

Carbon capture and the renewal of British industry

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Speech by Minister for Local Energy and Jobs, Martin McCluskey, at the Carbon Capture and Storage Association (CCSA) 2026 annual conference.

Thank you, Olivia [Powis], for that introduction.

I'm really pleased to join you this afternoon as the new minister responsible for carbon capture, utilisation and storage.

In July, the Prime Minister asked me to continue in the department in a new role, as Olivia said, as Minister for Local Energy and Jobs. The idea behind this brief is simple.

Energy has always been a critical sector for our country – employing tens of thousands of people, driving and contributing to the country's economy.

And with the country now firmly in the midst of the energy transition, my focus is on making sure that every single community feels the benefit and that people across the country can grab the opportunities of the transition with both hands.

What I say about this job is that it isn't a job that deals in the abstract. This is about people and places. And that's why it's at the heart of the Prime Minister's agenda for reindustrialisation.

This sector underpins so many communities in the UK and for decades, industrial decline has dismantled the people and places at the heart of it.

As we transition our economy from fossil fuels to clean homegrown power, we have to be clear what this is about...

...maintaining our independence, reducing our reliance on dictators and petrostates, rebuilding our industrial strength...

...creating good jobs and restoring opportunity in every part of the country.

And ultimately, building a world-leading British economy that is fit for the challenges of the future.

And I see CCUS playing a key role in that.

Your sector enables some of our most strategically important sectors, including cement, chemicals, refining and low-carbon power generation...

...to remain competitive in an increasingly carbon-constrained global economy.

It helps decarbonise existing industries, safeguard foundational sectors, and create the conditions

for new low-carbon products and services to emerge.

The engineering expertise, project-delivery capability, offshore infrastructure and technical skills developed over decades in the North Sea are directly transferable to carbon capture, transport and storage.

From decarbonised cement to future low-carbon industrial products, CCUS is opening up opportunities across our industrial heartlands and ensuring they have a stake in the industries of the future.

At the same time, it creates new markets and supply chains, attracting private investment into our industrial heartlands.

CCUS is not just an industry in its own right. It is an enabler of wider industrial growth.

That is the central argument I want to make today.

Carbon capture is not an end in itself.

The pipelines, capture plants and storage sites – they matter.

But ultimately, they matter because of what they allow us to do, and the industries they enable.

To protect existing industries looking to decarbonise.

To make products in Britain that the world needs.

And, most importantly, to create good jobs and restore opportunity in communities right across the country.

That, in my mind, is the real prize before us.

When we talk about reindustrialisation, it can sometimes sound like quite an abstract idea.

A word that might be more comfortable and belong in an economic strategy or a government report.

But it describes and reflects the reality, the lived experience of millions of people in this country.

That too many places have been left behind for too long, with opportunities cut off and people moving away from their homes, or abroad, to find decent jobs.

Young people grow up in communities that they love.

Their families and friends are there.

Their roots are there.

But when it comes to the point of building a career, too often they feel they have little choice but to leave.

Not because they necessarily want to go, but because the secure jobs, training opportunities and well-paid careers are no longer available close to home.

And when that happens, a community does not simply lose one worker.

It loses skills. It loses spending power. It loses people who might have started businesses, raised families or contributed to local life.

Over time, that changes how a place sees itself.

Because meaningful work is about more than just a wage packet.

It gives people purpose, it gives people independence.

It allows them to plan for the future.

It gives families security, it gives young people something to aim for.

When generations of people see industries close, investment disappears and opportunities move elsewhere.

And the damage is not just economic.

It damages confidence. It weakens the sense that the future belongs to them.

It frays at the social fabric of a place.

We have seen this in the past in former mining communities.

We have seen it in our great manufacturing towns.

We have seen it in communities built around steel, around chemicals, oil and gas, and engineering.

I have the privilege of representing in parliament a shipbuilding community.

But I'm from the first generation in my family that didn't work in the yards or the trades associated with them.

Why? Because the jobs just aren't there anymore.

At the end of the 1950s, around 10,000 people in my community worked in shipyards.

Now that number is about to fall below 200.

And when the decline set in through the 1970s and through the 1980s, the new jobs that were promised materialised in the form of call centres and semiconductor manufacturers, but then most of them disappeared in the '90s and the noughties.

What the government is now focussed on is how we undo that damage.

These places powered this country.

They created Britain's wealth.

They created the skills, the expertise and the industrial capacity on which our national success was built.

But too many were left without a serious plan when the industries around them declined.

Government stood back. Investment moved elsewhere. And people were told that this was simply the

way that the economy worked.

This government does not accept that.

We have a responsibility to shape the economy.

To work with industry.

To invest strategically in the long-term and build the infrastructure businesses need.

And to ensure that economic change happens with communities, rather than happening to them.

That the places we are proud to call home can be given new life, designed by the people who know them best.

That is why, to my mind, reindustrialisation matters.

It is not about recreating the economy of the past.

It is about building the industries of the future in the places that have the skills, experience and ambition to lead them.

That thinking is at the heart of my job as Minister for Local Energy and Jobs.

The 2 parts of that title belong together.

Local energy.

And local jobs.

Because the clean energy transition will only succeed if people can see how it improves their lives.

If they see good jobs being created. If they see investment arriving in their communities. If local businesses win contracts.

If young people get apprenticeships. And if communities have a real stake in the economic change taking place around them.

My job is not simply to support projects. It is to ensure those projects support people and places.

That means strengthening local supply chains, enabling engineering firms to win new contracts, invest in new capabilities and grow for the long term.

It means making sure experienced workers know that the skills they have gained over decades will be needed in the industries we are building today.

And it means giving businesses confidence that Britain is serious about the infrastructure, skills and long-term certainty that industrial investment requires.

It also builds on strengths we already have.

That's why CCUS is not only critical to achieving net zero.

It is central to this government's reindustrialisation agenda.

And the clusters are proving that we can deliver it.

The most important thing about CCUS is not simply the carbon it captures. It is about what that infrastructure makes possible.

When we talk about pipelines and storage networks, we should also talk about the industries that can connect to them.

Cement works. Refineries. Chemical plants. Low-carbon power generation. Energy-from-waste facilities.

Take just one industry, cement.

The project at Padeswood is not simply carbon capture attached to a cement works. It will be the UK's first carbon capture-enabled cement plant, securing the future of a vital foundation industry.

It is about protecting an important industrial site, the workers who depend on it and the supply chains built around it.

But it's also about creating a new generation of low-carbon construction materials and positioning British businesses to serve future markets.

Or take refining and chemicals.

Carbon capture offers a route to reduce their emissions while keeping production and skilled employment in Britain.

The alternative cannot be to close British industry, import the same products from elsewhere and pretend the emissions have disappeared.

That would not be decarbonisation. It would be deindustrialisation by another name.

That is why I see CCUS not simply as environmental infrastructure, but as economic infrastructure.

And we are making great strides in building that infrastructure.

Working with industry, government has secured 5 Final Investment Decisions.

In the East Coast Cluster, the Northern Endurance Partnership and Net Zero Teesside Power are helping to build a new low-carbon industrial heartland, supporting around 3,000 jobs during construction while delivering secure, flexible low-carbon power.

In the North West and in North Wales, as part of HyNet, Liverpool Bay CCS is now supporting over 1,400 jobs.

In the same cluster, as I mentioned a moment ago, Padeswood is securing the future of a vital foundation industry.

And Protos will be the UK's first carbon capture-enabled energy-from-waste facility, demonstrating British innovation in action.

These competitions will help maximise the use of infrastructure already under construction, attract further private investment, develop supply chains, and strengthen Teesside's position as a leading hub for clean industrial growth.

Projects in the East Coast Cluster have announced over £2 billion of supply-chain contracts awarded to more than 260 UK suppliers to date.

They have also announced investment of over £1 million in local skills development, with 175 local young people in training.

That is what reindustrialisation looks like in practice.

Combined, Padeswood and Protos will support over 600 jobs.

The real value of a cluster is the ecosystem that can grow around it, and we are building the foundations of new industrial economies.

And this opportunity reaches beyond the first 2 clusters.

Two Teesside-based competitions are running this year to support expansion.

We will be setting out the next steps soon, so that industry has the clarity you need, taking into account the readiness of additional store capacity along the East Coast.

We are funding the development of CCUS infrastructure in the Humber region as part of the Viking cluster.

We are supporting the development of Acorn CCS, which is important to Scotland's carbon capture infrastructure.

It will help strengthen industrial competitiveness, attract private capital, and ensure Scotland can play a leading role in the UK's growing carbon-management industry.

Together, this industry and these projects are already supporting around 5,500 jobs in the UK.

And I want to hear from you. I want to hear from all of you.

To hear what is working, hear where the challenges are, and to support the work you are doing.

It begins with government and industry working together to maintain investor confidence, attract new investment and drive down costs as we deliver this first wave of projects.

At the same time, you have a part to play in this as well.

Showing how these projects create real economic growth, and support domestic supply chains, and, ultimately, provide value for money.

This is how the clean energy mission delivers not only decarbonisation, but reindustrialisation and economic growth.

And sets us up to be an economy that can resist the effects of wars and crises overseas that we do not control.

But it is no secret that we are operating in a challenging fiscal environment, and this government remains committed to meeting its fiscal rules.

So I owe you today to level with you, the next phase of the CCUS programme will be in the context of broader difficult decisions on funding.

We must ensure that public investment is targeted where it can deliver the greatest value, while continuing to build confidence in the long-term future of the sector.

That may mean making decisions about priorities, sequencing and pace, and recognising that progress will not always happen everywhere at once.

But this will also mean opportunity. As we move beyond first-of-a-kind projects, we are developing policies that offer industry and private investment greater leadership and flexibility: simplifying access to networks, enabling non-pipeline connections, and allowing international transfers of CO₂.

And the Prime Minister has been clear that UK projects must deliver for UK plc and UK workers.

So as the CCUS sector grows, the requirement for government subsidy will need to reduce if it is to be sustainable for the long term.

But let me be totally clear, my overriding message to you today is that the government wants a strong CCUS sector in this country.

That it is an important sector for the UK's future, and we will continue to engage closely with industry as we continue to deliver the programme.

That is why one of the first things I did after the reshuffle and taking this job was get a meeting in the diary with the CCSA.

And I will be out visiting the clusters soon.

And one thing I can do for you is make this transition more visible.

Showing off what this sector has already achieved, that the energy transition can deliver real opportunity for our communities and our country.

The government is in delivery mode, 2.5 years after the election.

And I want to see how this industry is boosting local economies, and I want people to know about those successes.

So please don't be shy in coming forward and telling me about those successes.

The government wants a strong carbon capture industry in Britain.

To restore a sense of worth to our communities, to rebuild our industrial base, to lay the foundations for the future.

And behind every strategy document, investment decision, every statistic, is a person who is proud of their community and wants to build a decent life.

And we are serving them too.

So, my message today is a simple one.

Success will not be measured only by how much carbon we capture.

It will be measured by what we build, and the message we send as we do.

That the transition to clean energy is not a threat to British industry.

It can be the beginning of its renewal.

That is why this government is backing carbon capture and storage.

So, in closing, I want to thank you all for your work so far, and I'm looking forward to we all we can achieve together in the months and years ahead.

Thank you.

<https://www.gov.uk/government/speeches/carbon-capture-and-the-renewal-of-british-industry>