



Hinkley Point C - Opportunities for South West Businesses

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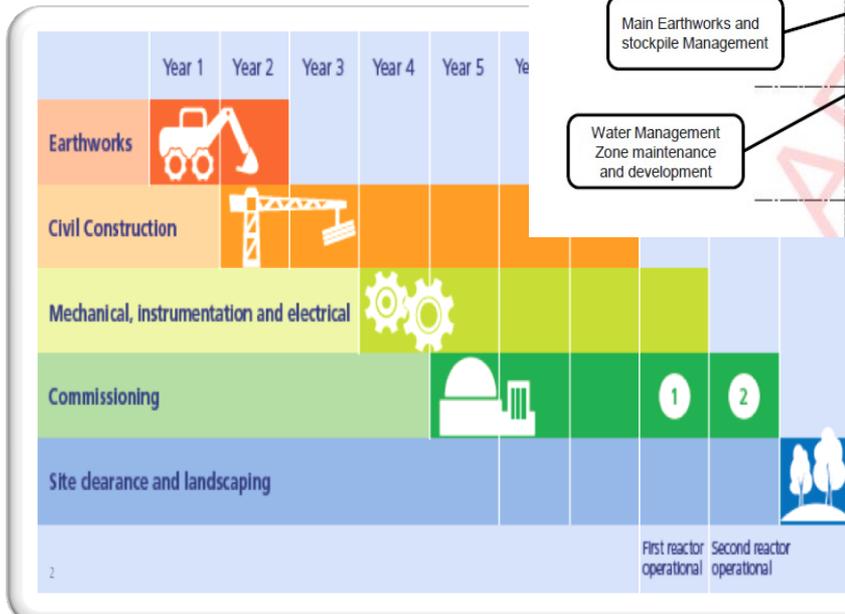
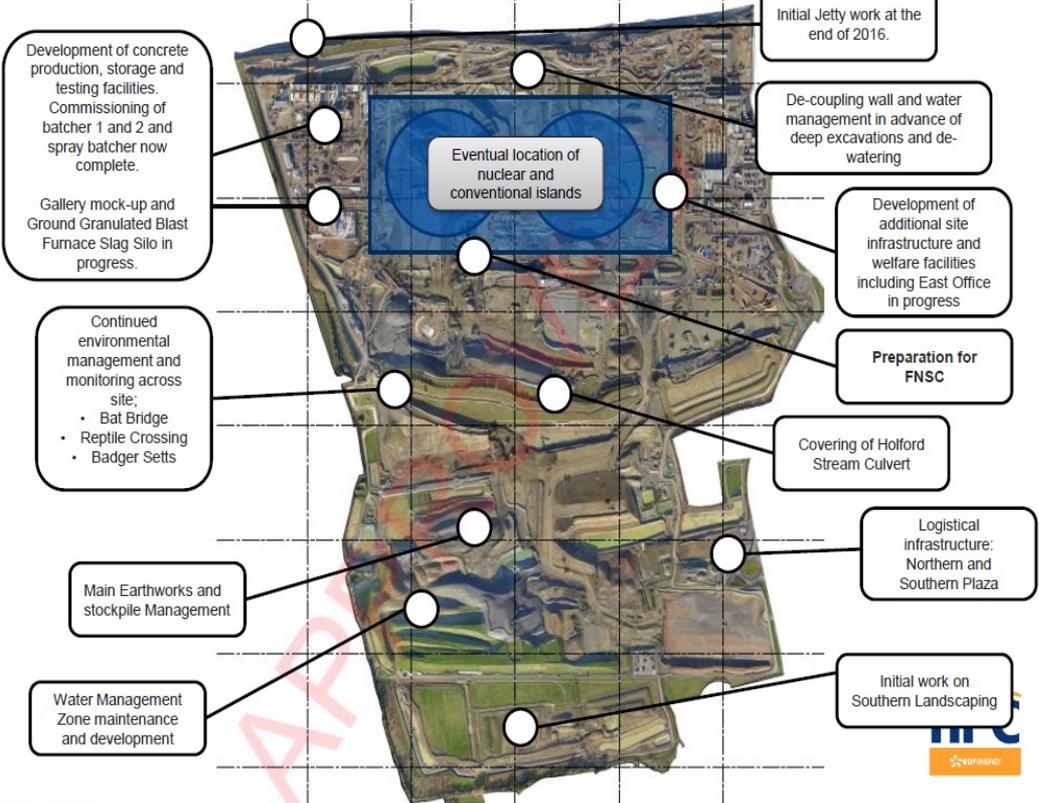
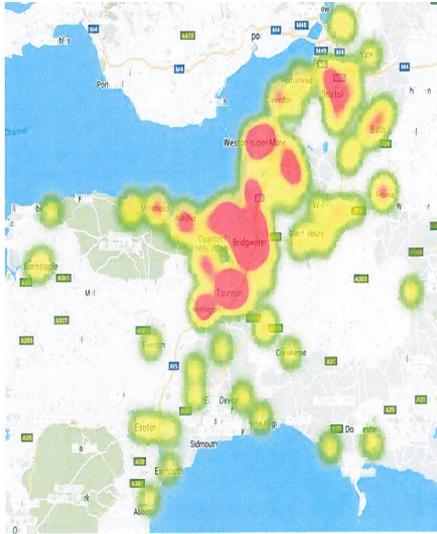


Hinkley Point C: Key Facts and Figures

- £19.5 billion project
- 7% of UK's Electricity, enough to power 5 million homes
- 25,000 'FTE employment opportunities' over project lifetime
- 5,600 FTE jobs @ peak
- 900 permanent jobs for 60 years on completion
- 190ha site in WS covering 2 sq miles
- AD sites in WS and SDC areas
- Regional, UK and global links
- First unit generation in 2025

Where are EDFE now?

The HPC Site – Current Activity



Hinkley Point C - Local and Regional



What does it mean for South West Businesses?

- 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. Local estimate suggest up to 3,000 additional jobs per annum could be created.
- EDF, South West councils and wider partners working together closely to maximise impact of both areas.

What does it 'really' mean for South West Businesses?

- National infrastructure project, on a larger scale than the Olympics, in our backyard.
- Roughly £10bn of contracts (and subsequent sub-contracts) to be let in next three years, with 120+ Tier 1 opportunities yet to be announced. Over 100 contracts announced to date, though many .
- Cost and sustainability incentives for working and sourcing locally in many cases.
- Temporary increase in local 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.

What are we doing?

- National and local approach:
 - EDF has developed a UK focus within procurement of station. Key suppliers area mix of international and UK. Focus on enhancing the later.
 - EDF, LEPs and LAs have engaged Somerset Chamber / Business West / SWMAS to lead over the next three years on local supply chain development activity. Activity focused upon supplier matching, collaboration, comms and lead generation.

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Progress so far

- Over 2,000 local businesses registered on Hinkley Supply Chain portal from South West area. Includes:
 - 83 civil engineering firms,
 - 40 steel fabricators,
 - 47 transport companies,
 - 92 support firms
 - 71 food firms
 - and 61 mechanical and engineering contractors.
- Engagement with existing and probable Tier 1 and Tier 2 contractors. Includes:
 - Over 300 search requests for local supplier lists
 - 90 T1 and T2 contractor relationships
 - 130 local companies awarded contracts (worth roughly £250m)

Challenges – What have we found so far

- 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, with strong examples already emerging (e.g. Somerset Larder).

Any Questions?

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