

News story

Chancellor's National Wealth Fund investment in major carbon capture project to boost 3,500 jobs

Thousands of jobs could be created across Derbyshire, Staffordshire and the North West thanks to a £28.6 million National Wealth Fund investment in a major carbon capture project, the Chancellor has announced today, Monday 7 July.

From: [HM Treasury \(/government/organisations/hm-treasury\)](https://www.gov.uk/government/organisations/hm-treasury)

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- National Wealth Fund-backed Peak Cluster project could secure around 3,500 jobs, boosting growth in our industrial heartlands as the government's Plan for

Change puts more money in people's pockets.

- Multi-million-pound deal will help decarbonise Britain's cement and lime industry, securing its future role in rebuilding Britain as part of the Government's Industrial Strategy and delivering on the Plan for Change.
- Plan for Change in action - boosting economic growth that puts more money in people's pockets – with the investment supporting British industry to decarbonise and expand, helping to rebuild the country and supporting Britain's transition to a clean energy superpower.

This funding for the flagship Peak Cluster project is the first step towards the development of a leading carbon capture pipeline between cement and lime companies in the Peak District which will store emissions deep below the Irish Sea – accelerating Britain's transformation into a clean energy superpower.

The Peak Cluster project is the world's largest cement decarbonisation project - preventing over 3 million tonnes of CO₂ entering the atmosphere every year and providing a secure domestic supply of cement and lime products the British construction and manufacturing sectors rely on.

Backed by £31 million from private partners including Holcim, Tarmac, Breedon, SigmaRoc, Summit Energy Evolution and Progressive Energy together with the Morecambe Net Zero project could create and secure 13,000 jobs in the Midlands and North West.

This investment is the Government's Plan for Change in action - boosting economic growth that puts more money in people's pockets. Not only could it secure and create thousands of new jobs, but it also supports British industry to decarbonise and expand, helping to rebuild the country and supporting Britain's transition to a clean energy superpower.

Chancellor of the Exchequer Rachel Reeves said:

“The National Wealth Fund is a force for growth, investing £3 billion into the British economy and securing 12,500 jobs.”

“We're modernising the cement and lime industry, delivering vital carbon capture infrastructure and creating jobs across Derbyshire, Staffordshire and the North West to put more money into working people's pockets.”

Energy Secretary Ed Miliband said:

“This landmark investment will catalyse our carbon capture sector to deliver thousands of highly skilled jobs and growth across our industrial heartlands, as part of our Plan for Change.”

“Workers in the North Sea and Britain's manufacturing heartlands will drive forward the country's industrial renewal, positioning them at the forefront of the

UK's clean energy transition.”

This will be the National Wealth Fund's first investment in carbon capture since the Chancellor highlighted it as a priority in her new strategic direction for the Government's principal investor back in March.

Cement and lime are two of the hardest industrial sectors to decarbonise due to the high levels of CO₂ emissions generated in the manufacturing process which cannot be reduced through transitioning to low carbon fuels.

By investing alongside industry, supporting early development risk reduction and providing the critical financing for Peak Cluster through its development process, the National Wealth Fund will remove some of the barriers for private investment to further develop and construct the project.

Through its support for Peak Cluster, it is also building the market and stimulating large scale future investments as the project progresses, and facilitating Spirit Energy's development of the UK's largest CO₂ store for which a carbon capture pipeline is essential.

The National Wealth Fund will commit at least £5.8 billion by 2030 in hydrogen, carbon capture, ports and supply chains, gigafactories and EV supply chains, and steel. This will help industries decarbonise and to accelerate Britain's transformation into a clean energy superpower.

John Flint, CEO of the National Wealth Fund, said:

“Substantial private investment, deployed at risk, will be needed to develop and deliver carbon capture projects across the UK. Through its investments, the NWF is well placed to support this. Capital must be committed now, especially in hard to abate sectors such as cement and lime, to ensure a pipeline of projects is ready for deployment and the UK is able to meet its ambitious carbon capture targets.”

“The NWF has played a key role in structuring the transaction to crowd in private sector co-investment while taking early development risk to catalyse future investment. Our involvement demonstrates how we can use our risk capital to solve problems and manage investment uncertainty, amplifying government policy and ultimately removing the barriers for private investors to support this project post-FID.”

John Egan, CEO of Peak Cluster Ltd, said:

“Peak Cluster is focused on securing a sustainable future for the cement and lime industry. Together with MNZ, the UK's biggest carbon store, we will capture, transport and store CO₂ to support industry to thrive in a low carbon future.”

“Through the National Wealth Fund, Government will support the development of

essential infrastructure to secure good jobs with good wages, produce sought-after low carbon products here in Britain, grow the UK's supply chain and skills base, secure private investment and lead the global low carbon technology sector. Peak Cluster, in partnership with MNZ, ticks every one of these boxes.”

“We will work closely with Government to ensure that Peak Cluster and MNZ together can help secure the future of this foundation industry, creating a backbone of industrial opportunity that benefits communities across the Midlands and North West of England – for the UK and beyond.”

Further information

- The £59.6 million equity investment in Peak Cluster is made up of:
 - £28.6 million from the National Wealth Fund
 - £31 million through a joint venture vehicle between Summit Energy Evolution Ltd (part of Sumitomo Corporation) and Progressive Energy Peak Ltd, as well as each of the Peak Cluster cement and lime producers (Tarmac, Breedon, Holcim, and SigmaRoc)
- Together, Peak Cluster and Morecambe Net Zero could create and secure 13,000 jobs. The Peak Cluster jobs breakdown is as follows:
 - Over 2,000 existing jobs in the cement and lime industry supported
 - Around 300 new jobs created at manufacturing sites
 - 1,200 temporary jobs created for the construction of the pipeline and capture facilities

Additional quotes

Paul Lafferty, Summit Energy Evolution Ltd CEO, said:

“At SEEL, we have a considered focus on new energy and decarbonisation projects, leveraging Sumitomo Corporation's interest across a broad spectrum of low carbon technologies, including hydrogen and CCS.”

“Peak Cluster, as the largest cement CCS project globally, is a hugely compelling opportunity to drive this sector towards sustainability. We are delighted to have the opportunity to invest in Peak Cluster alongside the National Wealth Fund.”

Diana Casey, Chair of the Mineral Products Association said:

“Around 40% of all the UK's vital cement and lime comes from the Peak District and more than 2,000 high-quality, well-paid jobs across the region are reliant on the industry. However, cement is responsible for 7.5% of all human-made CO₂ emissions globally and is not a sector which can be easily decarbonised. If our industry, and the jobs which rely on it, are to survive, and thrive into the future, we must implement carbon capture and storage without delay.”

Centrica Group Chief Executive and Chair of Spirit Energy, Chris O'Shea, said:

“This landmark first investment in carbon capture by the National Wealth Fund is an important and exciting step forward for the UK’s net zero ambitions, and our plans for Morecambe specifically. By transforming the Morecambe gas fields into the UK’s largest carbon store, Spirit Energy will provide the critical infrastructure needed to decarbonise hard-to-abate industries like cement and lime.”

“The support of the National Wealth Fund, alongside private sector investment, demonstrates the strength of our collective commitment to a low-carbon future—securing jobs and growth, decarbonising industry, and delivering real progress on emissions reduction.”

Olivia Powis, CEO of the Carbon Capture and Storage Association said:

“The National Wealth Fund’s significant equity investment of £28.6m in the Peak Cluster is fantastic news for the future of the cement and lime industry in the UK. It is further recognition of the vital role of carbon capture, utilisation and storage (CCUS) in decarbonising and futureproofing our critical industries.”

“CCUS is essential for industries that produce products that enable us to build the homes, hospitals and schools we desperately need. Around 40% of the UK’s cement and lime industry is produced by companies in the Peak Cluster and so this critical project will make significant inroads into cutting CO2 emissions from our cement industry and permanently storing the emissions in the Spirit Energy’s offshore CO2 store - Morecambe Net Zero. Transitioning industries to low-carbon operations is vital for their long-term viability and competitiveness in the UK, and will protect many thousands of skilled jobs in the region, providing economic growth and security.”

Neil McCulloch, CEO of MNZ’s developer, Spirit Energy, said:

“The NWF’s investment sends a crucially important and thoroughly positive message to those eyeing the UK for investment in the low carbon developments needed to power our economy and help deliver the government’s economic growth and decarbonisation.”

“Through our partnership with the Peak Cluster, Spirit Energy’s MNZ carbon store will decarbonise 40% of this country’s cement production, safeguard thousands of traditional jobs and livelihoods, breathe new life into the North West’s industrial heartlands and help create new, highly-skilled jobs for this and for future generations.”

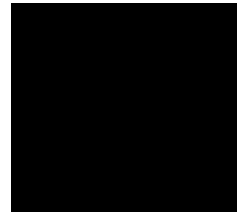
“The NWF’s support demonstrates how industry and government can work together effectively to unlock the investment required to make the energy transition happen, and how the UK can show the rest of the world how to get it done.”

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