

25<sup>th</sup> May 2020



# CECA Wales Monday Briefing

## *Public and private sector collaboration needed for recovery across the infrastructure sector in Wales?*

Hopefully you enjoyed (another) peaceful bank holiday? They seem to come thick and fast at this time of year albeit with a tinge of “strangeness” given the ongoing lockdown (in Wales anyway!) and yesterday’s “events” at Downing St. Nevertheless, being able to take some time out is just as important given that things are still pretty full on across much of the sector.

I mentioned last Friday that I met with the Minister for Economy and Transport, Ken Skates MS, as part of the Wales Construction Federation Alliance (WCFA). The purpose of the meeting was to :

1. explain how the different parts of the sector are coping with the impacts of Covid-19,
2. set out our concerns for the industry, where I stressed the need for a clear and visible pipeline of works for, at the very least, the next 12-18 months, and
3. share our proposed recovery plan for the sector.

It’s important that we get government support for this plan and that was the main reason for discussions with the Minister. He has committed to establishing a “construction forum” which he will chair, to ensure that we address these issues as a matter of urgency and plan for the future. We discussed this further at our CECA Wales Executive Board meeting on Friday and this will be reflected in our strategic plan for the next 12 months. In addition to this I will be lobbying the UK Government to raise the current cap that has been imposed on Welsh Government borrowing. Lifting this, along with utilising existing borrowing opportunities, will be important to increasing investment in infrastructure across Wales.

The plan is based on an initial 3 month “restart” period to get things moving again. This “restart” reflects the top-3 things that I asked you, as members, to flag up that were of concern to you and your businesses at this point in time. The top priority by a long way was visibility of future pipelines of work followed by improved cashflow, streamlining procurement to reduce bureaucracy, cost, etc, sharing good practices on how we can implement safe working procedures and avoiding costly disputes following the disruption caused by Covid-19. The first phase of our recovery plan reflects all of these things and whilst we are already progressing many of them we are expecting government and public sector client support, through the Forum, to push it all forward. I will share the longer term proposals for recovery with you separately via our website but here are those short term (0-3month) priorities :

### **Pipeline**

- Set out a clear short term (1-2 year) investment programme to stimulate immediate public sector infrastructure/construction projects to lead recovery
- Public sector clients to expedite design & planning phases of projects in their pipeline

### **Procurement**

- Public sector clients to support contractors to restart including use of relief measures in PPN02/20
- Public sector clients commit to following guidance on responsible contractual behaviour, & consider adoption of the Conflict Avoidance Pledge
- Industry and clients to share information about material and product supply and demand across construction firms, materials suppliers, product producers and merchants

### **People and Skills**

- Develop sector specific guidance on safe operating procedures based on good practices
- Provide training on implementing coronavirus guidance
- Produce distance learning for apprentices

### **Planning and Development**

- Encourage all Local Planning Authorities to adopt a flexible and business focused approach to planning applications to facilitate development

### **Payment**

- Public sector clients to support contractors to restart including use of relief measures in PPN02/20
- Encourage public sector clients to release retention monies to increase cashflow

## Decarbonising the sector

- Provide a statement to businesses that future investment in housing assets and infrastructure will be dependent on meeting decarbonisation targets

Whilst the plan itself is much broader than this and will extend over the next 12 months it's important that we address these short term measures quickly to support businesses through this period of uncertainty.

*The infrastructure sector depends hugely on public sector investment so it's crucial that we have a healthy and positive engagement between public and private sectors and we hope that the Construction Forum, led by the Minister for Economy and Transport, allows this to happen as effectively as possible.*

## CECA Wales Political Update

Here's a quick update on a few other infrastructure related matters from the Senedd :

- The UK Government announced that Wales will receive an **additional £64.5 million** as a result of UK Government funding allocated to Transport for London earlier this week.
- The Minister for Economy and Transport **announced** £22.7 million in Local Transport Fund grants and £1.9 million in Ultra Low Emission Vehicle Transformation Fund grants.
- The Welsh Government issued **guidance** on amendments to Planning pre-application consultation procedures, Community Council Consultation and Developments of National Significance in response to the challenges presented by coronavirus.
- The Economy, Infrastructure and Skills Committee has launched an **open call for evidence and experiences** of the impact of Covid-19.
- The Welsh Government published **key economic statistics** covering the three months to March 2020.
- The Minister for Economy announced he expects to reopen the **Economic Resilience Fund** eligibility checker for new applications by the middle of June and, following that, open for full applications later in the month. Phase 2 of the fund will operate in the same way as phase 1, but with an update to the micro scheme which will enable limited companies that are not VAT registered to access funding.

## CECA Wales Director Activities

My focus continues to be on dealing with issues relating to the Coronavirus outbreak and its impacts on the sector. This involves daily briefings with colleagues across the UK to ensure that I can bring you the latest news and guidance on how to manage these challenges. A few other things have been happening as well though :

- Meeting with Minister for Economy and Transport, Ken Skates MS, as part of Welsh Construction Federation Alliance (WCFA) to set out concerns for the industry, set out a joint recovery plan for the sector in Wales and establishing a Construction Forum, to be chaired by the Minister, to take short and long term measures forward
- Meeting Helen Mary Jones MS of Plaid Cymru to discuss infrastructure and business needs ahead of their manifesto for the 2021 Welsh Parliament elections - I will be following up with similar meetings with other parties
- Attending a Bank of England webinar on future economic scenarios for Wales and the UK
- Attending a Welsh Government Transport and Transport for Wales webinar on their new suite of contract conditions and future programmes of work. I hope that this will become a regular event to keep the industry apprised of forward programmes of work.
- Hosted our CECA Wales Executive Board meeting, via MS Teams
- Continued preparations for joint webinars with infrastructure clients across Wales for members to better understand forward pipelines of work - letter to be sent to WLGA
- Planning for future webinars to support businesses with training and advice (in the meantime, please check out the webinars on offer via the daily Covid-19 updates)

## Training Events

Please note that our events programme has been temporarily suspended pending the coronavirus crisis. However, you will be able to access a range of webinars which are advertised on the daily CECA Covid-19 updates.

## Do you need to discuss anything?

I have spoken to all members to understand the challenges that you are facing during these difficult times. But if you would like any more information on any of these matters or to share your views or experiences about how COVID-19 is impacting on your business, please contact me, CECA Wales Director, Ed Evans, on 07717687088 or email [ed.evans@cecawales.co.uk](mailto:ed.evans@cecawales.co.uk) .