



The Sizewell C Project

8.9 Economic Statement Appendices A-B

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Economic Statement

Appendix A: Employment, Skills and Education Strategy

Contents

1.	Employment, Skills and Education Strategy	1
1.1	Introduction	1
1.2	Core Priorities	2
1.3	Guiding Principles.....	6
1.4	Delivery and Lessons Learnt	6
1.5	Roles, Interventions and ‘Lead-in’	10
1.6	Skills	13
1.7	Supply Chain	19
1.8	Education.....	20
	References	23

Tables

None provided.

Plates

Plate 1.1:	High demand roles required for each key phase of the project.....	11
Plate 1.2:	Approach to creation of social value and legacy.....	15

Figures

None provided.

1. Employment, Skills and Education Strategy

1.1 Introduction

1.1.1 This strategy sets out the approach to employment, skills and education for the Sizewell C Project and has been informed by extensive consultation with regional stakeholders including Suffolk County Council, New Anglia Local Enterprise Partnership (NALEP), local colleges, and higher education and training providers.

1.1.2 It also draws on work with the National College for Nuclear and lessons learnt from Hinkley Point C in Somerset.

1.1.3 The strategy is primarily focused on the future construction and pre-operations and commissioning workforce at Sizewell C, which will be created by contract partners and the supply chain over the construction phase.

1.1.4 It identifies and describes measures that will be funded through financial mitigation and managed by a governance and reporting process. Both the scope and scale of financial measures and their governance processes would be secured through the Section 106 agreement (see the **Section 106 Heads of Terms** (provided as **Appendix J** to the **Planning Statement** (Doc Ref. 8.4)).

1.1.5 The strategy has been written to integrate with the considerable body of regional strategy, policy, and governance associated with energy in the region (often referred to as the “Energy Coast”), including:

- The All Industry Energy Council, supported by NALEP.
- The Suffolk Energy Coast Delivery Board (SECDB).
- The NALEP sector skills strategies, specifically those for Energy, ‘Building Growth’ (Construction), Advanced Manufacturing, and Logistics.
- Social mobility commitments of the local authorities and NALEP, including the Suffolk Youth Pledge, Developing Suffolk Talent, the Ipswich Opportunity Area, and ‘Lowestoft Rising’.

1.1.6 SZC Co.’s role will therefore be to create the environment in which education, skills, and workforce development can flourish, to the benefit of the Sizewell C Project and the region.

1.2 Core Priorities

a) Overview

1.2.1 The approach to employment, skills and education is centred around four core priorities which are:

- Creating economic benefit and improving social mobility by:
 - Leaving a legacy;
 - Addressing key government and regional policy priorities; and
 - Linking employment, skills, and education to complementary activities for developing the supply chain (set out in **Appendix B** to the **Economic Statement** (Doc Ref. 8.9)).
- Minimising workforce and project risk caused by a lack of availability, capability, capacity, or competence in the UK or regional skills base.
- Setting realistic DCO commitments and leveraging additional value.
- Where appropriate, integrating strategic activity between Sizewell C and Hinkley Point C – and in the future Bradwell B - by leveraging the full benefit of ‘fleet effect’ for skills and workforce.

1.2.2 The following sections consider each of the priorities in turn.

b) Creating economic benefit and improving social mobility

1.2.3 The NALEP area (Suffolk and Norfolk) stands out as an innovative and progressive region that is focused on social mobility, whilst also prioritising economic development opportunities associated with energy and infrastructure development.

1.2.4 Relatively mature public sector strategies and plans are in place for the economic development of the region and it is important that SZC Co.’s strategy links interventions demonstrably to both these regional priorities and wider UK policies, including to:

- Stimulate direct employment through:
 - new entrant training;
 - apprenticeships and vocational pathways; and
 - maximising the Apprenticeship Levy and external funding.

- Support world class training through knowledge sharing and considered investment in (and usage of) educational and other training or specialist centres (facilities and equipment).
- Support a robust and diverse pipeline of skills and employment into construction and engineering through enhanced placements, outreach and wider community engagement.
- Drive social inclusion for the harder to reach and those furthest away from the job market by aiding pre-employment and supported placements, training, and employability.
- Provide skills for the future by investing in and promoting lifelong learning, digital skillsets, clean energy, and modern methods of construction.
- Link educators, business, and people to develop a shared understanding of skills and local prosperity.

c) **Minimising workforce risk**

1.2.5 The strategy aims to reduce the overall risk and costs associated with a potentially unstable workforce at the Sizewell C Project. An upturn in the construction and engineering industries, particularly since 2015, is creating recruitment and skills risks to all major infrastructure projects in the UK, including at Hinkley Point C.

1.2.6 Skills shortages have the potential to present risks to the Sizewell C Project, which will not be purely related to the availability and recruitment of people. Experience on other major projects in the UK shows that skills issues can lead to resourcing problems, increased costs, reducing standards of competence and qualifications, reduced quality and productivity, increased Industrial Relations risks, and ultimately an increased risk to the safety of the workforce. Management and mitigation of skills related risks will require a strong and effective strategic approach throughout the Sizewell C Project build. Training and employing a strong, local and stable workforce is a key mitigant in addressing issues of skills shortage and workforce churn¹.

1.2.7 The successful implementation of measures set out in an effective Employment, Skills and Education Strategy for the Sizewell C Project, will become a major tool in mitigating key project risks relating to skills and availability of skilled labour. The strategy will also deliver social and

¹ Workforce churn is the overall turnover in a project's workforce as existing employees leave and new ones are hired. The churn rate is usually calculated as the percentage of workforce leaving the project over a specified time period. Although some turnover is inevitable, a high rate of churn is costly.

economic benefits to the wider economy, as the same interventions that work for the local economy will also work for the Sizewell C Project.

1.2.8 Employing locally and having access to a talent pool of local labour and skill base helps to reduce workforce risk in some of the following ways:

- Having access to a pre-trained pool of local labour would help the Sizewell C Project and Tier 1 partners to meet the recruitment challenges associated with large mobilisation spikes, which occur at the commencement of each major contract.
- A reduced risk and cost associated with Industrial Relations disputes through providing a demonstrable commitment to employing and developing a local and UK workforce.
- Compensating for increased risks associated with Brexit and future constraints in the employment of people who would normally be required to work on the Sizewell C Project from outside the UK.
- Reduced risks to safety and quality through the creation of a stable workforce, with a high proportion of local people who exhibit working behaviours appropriate to the requirements (e.g. safety) for nuclear construction and a commitment to project values.
- Developing increased competence within the workforce through high volumes of up-skilling within the existing workforce as result of re-deploying local people.
- Savings of Tier 1 recruitment and training costs through minimising churn and maximising redeployment opportunities.
- Enabling achievement of the proportions of home-based labour as set out on **Chapter 9, Volume 2 (Socio-economics)** of the **Environmental Statement (ES)** through dedicated skills and employment interventions.

d) [Setting realistic DCO commitments and leveraging significant additional value](#)

1.2.9 The Section 106 agreement (see the **Section 106 Heads of Terms** (provided as **Appendix J** to the **Planning Statement** (Doc Ref. 8.4)) will include a commitment to:

- The financing and application of measures set out in this strategy; and
- Ongoing monitoring and review of the effectiveness of the measures set out in this strategy, including key performance indicators (KPIs).

1.2.10 Additional value will be delivered through integration of this strategy with wider regional strategies and other project activity to create a legacy of sustainable jobs and skills. Further detail on this is set out below.

e) [Integrating Sizewell C, Bradwell B, and other major project activity](#)

1.2.11 In developing the strategy for the Sizewell C Project, it is important to consider Bradwell B new nuclear power station (currently in the pre-application phase) in neighbouring Essex and other major construction and engineering projects taking place within the same time-frame.

1.2.12 In this regard, Suffolk County Council have commissioned a major study on the skills demands of other major projects taking place within the region to enable sustainable and legacy-creating skills opportunities.

1.2.13 The 90-minute commute zones for home-based workers for the Sizewell C Project and Bradwell B would physically overlap, and the close proximity of the two projects results in:

- Both projects interfacing with many of the same stakeholders, especially in the areas of ‘travel to train’ and ‘travel to work’ (labour mobility), education, and skills.
- Increased opportunities for individuals who live in the combined area to experience employment and opportunities to work on both projects.
- Opportunities to minimise skills risk to both projects through an integrated, strategic approach to employment, skills, and education.
- The potential for external stakeholders to extend the ‘Energy Coast’ further south to include Bradwell B, increasing its strategic importance and leveraging additional potential for government support from both the Nuclear and Off-Shore Sector Deals to the benefit of the Sizewell C Project.
- Greater competition for skills and mobility of labour when compared to the Sizewell C Project area in isolation.
- A large increase in the numbers of colleges, universities, and training providers with the potential to support both projects.
- A large geographic area of strategic importance for the development of future nuclear operational skills that provides opportunities for the development of future skills ‘hubs’, such as the National College for Nuclear.

1.2.14 Further detail on integrating strategic activity between the Sizewell C Project and Hinkley Point C, including the incorporation of lessons learnt, is set out in **section 1.4**.

1.3 Guiding Principles

1.3.1 The development of the Employment, Education and Skills Strategy has been informed the six guiding principles listed below:

- A focus on being demand-led - addressing the critical needs of the Sizewell C Project, as the legacy effect will be strongest if the Sizewell C Project is successful and runs to programme.
- Learning from and working with other existing projects - making the most of the information and experience available to the Sizewell C Project through the re-deployment of best practice from Hinkley Point C, other national infrastructure projects, and Suffolk's own assessment of skills demands of projects in the region.
- Understanding the skills and employment landscape - ensuring that local characteristics, issues, and stakeholder relationships are fully understood and reflected in the approach.
- Maximising the fleet effect - utilising the intellectual capital and supply chain knowledge gained through delivering other projects to deliver productivity, cost savings, and to maximise regional benefits and social value.
- Investing wisely and at the right time - working with local and regional partners to support existing service provision where it can meet project needs most – and contributing to the region's existing priorities, demand, and infrastructure.
- Growing the talent pool - mitigating workforce risk by working proactively with local service providers and complementary business sectors / supply chains in the region to improve the skills base locally.

1.4 Delivery and Lessons Learnt

1.4.1 The strategy has been prepared by SZC Co. for the primary purpose of delivering the Sizewell C Project, but with the understanding that the Sizewell C Project forms part of a wider national suite of infrastructure investment, and will be most effective as a synergistic part of the regional plan for developing skills, employment, education, social mobility, and sustainable growth. It aims to:

- Integrate the Sizewell C Project with the strategies and plans of the NALEP and policy leaders in the region, ensuring delivery of interventions that focus on increasing skills capacity and creating a legacy in line with future economic activity.
- Develop an extendable strategic model that can integrate future needs of other major infrastructure projects – such as Bradwell B.
- Embed ‘social value’ principles directly into the strategy and its implementation, allowing SZC Co. to measure and demonstrate the impact of our future contributions to national and regional strategies.
- Identify opportunities for SZC Co. to contribute to the regional skills infrastructure and to make investments that enable achievement of the objectives set out above.
- Create skills partnerships through delivery of this strategy, which will help to build regional capacity within the supply chain and are not purely focussed on the Sizewell C Project.
- Enhance and enrich existing initiatives in the region, ensuring that specific interventions are not solely reliant, or critically dependent on capital contributions from SZC Co.
- Implement a ‘conveyor’ model, initially providing employment and apprenticeship opportunities at Hinkley Point C for people living within the East of England and developing a model that can be later extend from the Sizewell C Project to Bradwell B, providing sustainable careers and opportunities for upskilling across projects.
- Support the future delivery of National College for Nuclear curriculum, in partnership with local colleges and higher education.
- Deliver significant legacy potential through integration with the broader strategies of the NALEP and in meeting the shared demands of associated sectors in East of England – including those involved in the Energy Coast.

a) **Enable the community:**

1.4.2 SZC Co. plans to enable the community to make the most of the opportunities offered by the Sizewell C Project by:

- Providing a programme of activity that reaches back and provides opportunities to the hard to reach – by delivering an ambitious programme of integrated activities to ensure that a maximum number

of local people benefit from the Sizewell C Project at all levels of employment;

- Delivering significant legacy potential through integration with the broader strategies of NALEP and in meeting the shared demands of associated sectors in East of England – including those involved in the Energy Coast; and
- Growing the partnership already in place with charity partners Access Community Trust and Inspire Suffolk to ensure the widest access to the jobs available through a network of community hubs in rurally isolated areas and identified opportunity areas such as Lowestoft and Ipswich.

b) [Deliver the Sizewell C Project:](#)

1.4.3 The strategy would support the effective and efficient delivery of the Sizewell C Project by:

- Helping to minimise workforce capability risks to the Sizewell C Project through the delivery of a workforce that has the right competencies and behaviours at the right time;
- Contributing to increased productivity through the reduction of ‘churn’ within the Sizewell C Project through the employment of local people and the re-skilling, up-skilling and re-brokering of people within the Sizewell C Project; and
- Providing enhanced certainty that the workforce has the requisite skills and competence to work safely, achieve ‘right first time’, minimise delay and deliver continuous improvement and productivity enhancements.

c) [Learn from Hinkley Point C](#)

1.4.4 Investments in employment, skills, and education at Hinkley Point C are creating and delivering a legacy for the region and the UK. Experiences at Hinkley Point C have led to a number of lessons being learned that have helped to form the proposals for Sizewell C.

1.4.5 In publishing the initial findings of his report commissioned for the New Nuclear Local Authorities Group, NNLAG, Professor Glasson (Ref 1.1) described the scale and impact of the interventions at Hinkley Point C as ‘*transformatory*’. Sizewell C presents an excellent opportunity to learn from and build on this success.

1.4.6 As a result of investments secured for Hinkley Point C, Bridgwater and Taunton College is now the largest engineering training provider in the South West. Since investing in 2011, the Energy Skills Centre at Bridgwater and Taunton College has seen a tenfold increase in yearly learner numbers - before it is required to fulfil the Mechanical, Electrical, and Heating (MEH) demands of the Hinkley Point C project itself. In 2018/19, there were over 700 engineering Apprenticeship Starts, compared to 70 in 2011/12.

1.4.7 Given the initial successes, duplication of the programme might appear to be the immediate conclusion. However, experiences at Hinkley Point C have led to a number of lessons being learned that are incorporated into this strategy. These include:

- Generic education programmes which are focussed on science, technology, engineering and maths (STEM), such as Inspire at Hinkley Point C, are difficult to measure in terms of impact and their ability to pipeline young people into actual opportunities.
- Education interventions run the significant risk of ceasing and creating a funding gap once Hinkley Point C withdraws from the programmes. This is due to a lack of external resources or public funding to provide an effective follow-on.
- Investments in skills and capital should be placed closer to the point of need, have the full 'buy in' of Tier 1s and contract partners, and a governance structure that ensures the delivery of a sustainable legacy. A proposal for the development of an asset skills enhancement and capability fund that would be secured through the Section 106 agreement is expanded upon later in this strategy.
- Revenue and funding for curriculum development creates a much greater challenge for most colleges and institutions than funding investment in capital or fixed assets. Future investments should therefore focus more on these elements, as opposed to fixed capital for buildings, land, and training equipment.
- Tier 1 contractors should play a much stronger and participative role in the development and implementation of interventions.
- Pre-employment and skills training is an essential element of running a successful jobs service and building a local 'talent pool' of people who can take advantage of the Sizewell C Project. A greater focus should be placed on integrating a future Sizewell C Jobs Service with the activities of strong social partners and regional agencies who prepare people to be 'job ready'.

1.5 Roles, Interventions and ‘Lead-in’

1.5.1 As a result of learning from Hinkley Point C, SZC Co. has greater clarity about future workforce requirements, when compared to the similar ‘pre-DCO’ phase at Hinkley Point C.

1.5.2 Hinkley Point C is unique among major UK projects through its collection of full competence and qualifications information for every role, which is as a result of the highly regulated ‘on-boarding’ process (the process by which prospective workers are inducted onto the project), required by the Office for Nuclear Regulation (ONR). This provides the benefit of being able to produce a ‘prospectus’ of required roles and qualifications for the Sizewell C Project, which can in turn assist social partners, training providers, and individuals to understand opportunity, entry levels and skills requirements. In this regard detailed data from Hinkley Point C has already been shared with key stakeholders in the region and Suffolk County Council’s Education Consultants ‘Pye Tate’.

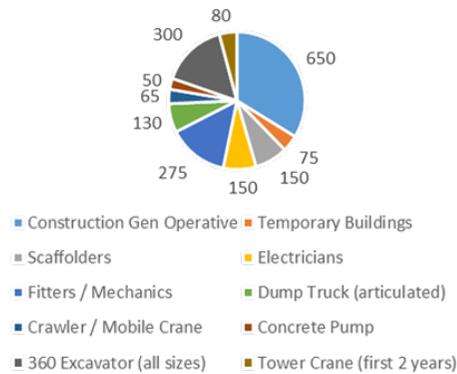
1.5.3 **Plate 1.1** below illustrates some of the high volume roles that will be required during key phases of the Sizewell C Project. These four main elements to the workforce are described below:

Plate 1.1: High demand roles required for each key phase of the project

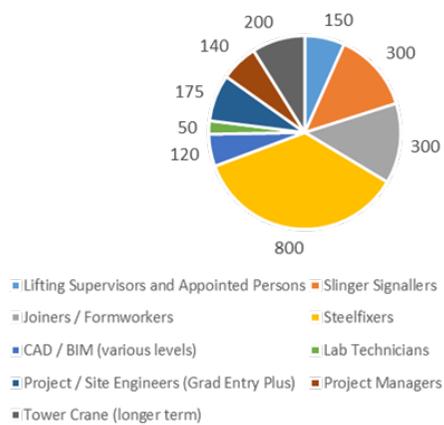
Long Term Roles



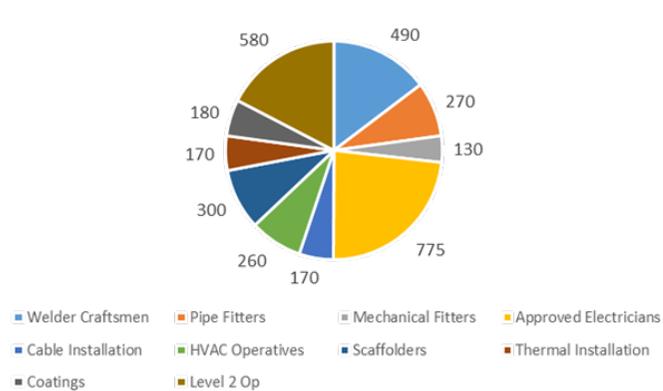
Enabling 2022-2024



Civil Engineering 2024 to 2028



MEH Roles - 2026 to 2030



a) Long term project support roles

- 1.5.4 Long term project support roles generally exist for the life of the Sizewell C Project and will mobilise from the start of the construction phase. Careers such as those in site operations, administration, document control, high level security, driving, and logistics all create early and long term roles, which offer excellent opportunities for returners to work and adult ‘re-skillers’.
- 1.5.5 Investment in their training can generally take place following a financial investment decision for the Sizewell C Project.

b) Enabling roles

- 1.5.6 These will act as a route into main civils for many local/regionally based people and also build on construction skills that are already prevalent in the local economy.
- 1.5.7 Many of these roles, such as construction general operatives, are already catered for by most further education colleges in Essex and the East of England. SZC Co.’s likely requirement for between 650 and 1000 of these enabling roles should provide an excellent ‘spring board’ for local people who want to develop a sustainable career in construction or civil engineering.
- 1.5.8 For new entrants, their training will need to start shortly after a financial investment decision to meet this window of opportunity.

c) Civils

- 1.5.9 The civils phase has a dependency on a high volume of engineering roles that are less prevalent in the local economy but are required in all of the major infrastructure projects taking place in Suffolk, the wider region, London, and the UK.
- 1.5.10 These include lifting operations, steelfixing, qualified supervisors, site technician, and graduate engineering roles. All of these tend to require specialist facilities and delivery of training at, or before, construction start in order to offer significant and sustainable opportunities for local people.

d) MEH

- 1.5.11 The MEH phase provides some of the most demanding challenges, as the UK already has significant skills issues in this sector. However, these roles also offer an excellent opportunity to transfer, develop, and expand the curriculum offer from Hinkley Point C and to broaden the pool of UK skills

and workforce in high demand areas, such as welding, electrical installation, and engineering operations.

e) **Commissioning, pre-operations, and operational roles**

1.5.12 In addition to the roles set out above and in **Plate 1.1**, the Sizewell C Project will offer a pipeline of opportunity into the most sustainable, long term roles for local people – in commissioning, preoperational and operational roles associated with the working power station - as they will start mid-way through the construction phase and exist for the operational life of the power station.

1.5.13 SZC Co.'s strategic approach will be to maximise 're-brokering' opportunities throughout the construction phase and into the operational phase. This will ensure that as many local people as possible stay on the Sizewell C Project and move into future operational roles.

1.5.14 SZC Co. will also engage with the National College for Nuclear on an ongoing basis to explore the scope for a National College for Nuclear Hub in the East of England that can serve the future pre-operations and operational needs of Sizewell C and, in time, Bradwell B.

1.6 Skills

a) **Overview**

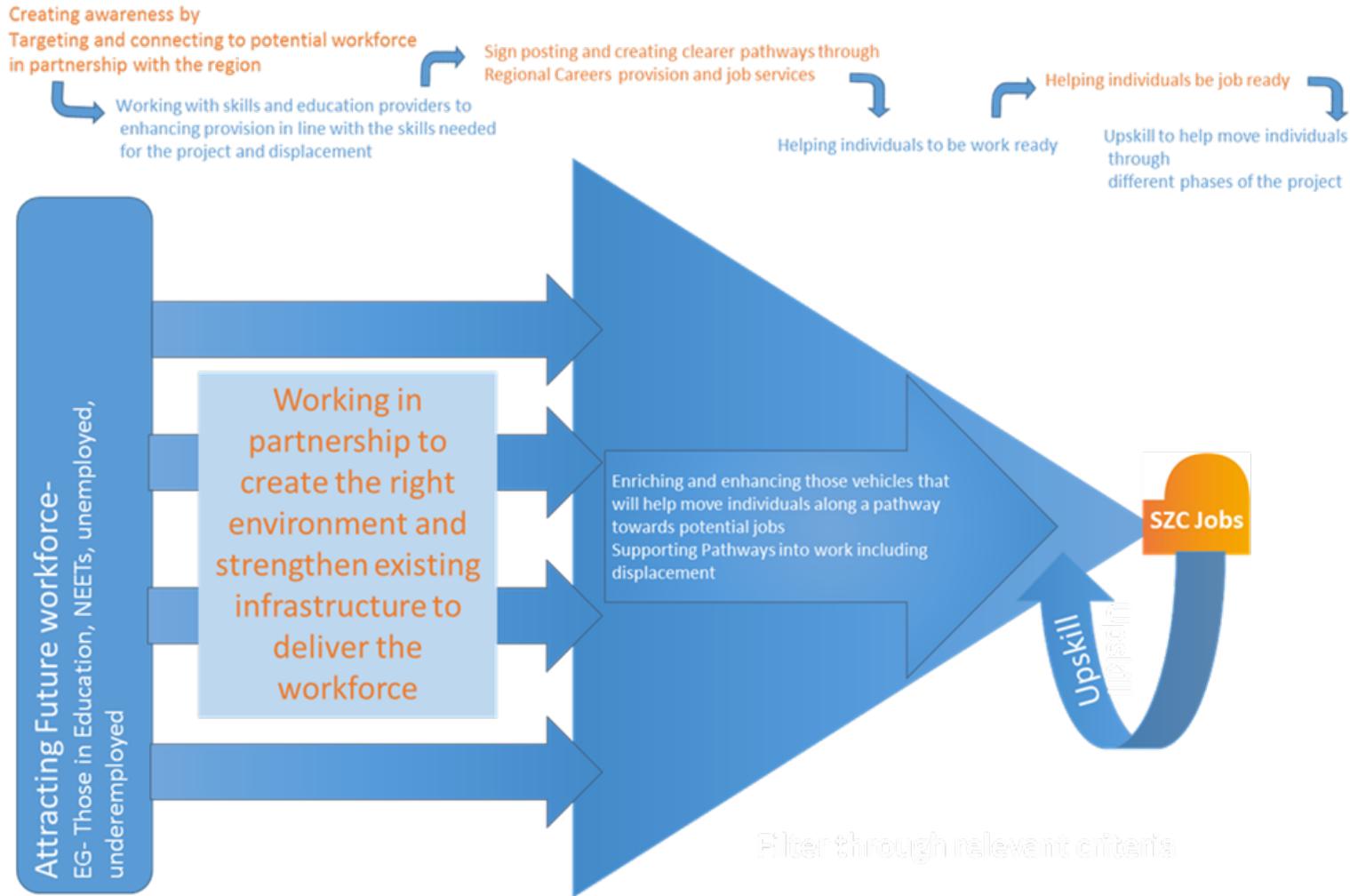
1.6.1 In implementing actual interventions and developing the proposals for future activity, it will be important to work in full partnership with regional stakeholders and partners to better understand the evolving local opportunities and challenges.

1.6.2 Experiences at Hinkley Point C and attempts to reach those who are furthest from the workforce are showing the importance for skills interventions to reach 'further back' to support hard to reach groups, the disadvantaged, and those who suffer from low social mobility.

1.6.3 Work has already begun on this in Suffolk with SZC Co. joining forces with Inspire Suffolk and Access Community Trust to bring a new community hub to Leiston, offering a Youth Employment Service (mainly for 16-25 year olds) which is jointly funded with East Suffolk Council. The funding will also enhance services in existing hubs at Ipswich, Saxmundham, and Lowestoft, ensuring people in these areas can access the job and apprenticeships opportunities provided by the Sizewell C Project. These hubs also provide education support, work readiness, work experience, employment support, schools outreach, mental health, and housing.

- 1.6.4 Moving forward, SZC Co.'s skills strategy will target investments that will plug into existing infrastructures to strengthen and align them. This approach will support the creation of social value and longer-term legacy. This is shown in **Plate 1.2**.

Plate 1.2: Approach to creation of social value and legacy



b) Sizewell C Jobs Service

- 1.6.5 SZC Co. will implement a Sizewell C Jobs Service as a key element of the strategy, secured through the Section 106 agreement (see the **Section 106 Heads of Terms** appended to the **Planning Statement** (Doc Ref. 8.4)). This is likely to be an extension of the employment service model that is currently in place at Hinkley Point C, expanded to include the potential to recruit and redeploy people onto the Sizewell C Project using one central resourcing model.
- 1.6.6 Recent lessons from Hinkley Point C are showing the importance of developing an enhanced employment service that can cater for both regional and national recruitment. This is because the strength and draw of UK major projects and their brands result in interest in employment from across the UK and further afield. Operating within a national framework is also essential in minimising the potential skills risks associated with competing projects and other nuclear new builds.
- 1.6.7 SZC Co.'s focus on recruitment will be on targeting the right people into the right jobs through the enhancement of Hinkley Point C's Jobs Service – taking learning from the Hinkley Point C Employment Affairs Unit. This will provide a service that is managed centrally but delivers locally through a small number of dedicated staff in Suffolk and through optimising external partnerships with Job Centre Plus (JCP), the 3rd sector, and others.
- 1.6.8 A 'conveyor' principal will be implemented, with Hinkley Point C as the more developed project attracting apprentices and workers from the NALEP region before Sizewell C is built. Workers from the NALEP region can then be re-deployed from Hinkley Point C to Sizewell C as the different phases of Hinkley Point C de-mobilise. It is anticipated that the demobilisation of Hinkley Point C and mobilisation of Sizewell C civils and MEH phases will overlap and provide good and timely opportunities for skilled people to transition between projects. Within this model, Sizewell C will then offer opportunities for Somerset residents who wish to continue a career in new nuclear build. Sizewell C will also be able to offer a continuation of apprenticeship opportunities for young people in Somerset who are prepared to travel.
- 1.6.9 National candidates with an interest in working on new nuclear projects will have a choice of where to work when both Sizewell C and Hinkley Point C projects are running concurrently, which will make the Jobs Service a considerable asset in the context of competition from other UK projects and the potential impact of Brexit. The service could potentially expand to Bradwell B in the future.

- 1.6.10 The Sizewell C Project will partner with the 3rd sector (voluntary and community organisations such as sector skills bodies) to provide outreach services. These organisations understand the region and its people fully - and have a strong track record in working with local people to become 'job ready' candidates, who can then be supported seamlessly by a future Sizewell C Jobs Service.
- 1.6.11 Once the construction phase is underway, the initiatives will also focus on up-skilling members of the existing Sizewell C workforce and re-deploying those who wish to do so into other Sizewell C contractors.
- 1.6.12 In order to implement this, SZC Co. will invest in creating a Sizewell C Jobs Service to ensure that local (home-based) employment is maximised and that Tier 1 contractors have access to a suitably-skilled and readily available talent pool of local labour. This would include the following, with additional detail to be set out within the Section 106 agreement:
- Utilising the expertise and experience of the Hinkley Point C Jobs Service team and existing systems thereby benefitting from lessons learned.
 - Maintaining trust of Tier 1 partners in the Jobs Service and its systems through maintaining and developing existing relationships and implementing the lessons learned from the same stages at Hinkley Point C.
 - Going early, in the launch of Hinkley Point C opportunities to residents of Suffolk / Norfolk through enhancements to the Hinkley Point C Jobs Service. This will be timed to coincide with the MEH phase at Hinkley Point C with most opportunities becoming available from January 2021.
 - Launching the actual Sizewell C Jobs Service at, or around financial investment decision, to capitalise on the earliest opportunities and roles.
 - Replacing the direct funding of outreach workers within the local authorities (the Hinkley Point C model) with an asset skills enhancement and capability fund (secured through a Section 106 Agreement) that supports the delivery of 'work ready' to 'job ready' programmes within successful 3rd sector organisations, such as Inspire Suffolk.

c) Skills initiatives

- 1.6.13 The collaborative relationship between SZC Co., Suffolk County Council, NALEP, local colleges, and higher education and training providers has resulted in Sizewell C being influential in helping to develop a proposal for a new skills partnership model for the East of England.
- 1.6.14 At the heart of this concept is an integrated network of the colleges and training providers who operate within the NALEP area. This network model is unlikely to change and has the full support of key stakeholders in the region and BEIS through the SECDB. It provides a potential delivery mechanism for key elements of the Sizewell C strategy, could be extended to deliver the ‘National College for Nuclear’ curriculum (training programmes and qualifications designed to meet the needs of the industry including entry-level programmes for school leavers, apprenticeships, professional development courses or degree-level qualifications), and support a future integrated skills strategy with Bradwell B.
- 1.6.15 SZC Co.’s approach to investment in skills infrastructure focusses on the enrichment of skills provision that already exists within the further education and higher education sectors and on creating better access for those local people who would not typically apply. Future skills investments will be focussed towards the enhancement of the regions existing skills and training assets (including staffing and curriculum development) and away from discrete and large capital investment in buildings.
- 1.6.16 It is proposed to achieve this through the creation of a fund, supported by a strong governance structure and coordination between the Sizewell C Project and regional stakeholders, the quantum and terms of reference for which would be set out within the Section 106 agreement.
- 1.6.17 The aim is to enable the existing infrastructure to deliver to the needs of the Sizewell C Project and to enhance or re-invest in the considerable investments that have already been made by NALEP, regional agencies, other sectors and by the colleges themselves.
- 1.6.18 In order to implement this, SZC Co. will secure the following in the Section 106 agreement (see the **Section 106 Heads of Terms**):
- A flexible Asset Skills Enhancement and Capability Fund that can be bid into by the existing college and provider base to build on the effectiveness of the assets that already exist, or have been funded by NALEP (such as the £10 million Energy Centre at East Coast College). The governance structure for the allocation of the Asset Skills Enhancement and Capability Fund will also be set out in the

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Section 106 and will include a mix of stakeholders, including Tier 1 partners, to ensure that funding decisions are not made by a single body or authority.

- A Regional Skills Coordinator post to provide a focal point of coordination and skills planning between the Sizewell C Project and providers. A similar and valuable role already exists in Suffolk but only has guaranteed funding until December 2020. A similar post has also been created within the Heart of the South West LEP to support Hinkley Point C.

1.6.19 SZC Co. will also support contractors who will seek to deliver assessment facilities to enable the competence of workers to be assessed and to identify areas of additional training. This is an important element of the onboarding process and can be used to identify training gaps that can be supported by regional colleges and providers. Tier 1 partners and industry training boards will contribute in this investment, using lessons learned from a similar facility at Hinkley Point C.

1.7 Supply Chain

1.7.1 The skills strategy for the supply chain will not be focussed purely on the Sizewell C Project, but will aim to enable SZC Co. to create a long term legacy for the region, in partnership with other key sectors. Through joining with broader, sector based strategies, the Sizewell C Project will leave the region in a stronger position to provide energy, construction, engineering, and supporting skills.

1.7.2 SZC Co.'s strategy is to integrate employment, skills, and education with the supply chain development activity in order to help jobseekers find roles on the Sizewell C Project and to backfill vacancies that may become harder to fill within the supply chain, using the Sizewell C Jobs Service. The strategy will be an integral part of the wider Energy Coast strategy and will not work in isolation.

1.7.3 One of the key lessons from Hinkley Point C has been the success of the local business engagement strategy in helping local firms and supply chains to secure contracts.

1.7.4 In addition to supporting the key regional initiatives, along with the NALEP's sector skills plans, the SZC Co. employment, skills and education and supply chain teams are committed to working together with the Suffolk Chamber of Commerce and NALEP to:

- develop a programme of skills support for businesses who engage with the Sizewell C procurement process and ultimately win work on the Sizewell C Project; and
- identify opportunities with local business to cascade apprentice levy and provide early training opportunities.

1.8 Education

a) Overview

- 1.8.1 SZC Co. recognises the importance of working collaboratively within existing structures of support for education in the region in order to build a strong network of schools and colleges. The focus of this element of the strategy is therefore on enriching and enhancing what is already in place or planned for in the region.
- 1.8.2 The intent is to create an environment in which the Sizewell C Project supply chain, once in place, will be able to deliver their own education interventions.
- 1.8.3 Ahead of that, SZC Co.'s own engagement and interventions are being developed in collaboration with Suffolk County Council and the NALEP Skills Board, with input from schools. They will be delivered in the context of the current or planned activity in the region and a collaborative approach will be crucial to their success.
- 1.8.4 Where Sizewell B is already active, such as through collaboration in Leiston with Alde Valley School, Sizewell C will support and enhance their activity to create a 'joined up' approach to improving the life chances and wellbeing of local young people. This has already started through early initiatives such as the Design Engineering Construct course which is being joint funded with Morgan Sindall and offers real life case study work with project engineers at Sizewell B.
- 1.8.5 SZC Co.'s educational activities will have a heavy emphasis on apprentice and graduate opportunities being created through the Sizewell C Project and supply chain, bridging the gap between school and employment. Activity and interventions will be developed and delivered in partnership with the region with the aim of leaving a legacy. The intent is to work across the county and wider region, encouraging collaboration and promoting clear pipelines into employment.
- 1.8.6 SZC Co. will particularly provide support to those in education within the recognised areas of social deprivation and social mobility 'cold spots',

including Leiston, Lowestoft, and Ipswich. The aim will be to help, motivate and inspire young people in these areas through partnership with the local education system and to provide opportunities that otherwise might not have been accessible.

1.8.7 The region is extremely pro-active in the development of enhanced Information, Career Advice and Guidance (ICAG) to young people in the region. Their aim is to be ‘best in class’, through the development initiatives such as ‘I Can Be A’. SZC Co. will scope out the potential to support these initiatives along with the Careers Enterprise Company, and package information that can be disseminated through pipelines for ICAG that already exist. The Sizewell C Project has started to form links with the Youth Employment Service in Leiston and is providing early financial and hands on support through mentoring and workshops at Sizewell B.

1.8.8 Taking lessons learned from Hinkley Point C, SZC Co.’s aim for education is to support the creation of clearer pathways into the Sizewell C Project and will move from the delivery of generic STEM activities to attracting young people into Sizewell C from early education onwards. It will achieve this by inspiring and developing a better understanding of Sizewell C roles and relevant signposting to associated, sustainable careers including those on the Sizewell C Project and backfill.

1.8.9 The strategy addresses the targeting of regional priority groups, such as those considered hard to reach and/or living in opportunity areas of Leiston, Lowestoft, and Ipswich. The programme aligns with the requirements of the National Careers Strategy set out by government addressing key benchmarks and seeks to support the regional infrastructure to enable young people to access a better future. The programme is based on lessons learned from Hinkley Point C and aims to create impact and legacy.

b) Education initiatives

1.8.10 Sizewell C is already partnering with education providers in the region to deliver interventions. These include direct investment in pilot programmes such as “Science in a Box”; supporting harder to reach groups through investments in charity organisations Act and Inspire, and enhancing and enriching the Sizewell B outreach programme.

1.8.11 Sizewell C will continue to build partnerships with stakeholders in the region to further invest in the following areas, to be secured through the Section 106 agreement:

- Support specific and existing initiatives in the region that are working well or are supporting young people in raising their aspirations and

NOT PROTECTIVELY MARKED

creating clearer pathways for careers in energy, engineering, or construction. This will include partnering initiatives from primary school upwards and supporting the development of a stronger infrastructure that will form legacy.

- Investment will be made directly into programmes for example Science in a Box pilot (already supporting an early 2 year pilot) and the Design Engineering and Construct (DEC) GCSE (already supported through a 2 year partnership with Alde Valley School) and indirectly into partnerships that support the development of clearer pathways into work and help people make an informed choice this would include the development of partnerships with organisations that represent vulnerable groups such as the work with Inspire and Act.
- Introducing actual opportunities to ‘Have a go’. There will be emphasis on the promotion of Sizewell Cs critical skills that are in short supply, such as welding, and those that have capacity such as engineering construction operatives.
- Starting early with ‘aspiration raising’ activities: these have already begun in collaboration with the Sizewell B visitors centre team. The proposal is to extend and refocus the school outreach partnership with Sizewell B and to support the objectives of both the Sizewell C Project and existing Sizewell B station in the longer term.
- Creating an innovative and ‘first of a kind’ Bursary Scheme to support the creation of alternative pathways for those that haven’t reached the required entry level, providing a ‘second chance’ for young people in Leiston, Lowestoft, Great Yarmouth, and Ipswich. It is proposed that this is developed in full partnership with the region and other skills sectors that require similar skills.
- Establishing a Young Sizewell C programme based on the lessons learned from Hinkley Point C. Providing an insight programme to inspire and build awareness of opportunities among young people who are closest to the workplace and to help pipeline them into actual Sizewell C opportunities.

References

- 1.1 Impact Assessment Unit (IAU), School of the Built Environment, Faculty of Technology Design and Environment, Oxford Brookes University (Commissioned by the New Nuclear Local Authorities Group (NNLAG)) (July 2019) Study on the impacts of the early stage construction of the Hinkley Point C (HPC) Nuclear Power Station Monitoring and Auditing Study: Final Report.



ECONOMIC STATEMENT

APPENDIX B: SUPPLY CHAIN STRATEGY

Contents

1	Supply Chain Strategy	1
1.1	Introduction	1
1.2	Supply chain opportunities	2
1.3	Local / regional supply chain engagement activities	4
1.4	Integration with employment, skills and education strategy	7

Tables

None provided.

Plates

None provided.

Figures

None provided.

1 Supply Chain Strategy

1.1 Introduction

1.1.1 This strategy sets out the approach to engaging the local and regional supply chain for the Sizewell C Project. It has been informed by consultation with regional stakeholders, including the Suffolk Chamber of Commerce (Suffolk Chamber) which has been contracted by SZC Co. to support the Sizewell C Project by facilitating this engagement through a programme of developing activities.

1.1.2 It identifies and describes specific measures and processes that have been or will be put in place to support local and regional supply chain engagement to enable businesses in the east of England to compete for opportunities on the Sizewell C Project.

1.1.3 Measures – including engagement and activities, governance processes and, an approach to reporting of local and regional supply chain spend - will be secured by the Section 106 agreement (see the **Section 106 Heads of Terms** which are provided in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4)).

1.1.4 Sizewell C will be a second of a kind EPR nuclear power station. Following the good progress of Hinkley Point C in the south west, SZC Co.'s proposed approach to constructing Sizewell C is as a follow-on to Hinkley Point C with replication of design and core elements of the supply chain utilising support from the local and regional supply chain where possible.

1.1.5 This strategy will be reflected in contract tender documentation and instructions given to bidders, as well as informing **Chapter 9, Volume 2** of the **ES** (Socio-economics).

a) Objectives

1.1.6 The Supply Chain Strategy is driven by the following core objectives:

- To successfully deliver the construction and commissioning of the Sizewell C new nuclear power station and associated developments, utilising the expertise and capability within the supply chain;
- To support replication of the approved, frozen EPR design being built at Hinkley Point C; and
- To contribute to the economy of the East of England and the UK more widely: the Sizewell C Project will support the maintenance and

development of the UK nuclear sector and wider construction innovations and skills.

1.1.7 The strategy is focused on the construction (including commissioning) phase of the Sizewell C Project.

b) Purpose and scope

1.1.8 In order to deliver an exemplar of local and regional supply chain engagement, as has been demonstrated at Hinkley Point C in Somerset, specific measures and processes need to be in place which will aim to reproduce that successful engagement process. This document introduces these measures and processes, including work already undertaken.

1.1.9 This document describes an evolved local supply chain engagement strategy based on experience gained by Hinkley Point C and the Somerset Chamber of Commerce.

1.1.10 Work to develop the local supply chain for Sizewell C has been underway for a number of years and this will continue following the submission of the Development Consent Order application and before a financial investment decision (FID) is made for the Sizewell C Project. The opportunity will be taken to prepare the Suffolk Chamber, Tier 1 procurement teams, and the local and regional supply chain in order that successful local and regional supply chain engagement and appointment can take place when required by the Sizewell C Project.

1.2 Supply chain opportunities

a) Overview

1.2.1 The Sizewell C Project supply chain would operate on a number of levels:

- There would be several Tier 1 contractors appointed for the construction of the Sizewell C Project. These Tier 1 contractors would be national and international companies working independently or through alliances who would be responsible for delivering one or more packages of works. A substantial proportion of construction expenditure would be on equipment and materials through this group.
- There would be a large number of Tier 2 and 3 sub-contractors and suppliers working for these contractors, ranging from those providing materials, equipment, very specialist skills, through to more general trades.

1.2.2 The technology suppliers/engineers and equipment and materials contracts (national and international level) would contribute to national policy ambitions set out in the UK's Industrial Strategy to develop the UK's low carbon manufacturing capacity.

1.2.3 At Hinkley Point C, 64% of the value of contracts is with UK companies and – in part due to replication – a similar proportion is predicted to be achievable for Sizewell C.

b) Replication

1.2.4 The Sizewell C Project will aim to replicate the design of Hinkley Point C to benefit from being able to use the UK approved, frozen design being built in Somerset.

1.2.5 SZC Co. will apply the lessons learned and experience gained during Hinkley Point C construction, The Sizewell C Project will aim to replicate not only the Hinkley Point C design but many of the core elements of the supply chain, including choice of contractors and contract structures. Key personnel and expertise will transfer from Hinkley Point C to the Sizewell C Project.

c) East of England supply chain

1.2.6 SZC Co. and its supply chain would procure a range of construction and non-construction services not related to replication. These may include construction of associated developments, professional and design services, facilities management (for the campus, caravan site, freight management site and park and rides), transport services (bussing), security, and catering.

1.2.7 Construction contracts and sub-contracts, and particularly non-construction packages are anticipated to have a much stronger local and regional element, with a substantial proportion of construction value retained in the local economy through wages to home-based workers and expenditure by non-home-based workers.

1.2.8 At Sizewell B, the proportion of contracts with local / regional firms in the larger area of Suffolk and Norfolk was about 4% (c. £80m out of total contract value of about £2bn).

1.2.9 At Hinkley Point C, £1.55 billion of contracts had been committed with local / regional companies by the end of 2018, with £981 million already spent. It is anticipated that Sizewell C could deliver similar levels of local and regional economic benefits to the East of England region.

1.3 Local / regional supply chain engagement activities

a) Partnership with Suffolk Chamber of Commerce

1.3.1 SZC Co. has retained and partnered with the Suffolk Chamber to identify and support local and regional businesses that want to become part of the Sizewell C Project supply chain. This partnership's primary goals are to assist local and regional businesses in successfully contracting for the supply of goods and services and to support the legacy of industrial inward investment arising from the Sizewell C Project.

1.3.2 The Hinkley Point C Supply Chain Team, Somerset Chamber of Commerce and Suffolk Chamber have already been collaborating in order to share best practice and to prepare to replicate successful business structures within the local area.

i. Sizewell C Supply Chain website

1.3.3 A Sizewell C supply chain website <https://www.sizewellcsupplychain.co.uk> has been created which includes:

- The latest Sizewell C Project information and news.
- Details of the work packages at Hinkley Point C, enabling companies to understand the potential size and scale of the opportunity and how their business may fit in to this.
- Details of the professional standards that companies will need to achieve to enable them to compete for work on Sizewell C, including ISO 9001:2015 – Quality, OHSAS 18001 – Safety, and EN14001 – Environment.
- Signposting to business support including from the Suffolk Chamber's supply chain team, New Anglia Local Enterprise Partnership (NALEP) Growth Hub, and the Nuclear Advanced Manufacturing Research Centre (Nuclear AMRC) Fit For Nuclear (F4N) service;
- Details of events that may be helpful to businesses. In 2019, such events included "An introduction to the F4N programme for manufacturers in the East of England" and the "Nuclear South West Showcase and Conference" for businesses interested in winning work on Hinkley Point C, ahead of the commencement of Sizewell C.
- Case studies of East of England companies that have secured "Fit4Nuclear" status and / or won work on Hinkley Point C.

ii. Sizewell C Supply Chain Portal

1.3.4 The Suffolk Chamber operates the Sizewell C Supply Chain Portal on behalf of SZC Co. This allows companies from Suffolk (local) and the counties of Norfolk, Cambridgeshire, Bedfordshire, Hertfordshire and Essex (regional) to register their interest in working on Sizewell C.¹

1.3.5 The Sizewell C Supply Chain Portal also allows the Suffolk Chamber to:

- capture the details of Suffolk and regional businesses wishing to be involved in the Sizewell C Project and map their core capabilities against Sizewell C Project requirements;
- broker relevant business support to help suppliers meet quality and safety standards; and
- communicate up-to-date project and work package news and information to suppliers registered on the portal.

1.3.6 As of January 2020, over 1,300 companies were registered on the Sizewell C Supply Chain Portal. Several local companies have secured early work on the Sizewell C Project, including for archaeology, UXO surveys, and noise and marine studies to support the environmental impact assessment, legal, and land agency services.

1.3.7 A number have also secured work on Hinkley Point C, including a £27m contract for water filtration services. By the end of 2019, Hinkley Point C had awarded contracts totalling £150m to companies in Suffolk, Norfolk, and Essex. Taking into account the earthworks contract secured by Kier Bam (head office in Bedfordshire), this increases to £660m in the East of England.

1.3.8 Following submission of the development consent order application and in preparation for start of construction, SZC Co. will work with the Suffolk Chamber to:

- Develop and improve local/regional business capability maps and lists to aid Tier 1 contractors seeking local/regional suppliers and to match suppliers with SZC Co. and contractor work package requirements.

¹ Businesses from outside of these areas are able to register on alternative supplier portals covering Somerset and South West businesses (Hinkley Point C) and businesses from other areas (for companies outside the Sizewell C and Hinkley Point areas.)

This includes identification of capable local/regional suppliers missing from the Suffolk Chamber Registration lists.

- Actively promote opportunities for the provision of goods and services by local/regional consortia as these will provide stability within the supply chain, help reduce food miles and to provide a legacy of business development in the region (e.g. a food and drink co-operative).
- Build on and transfer learning from Hinkley Point C in Somerset by working collaboratively with the Somerset Chambers of Commerce and senior leadership from key local suppliers (in both regions) in order to develop and demonstrate a matching local commitment to deliver valuable solutions with relevant levels of leadership, quality, safety, and competitiveness.

b) **Measures to promote the use of local and regional suppliers**

1.3.9 SZC Co. will take the following actions with Tier 1 contractors to ensure that local businesses benefit from the opportunities arising from the construction of the Sizewell C Project:

- Procure and deliver the site services and logistics requirements in a way that maximises the opportunity to integrate competitive local suppliers.
- Define the engagement process to be adopted by Tier 1 (and Tier 2-3 if relevant) contractors when engaging with the Suffolk Chamber and the local/regional business community for the purpose of developing their supply chains for work on the Sizewell C Project. This will include:
 - Securing senior leadership commitment to engage with the local/regional supply chain capability in an agreed and defined process and to monitor the results both pre and post contract award.
 - Providing sufficient work package detail to relevant supplier groups early enough in order to communicate requirements in advance and to pro-actively identify opportunities of relevance to local capability.
 - Participating in “Meet the Buyer” events facilitated by the Suffolk Chamber.

- Where relevant², SZC Co. will request evidence from its contractors that credible local/regional business engagement has taken place by means of tender short lists, tender assessments etc. prior to formally approving/rejecting sub-contractor nominations.

c) **Monitoring and reporting**

1.3.10 SZC Co.'s supply chain team would collect data on businesses supplying the Sizewell C Project, most likely utilising a socio-economic reporting tool similar to the one already in use at Hinkley Point C. This will enable reporting of international, UK and local / regional content and spend, for the purposes of reporting under the Section 106 agreement and to government and other stakeholders as required.

1.3.11 Tier 1 and Tier 2 suppliers will be encouraged to participate in gathering information which will be used to track local and regional levels of engagement.

1.3.12 The Section 106 agreement will include a commitment to ongoing review of the effectiveness of the measures set out in the strategy.

1.4 **Integration with employment, skills and education strategy**

1.4.1 As set out in **Appendix A** of the **Economic Statement**, the skills strategy for the supply chain will not be focussed purely upstream to the Sizewell C Project, which will help SZC Co. to focus on creating a long term legacy for the region, in partnership with other key sectors. Through joining with broader, sector-based strategies, the Sizewell C Project will leave the region in a stronger position to provide energy, construction, engineering, and supporting skills.

1.4.2 SZC Co.'s strategy is to integrate employment, skills, and education with the supply chain development activity in order to help jobseekers find roles on the Sizewell C Project and to backfill vacancies that may become harder to fill within the supply chain, using the Sizewell C Jobs Service. The strategy will be an integral part of the wider Energy Coast strategy and will not work in isolation.

1.4.3 In addition to supporting the key regional initiatives, along with the NALEP sector skills plans, SZC Co. would work together with the Suffolk Chamber and NALEP to:

² This may not be relevant for all contractors e.g. equipment suppliers, so will be required only where appropriate.

- develop a programme of skills support for businesses who engage with the Sizewell C procurement process and ultimately win work on the Sizewell C Project; and
- identify opportunities with local business to cascade the apprentice levy and provide early training opportunities.