



# **Hinkley Point C – Opportunities for South West Businesses**

Phill Adams

Service Manager, Economic Development

- First New Nuclear Power facility in the UK in a generation and Europe's largest construction project at peak.
- Approximately £12 - 14bn investment, spread over a decade;
- Roughly 40% of total sourcing to come from wider UK;
- £90-100m per annum of local supply chain activity within Somerset;
- 20,000 to 25,000 jobs to be created by projects, with a peak of 5,600 on site;
- 50 million hours of work on site during project;
- 4 million cubic metres of earth to be removed; 3 million tonnes of concrete and 230,000 tonnes of steel reinforcement to be put in.



- Two areas of potential opportunity:
  - **Direct** – Small number of high value firms competing for Tier 1 and Tier 2 contracts, which will include a South West presence. More likely opportunities for Tier 3 and below.
  - **Indirect** – Investment in both local area and wider UK likely to be at least 1.5 times direct spend, with spill over opportunities in multiple sectors.
- EDF, councils and partners working together closely to maximise impact of both areas.

- National infrastructure project, on a larger scale than the Olympics, in our backyard.
- Roughly £5-6bn of contracts (and subsequent sub-contracts) to be let, with 120+ Tier 1 opportunities yet to be announced.
- Cost and sustainability incentives for working and sourcing locally in many cases.
- Temporary increase in Sedgemoor and West Somerset's population of roughly 5-10% at peak, with salaries at roughly 25-50% more than current averages.
- Not just a nuclear project – significant opportunities in servicing and maintaining project and workforce.

- National and local approach:
  - EDF seeking to develop a UK focus within procurement of station. Realistically, key suppliers will be a mix of international and UK. Focus on enhancing the later.
  - EDF and LAs have engaged Somerset Chamber to lead on local supply chain development activity. Activity focused upon supplier matching, comms and lead generation.
- Strong focus on assessing and assisting with preparedness and quality.

- Over 1,350 local business registered on Hinkley Supply Chain portal from Somerset and North Somerset area. Includes:
  - 50 civil engineering firms,
  - 10 steel fabricators,
  - 20 transport companies,
  - 70 support firms
  - 20 food firms
  - and 30 mechanical and engineering contractors.
- Engagement with existing and probable Tier 1 and Tier 2 contractors. Includes:
  - Over 100 search requests for local supplier lists
  - 36 T1 and T2 contractor relationships
  - 130 local companies awarded contracts (worth roughly £40m)

- Businesses divide into two groups; 20% who will be able to engage directly; 80% who will be seeking indirect opportunities.
- Amongst both groups the following key challenges:
  - Scale – Few companies of suitable scale in Somerset or even in greater South West for many Tier 1 and 2 contracts;
  - Capacity – Though some very strong businesses in our region, ability to engage with and take on some of the larger projects involved (particularly in terms of skills and experience) is more limited;
  - Quality – Step change involved for many business in working in, with and around the nuclear sector. Demanding requirements.
- Work now ongoing to support and inform on all of these issues. Collaboration likely to be key.

- Station gained planning approval in early 2013. Current hiatus over energy price, but strong expectation that project will proceed within next 12 months.
- Two primary routes into the project:
  - Somerset and North Somerset Businesses – Register your interest at [www.hinkleysupplychain.co.uk](http://www.hinkleysupplychain.co.uk)
  - Wider regional businesses – Register your interest at [www.edfenergy.com/about-us/energy-generation/new-nuclear/supplier-opportunities/](http://www.edfenergy.com/about-us/energy-generation/new-nuclear/supplier-opportunities/)



Any Questions?

[www.hinkleysupplychain.co.uk](http://www.hinkleysupplychain.co.uk)