effects of climate change. Our members welcome the ambition and stand ready to support the Welsh Government in delivering net-zero by 2050
- Like all businesses, ACE members will need to change the way they work on a day-to-day basis. More than that though, as the designers of the built environment, they are key to delivering the net zero society of the near future. How we design, build, and operate our buildings and infrastructure will become the key consideration for our sector as changes in process, construction materials and technology will help us to deliver sustainable buildings which are truly net zero over their lifetime.
- Chaired by Sarah Prichard (UK Managing Director) of BuroHappold, the Net Zero group brings ACE and EIC members together to outline this net zero future. Through the policy forum and engagement across ACE and EIC's activity and through the Construction Leadership Council's CO2nstructZero campaign, the group is driving the whole industry towards a carbon free future.
- Most recently, we published a new Net Zero guide targeted at SMEs working in the built environment has been released by Association for Consultancy and Engineering (ACE). Aimed at small and medium sized members, the guide highlights the steps that should be taken towards a carbon free future, explores how net zero is already influencing client decision making, and outlines how to meet new client expectations while seizing the business opportunities created. The guide also provides a handy reference to previously released publications, reports, pledge schemes and sector plans, directly sign-posting to the most important and relevant sources of information. **We would welcome, in collaboration with the Senedd economy committee, an inquiry looking at the role of SMEs in delivering net zero and how we support them through the challenge of transition.**
- Our '[Are we ready? Delivering Net Zero in the built environment](#)' report polled more than 130 Net Zero and sustainability experts who work across different areas of the built environment. The findings show few sectors rating highly with common challenges such as client business models being incompatible with Net Zero pathways, and disconnects between different regulators. **We would welcome, in collaboration with the Senedd's economy committee, an inquiry looking at whether sectors across the Welsh economy are ready for net zero and the challenges many face in delivering on the Government's ambitions.**
- You can read more about ACE's net zero campaign [here](#)

Nature and biodiversity

- Nature needs business to take urgent action to address the loss of biodiversity and climate change. SoNaRR2020 concludes that the loss of biodiversity is accelerating globally at unprecedented rates.

- Our members are ready to support wider society in building resilient ecological networks and reduce its impact outside of Wales to tackle this. ACE is working with members and partners to join the Get Nature Positive journey. The Council for Sustainable Business (CSB) is a group of business leaders appointed by DEFRA who are committed to developing successful businesses and enhancing nature – and who believe the two objectives go hand-in-hand.
- The aim of the Nature Handbook for Business is to showcase some of the ways businesses in various sectors can and are becoming more nature positive, helping the planet but also ultimately helping companies' long-term financial sustainability. They also serve as further examples of how good business actively contributes to the general well-being of all parts of society. **We would welcome an inquiry looking at how sectors across Wales are preparing for and navigating the pioneering and global effort to change the curve of nature and biodiversity loss.**

Energy & marine energy programme

- Hydrogen, together with associated carbon capture and storage, has huge potential to reduce emissions on a path to a net zero future. It will play a critical role and has been identified as a key enabler by the Climate Change Committee. It is a 'very promising technical solution to some of our decarbonisation challenges' as the government recognises.
- The UK 10-point plan envisages 5GW of low carbon hydrogen by 2030 across the UK. Meanwhile, the plan envisages 10 million tonnes per year of carbon capture across the UK by 2030.
- Planning for hydrogen technology will be an essential component in driving change and should be ambitious given the UK's net-zero target. Carbon intensive industries like construction will need to work collectively to pioneer hydrogen innovation, and this is where the development of carbon capture, usage and storage infrastructure will play a key role.
- We have already seen major plans in for industrial clusters in the UK and "Energy Islands" in Europe. Hydrogen production plants will convert natural gas to hydrogen with carbon capture or use renewable energy to produce hydrogen from water using electrolysis. These will be crucial when it comes to rolling out the benefits of hydrogen more widely. **We would welcome an inquiry looking at how hydrogen, together with associated carbon capture and storage can help Wales reach its net zero targets.**
- ACE has previously supported tidal energy in Wales as an important contribution to the UK's energy security for the foreseeable future. The opportunity to develop such technology will go some way to ensuring that the energy mix is sufficient to meet base and peak demand levels. Government support is also an important signal of recognition that tidal energy is a viable source of future energy generation, meaning more projects of a similar nature can come forward. **We would welcome an inquiry looking at how tidal energy can be developed in Wales in future, and the role our sector can have to ensure that the resources needed to deliver schemes on time and on budget are effectively allocated.**

Transport

- ACE has previously commented on the Welsh Government's recently published Llwybr Newydd – The Wales Transport Strategy (WTS) 2021. The long-term vision is a welcome step forward.
- The vision is largely introspective and stops at the Welsh border. Strengthening plans for improving strategic access to the rest of the UK and Europe would give business and future investors' confidence. In addition, the vision could put the Strategy in context with enabling and driving "Future Wales: the national plan 2040.
- The vision should recognise the very different demands of urban, interurban, rural travel and the movement of freight. Although the draft strategy does deal with integration, it is such an important aspect that the vision should include it. For example: "an accessible, sustainable and integrated transport system". A fundamental component of integrating sustainable travel is providing for the first and last mile for all users. The vision should perhaps address this.
- The vision would be strengthened by being more user-centric – enabling and facilitating people to make better, healthier, and more sustainable transport choices. It would add context if the vision described the transformational nature of the strategy and the scale and urgency of change that is necessary to deliver decarbonization commitments.
- The vision is silent on driving efficiencies from the way the Welsh Government, local authorities and rail authorities organize themselves. There are clear benefits from a model that combines and coordinates infrastructure maintenance. The National Infrastructure Commission for Wales'(NICW) Brief includes sectors within the vision and yet it's not mentioned in the Strategy. It would be helpful to explain the process of considering recommendations that come from NICW.
- The vision understates the opportunities and co-benefits of the Strategy. Drawing this out would be a positive message, particularly for private sector. **We would welcome an inquiry looking at how the vision ought to deal with embodied carbon in infrastructure as part of the sustainable approach to transport as well as focusing on emissions.**

Town centre regeneration

- For many, the pandemic has reinforced the importance of local communities. Whether it be checking in on elderly neighbours, being out in the street to clap the NHS, or supporting cherished local businesses through tough times, coronavirus has helped to renew a sense of local pride.
- With many more working from home, there is now an opportunity to revitalise local areas to support small businesses, create open spaces for people to socialise and meet, revolutionise mobility by embedding active travel measures, increase public transport options and electric vehicle charging points, and deliver the infrastructure to ease access to local services through the creation of 'community hubs.'
- Providing education, leisure, and shopping in easy walking distance of someone's front door, means that emissions are reduced by default as most resident's immediate needs are delivered locally. To encourage this, we will need flexible commercial spaces which can be easily adapted to meet resident's needs.
- Whether public or privately led, previous schemes have tended to focus on redevelopment rather than the revitalisation of the local area, with overdevelopment and 'gentrification' limiting the positive

impact to only certain pockets of local communities, thus neglecting the real opportunities that locally led regeneration can bring to an area.

- The right level of public engagement will be needed, and the decision-making process must take place at a local level once funding and support has been approved. Only then will successful, locally led regeneration schemes deliver the longer-term outcomes associated with placemaking for the benefit of the wider community. And only then will we be able to speak of levelling-up.
- With a commitment to regeneration, we need to ensure that we revitalise our urban centres and create flexible spaces that people can prosper in. **We would welcome an inquiry looking at how infrastructure development can meet the new needs of town center's following the pandemic and how placemaking, linked to net zero, can be at the centre of these conversations**, as it must be about regeneration, and not simply a return to now inappropriate pre-pandemic redevelopment schemes.

Housing and retrofitting

- A significant part of the 2050 net zero milestone must involve addressing the numerous types of buildings that populate Wales, namely the retrofitting of existing buildings. Retrofitting covers a wide remit ranging from heating systems, insulation systems and smart electrics, and as such, the focus on low carbon buildings must also include the embodied carbon used in new buildings.
- Without significantly better insulation within existing poorly insulated buildings, fuel poverty will become worse, rather than better. Part of the historic problem is that a “*one size fits all*” approach is not possible due to the variety of buildings in Wales. This needs to be recognised and a professional approach adopted.
- One of the consequences of the cost of decarbonising the electrical grid is that the cost has been placed on electricity tariffs. This has resulted in gas becoming cheaper than electricity for all but the most efficient electric systems. This is a significant issue in the challenge to decarbonise domestic and commercial heating. Gas boilers, for example, should be replaced by electric systems to take advantage of ‘green’ electricity generation.
- A cultural change is required to achieve ambitions of decarbonisation and retrofitting. Engagement with key stakeholder is key to ensure an excellent degree of professionalism across the industry. It is why collaboration with industry stakeholders, such as ACE members, RIBA, IStructE, CIBSE, RICS and CADW where the knowledge already exists, is critical to achieving the 2050 target with net zero aims.
- **We would welcome an inquiry looking at how the Government can encourage retrofitting work through the use of VAT exemptions.** New homes, for example, have zero VAT as do certain types of refurbishments, but generally home refurbishments do not qualify for these.

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