



SWIC's Plan for Clean Growth: Three Years On

Introduction

In 2019, the South Wales Industrial Cluster formed following the launch of the Industrial Decarbonisation Challenge Fund (IDCF). Thirty companies formally partnered to develop the Cluster Plan Project, which would identify the requirements to achieve net zero across the region.

The SWIC Cluster Plan (*'Plan for Clean Growth'*) report was published in 2023 as a strategy for clean growth and decarbonisation of industry in South Wales.

This paper constitutes a three-year review of the *Plan for Clean Growth*,¹ its recommendations, and progress up to this point.

Net Zero Industry Wales, in its role as Cluster Management Office (CMO), is already providing targeted support for many of the proposed support activities set out in both the Plan for Clean Growth and the UK Government's Industrial Strategy Zones Action Plan,² and therefore sees SWIC and the Welsh Industrial Clusters as key movers for the goals as laid out.

The aim of this review is to therefore identify how the Plan for Clean Growth can continue to drive industrial decarbonisation across South Wales in line with the UK's Modern Industrial Strategy³ and ISZ Action Plan.

Methodology

The *Plan for Clean Growth* identified five **Core Objectives**, which would drive decarbonisation across South Wales:

1. Energy and resource efficiency
2. Fuel Switching
3. Clean Growth Hubs
4. Carbon Capture and Utilisation
5. Carbon Capture and Storage

¹ [SWIC - Plan for clean growth](#)

² [Industrial Strategy Zones Action Plan - GOV.UK](#)

³ [The UK's Modern Industrial Strategy 2025 - GOV.UK](#)

These were to be supported by the **Enablers**:

- a. Resourcing, Skills and Supply Chain Requirements
- b. Circular Economy Principles and Carbon Accounting Requirements
- c. Generation of Clean Energy and Infrastructure
- d. Research and Innovation
- e. Legal and Planning
- f. Investment Requirements
- g. Stakeholder Engagement

Alongside this, SWIC's plan for clean growth identified 30 **Policy Drivers**.

Following publication of the UK Government's Modern Industrial Strategy and the publication of the Industrial Strategy Zones Action Plan (ISZ), SWIC has undertaken a full review into how the ISZ interacts with its own policy drivers.

Where possible and relevant, these were linked back to the **Core Objectives** and the **Enablers**.

Analysis

Our supplementary paper on alignment between SWIC Policy Drivers and the Industrial Strategy Zones demonstrates that, while some welcome progress has been made, the majority of Policy Drivers remain either a work in progress or have effectively stalled.

There is good progress particularly around government commitments to supporting hydrogen and CCS business models, identifying strategic direction on grid capacity and electrification, and successfully establishing or making positive steps to establish the Celtic Freeport, Future Port Talbot, and Clean Growth Hubs.

There has also been significant advancement of the Cluster partnership itself, with a developed and expanded consortium of member-partners since 2023. This partnership continues to champion a 'Team Wales' approach on behalf of SWIC, and is making inroads on matters like supporting future generations and identifying competitive advantage here in Wales.

There are particular concerns around the lack of policies and support mechanisms to ensure long-term investment in clean energy development surrounding:

1. commercial pricing frameworks and carbon adjustment mechanisms
2. a joined-up supply chain
3. site and infrastructure funding including utilities integration, as well as their integration into national policy frameworks
4. the adoption and rollout of circular economy principles in Welsh industry

More broadly, widespread public acceptance of and support for net zero is mixed. There has been some effort made to address this, but there is now a clear need to prioritise

public engagement on the energy transition. As SWIC goes forward, it must ensure that there is broad understanding of and support for the industrial and technical objectives outlined in this paper, with a focus on the take-home benefits for individuals and communities and the potential for greater energy security in a changing world.

A compounding factor is present in that the UK Modern Industrial Strategy indicates a desire to move away from the ‘Cluster’ model and language towards ‘Industrial Strategy Zones’. In South Wales, these are: the Celtic Freeport, and the Cardiff/Newport Investment Zone. This invites the question as to how SWIC intends to fit into this new framework.

Given recent geopolitical developments, energy security is also increasingly front of mind among policymakers. Although the below policy focuses do not address the matter explicitly, it should be assumed that they consider energy security to be a key opportunity associated with industrial decarbonisation and the development of low-carbon energy infrastructure.

The need for a robust supply chain, powered by a strong materials recovery industry, adequate support for manufacturers, and the pursuit of circular economy principles, is intended to reflect the need for a dynamic approach to energy resilience in a changing landscape.

Policy Focus

SWIC therefore proposes six policy focuses going into Phase II. These six areas and objectives will serve to guide the work of the Cluster going forward.

<p>1.</p>	<p>Continue to push for allocated funding to deploy CO2 Non-Pipeline Transport infrastructure in two directions:</p> <ul style="list-style-type: none"> 1) as a solution to decarbonisation in Pembroke Dock and Milford Haven 2) as a key enabler for large scale hydrogen infrastructure to support fuel switching across South Wales <p>And via the following mechanisms:</p> <ul style="list-style-type: none"> 3) allocated DevEx funding for South Wales-based projects 4) framework/guidance on how developers can access inward investment (including the availability of investment opportunities) and joined-up Welsh Government policy around how FDI and private investment can support and enhance public sector funding
<p>2.</p>	<p>Identify and address the challenges facing industrial electrification and hydrogen, including grid and infrastructure reform.</p>

	<p>The Industrial Hubs (referred to as Clean Growth Hubs in the Plan for Clean Growth) and industrial symbiosis within these Hubs are intended to play an important role in here.</p> <p>This will also include the challenge around data centres (energy intensity), specifically how SWIC can align the needs and opportunities for digital transformation with the decarbonisation of industry</p>
3.	<p>Continue to promote circular economy principles across South Wales, including to Welsh and UK Government at the highest level. The ambition should be to ensure supply chain resilience with particular focus on the Celtic Sea developments that could benefit from recycled steel and a Welsh supply chain.</p> <p>Wales should aim for energy security by developing a strong materials recovery industry, powered by low-carbon energy.</p> <p>This should also incorporate robust carbon accounting methods with an established regulatory framework</p>
4.	<p>Continue to support manufacturing sites that are experiencing the brunt of high electricity costs and are critical to supply chains and a Welsh materials industry</p>
5.	<p>Work with existing bodies to support and add value to the development of industrial skills framework(s) to secure the talent pipeline needed for energy infrastructure projects.</p> <p>Use Net Zero Industry Wales’ unique position as part of a ‘triple helix’ organisation to drive R&D and unlock funding for industrial innovation.</p> <p>Champion Future Leaders and development programmes where they currently exist.</p>
6.	<p>Use the Clean Growth / Industrial Hubs as forums to communicate how Wales will decarbonise its industry and the role of individual communities in delivering this ambition.</p> <p>Position SWIC’s Industrial Hubs as key facilitators of the industrial strategy and Industrial Strategy Zones.</p>

The Future

SWIC’s vision was always to develop a world-leading, truly sustainable industrial cluster, befitting the societal needs of 2030, 2040, 2050, and beyond. We believe that

this report will empower us to fulfill this ambition on behalf of industry and the wider ecosystem across South Wales.

South Wales Industrial Cluster (SWIC)

24 June 2026