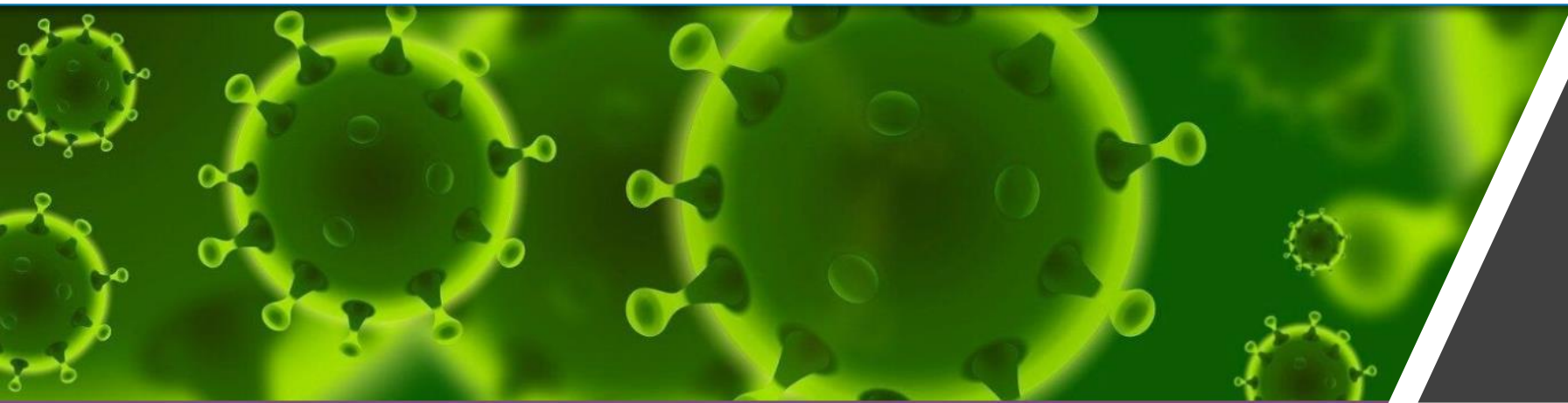




Hinkley Supply Chain Programme

Information and support for SME's through COVID-19



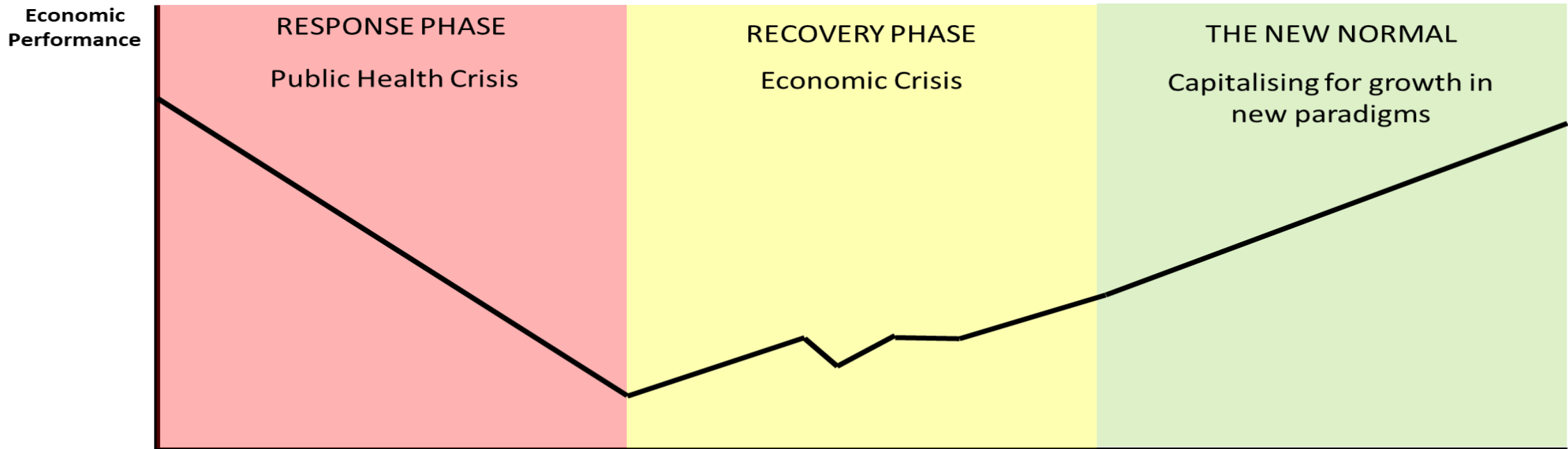
Nuclear New Build Context

- HPC
 - Workforce numbers on site are reducing circa 6000 down to 2500
 - Risk mitigation measures being put in place for safety of workforce
 - Additional bus services being put on to allow for additional spacing
 - Critical workers who have travelled more than 90 minutes are being housed in the campus accommodation
 - Focus on 4 critical areas in terms of onsite activity
 - Progression offsite on technical planning aspects for other areas in relation to MEH and other high value works
- SZC – DCO planned imminently. Progress will be limited by RAB model
- Horizon / Wylfa – again agreement of RAB model may help to progress this

COVID – 19 Nuclear Impact

- 18 companies on a national survey of 465 manufacturers who have self identified as having more than 10% of their turnover in the Nuclear sector
- Based on this sample
 - 36% reduction in order book based on COVID-19 at the time of response
 - 33% expect high impact now on supply chain
 - All companies expect significant impact in sales and profitability
- Concerns raised around
 - Losing key staff to maintain operations
 - Lack of multi skilling which means capability is lost even if 1 or 2 staff are off
 - H&S – lack of testing for staff who continue in production environments

Supporting business through COVID – 19



Supply Chain Resilience

Help companies with Nuclear capability survive the current situation. Protecting the cashflow for the businesses through improving productivity.

Keeping in touch on opportunities that have been put forward to ensure they are in a position to survive and thrive

Preparation on new standards and key Nuclear behaviours

Opportunity Capitalisation

Due to the delays we are expecting a deluge of opportunities with short term response times. Companies need to be in a position to respond quickly around this.

Reactivating dormant projects linked to inward investment and exportable capability

Supporting customers with alternative supply sources with the capability and capacity to meet the demands

Improving Productivity

Helping to support companies exploit the new capabilities in nuclear into other sectors through evidence of product performance through enhanced product testing.

Improving production techniques to lower costs further in line with nuclear sector deal ambitions.

Time

Uncovered additional MEH opportunities*

- Acoustic Modelling
- Cladding for MEH Buildings
- Welded Supports
- Trace Heat Treatment
- Plate Heat Exchangers
- Telephone Exchange – old style for resilience
 - £3m cabling and wiring in this area alone
- RCC-M welded structures and tanks

* All opportunities listed above are being procured by MEH Alliance or one of their strategic partners to the MEH Alliance

Despite the crisis work still continues on the project and could represent a window of opportunity for UK companies to position themselves in a new light for work

There is a live opportunity pipeline worth approximately £150M which can be leveraged as a source of demand for businesses to help with the recovery from COVID-19

Supply Chain Challenges with UK potential upside

- Global labour movement presents potential delays to project which could open up additional opportunities for both regional and UK firms:
 1. Italy – Forgings / specialist production machinery
 2. Spain – Large tanks / pressure vessels
 3. China – Inspection / qualification services

Direct engagement with customers and assessment of total cost of acquisition could unlock some of these opportunities

Increased Outputs

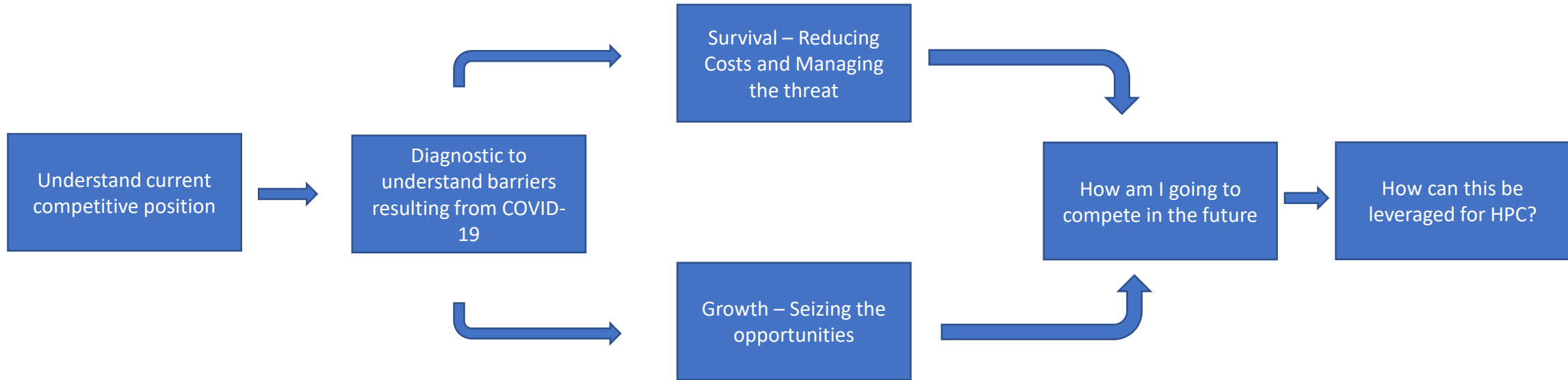
- Additional funding increases outputs per region to the outputs for Wales

SME Business Support

		3 Year Original	1 Year	HoSW	WoE	Wales
A1	Intensive Support	125	42	13	21	42
A2	IDB	250	83	26	42	83
A3	Job Creations	75	25	8	13	25
A4	New Standards	25	8	3	4	8
A5	New Portal Registrations	10% Uplift		N/A	70*	70*
A6	Contracts Won	6	2	1	1	2

Helping companies to whether the storm of COVID-19 could help to realise over £100M in economic benefit through additional contracts

Client Journey



Companies will be supported to understand and make changes to the business to both survive and grow as a result of COVID-19. This will involve a specialist advisor working with the company utilising webinars, remote technology and systems as well as new innovative approaches.

The company will have an action plan on the back of each review which will help to identify areas for cost saving in the business as well as areas to try and capitalise on for growth.

Conclusion

- HPC is likely to play a key part in the economic recovery of the region
- COVID-19 represents a potential opportunity for additional UK content from MEH with a longer term export potential
- With a £200m+ opportunity pipeline the project has the potential to play a significant role in the recovery phase for local firms by creating demand for supply of goods
- The programme can help companies by:
 - Finding new opportunities
 - Facilitating access to industry experts on specific codes and standards such as RCC-M
 - Supporting suppliers to meet customer specific standards and requirements
 - Supporting the senior leadership team in building robust capable plans to mitigate or minimise the impact of COVID-19
- The programme over 3 years has supported firms to win over £400m in contracts and through the additional support an additional £100m in contract activity is estimated across the region