

# PRIORITIES FOR THE ECONOMY, TRADE, AND RURAL AFFAIRS COMMITTEE

ACE Cymru | Wales response



## 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](#)

## Policy priorities

### The Value Toolkit

- Developed in partnership with over 200 experts from across government and industry, the Value Toolkit is an initiative designed to change the way the construction industry thinks about and measures value.
- The toolkit's goal is to offer clients a structured approach to value-based decision making across the lifecycle of projects, programmes, and portfolios. This will lead to better outcomes for what the built environment sector delivers and as importantly, how this is delivered. This will allow policymakers and clients to make informed decisions at every stage, while meeting ambitions on levelling-up, delivering a carbon-free future, or kickstarting productivity.
- Where once decisions defaulted to discussions around cheapness, we will soon be able to have detailed and evidence-based negotiations based on social, environmental or productivity outcomes. **We would welcome an inquiry looking at value-based decision making, an in particular, whether the Value Toolkit could be implemented in Wales as we recover from the pandemic.**

### The future of employment

- Leaders from across the membership base recently shared how they were dealing with the return to the office, easing of lockdown and changing staff expectations. These sessions were an opportunity for members to learn from each other in what is, after all, a completely new situation.
- The discussions were very honest with members sharing their challenges and strategies. It's clear there's an incredible amount of care being put into these plans, with an obvious focus on the wellbeing of their people. Most were planning a hybrid solution, based on the fact that there are currently a range of attitudes to returning to the office with most companies working hard to accommodate these views, rather than impose a one-size-fits-all approach.
- While some want to return as soon as possible to full-time office-based work, others are more cautious and uncertain, for example they are uncomfortable commuting via public transport or live with vulnerable family members. **We would welcome an inquiry looking at how the nature of work is changing following the pandemic,** in light of experiences of working from home.

### The economy & 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 Environment 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 Environment 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 ACEs net zero campaign [here](#)

## 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 can be at the centre of these conversations.**

## International trade

- ACE has recently responded to the UK Government consultations on trade deals with Canada, Mexico, and India. We welcome the opportunity to contribute and ensure that the view of our members is heard, particularly as the Government prepares for trade negotiations with India to upgrade our existing trade deals.
- With the UK Government's post-Brexit focus now on securing trade deals and opportunities in new markets overseas, our industry can play a key role in establishing "Global Britain". These trade deals will have an impact on the Welsh economy. Despite working in a competitive global marketplace, our industry is in high demand across the world and internationally renowned for the quality of our work.
- The viability of Welsh transportation links is key to international trade, including investment in port infrastructure and the road network.
- Our international business group helps members keep abreast of international issues and assists them when working overseas. The group is also responsible for the development of ACE’s international strategy. Working with strategic partners including the Department for International Trade and FIDIC, we help to proactively place our members’ offering to international clients and provide a platform to showcase their work. **We would welcome an inquiry looking at how new trade deals are impacting the Welsh economy and the scope of future UK trade deals.**

## Digital transformation

- We stand on the verge of the transformation of our industry, driven by both the digital revolution and society’s expectations. Our engineering tools are changing because of digital transformation – the plethora of customer and asset performance data and new technology at our disposal brings evidence for better insights, quicker analysis, and broader simulation. But we must harness them to deliver what the society of the future is demanding of us: deploying our expertise to set the roadmap to Net Zero and supporting long term socially accountable decisions and investments.

- Driving a new focus on the performance of the built environment as both a digital and physical system, where the physical assets and digital twins work in harmony to provide better services to users; supporting the flow of data to demonstrate better social, economic, and environmental outcomes.
- With 99.5% of our assets already in existence and the exponential creation of data relating to their operation, condition, and use, as a nation we are on the verge of being able to unlock huge value from the insights that data can provide. There is no way we will be able to embrace the drivers of change and deliver on society's expectations unless we work at a system level and on the existing asset base. This is the opportunity for consultancy.
- There are three main drivers of change with regards to digital transformation. Effectively harnessed, the plethora of customer use and performance data could deliver annual benefits of £15bn across the UK's infrastructure sector. Society's expectations of our built environment are changing, reinforced by government commitments to Net Zero by 205 and an increasing influence of ethical investors – 50% have increased their allocation to sustainable funds compared to five years ago. The devolution of both spending and decision-making powers across England will bring closer alignment between the customers and users of the built environment. Between July 2012 and August 2014, 26 city deals were agreed. We must adapt to meet the needs of these new clients. **We would welcome an inquiry looking at how digital transformation will impact Welsh infrastructure and, more broadly, the Welsh economy.**

## Rural Economy in Wales and left behind places

- Whilst the 'levelling up' agenda is considered a UK Government initiative, dealing with regional inequalities is relevant to Wales.
- 'Levelling up' in Wales should improve standards of living across the country: The goal should be to narrow the divergence seen across the country in areas such as health, education, and public service provision. ACE is currently undertaking a major piece of work, through our 'levelling up' taskforce to examine the infrastructure stock of left behind places as identified by the IFS.
- **We would welcome an inquiry looking at how the UK Government levelling up agenda could impact Wales and what use communities could make of financial interventions.**

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