

Sizewell C Consortium Memorandum of Understanding with the East of England

March 2021

Preamble

- 1.** The East of England has a strong nuclear legacy with Sizewell A operating from 1966 to 2006 and Sizewell B in operation since 1995. Sizewell B remains the last nuclear power station to have been built in the UK. The construction of Hinkley Point C, however, has revived the expertise of this supply chain, meaning Sizewell C – which will replicate Hinkley Point C – will be able to harness this supply chain and provide a stable pipeline for order books and further impetus for the nuclear industry across the East of England.
- 2.** The Sizewell C Consortium have commissioned a report by Ernst and Young (EY) to assess the economic and legacy impact of building Sizewell C. EY's report provides a strong and robust evidence base underlining the positive impact Sizewell C will have. It would mean billions of pounds of investment in the East of England, tens of thousands of jobs and an economic boost for communities in the region and across the UK.
- 3.** Sizewell C will spend around £14 billion with UK based companies – around 70% of total project spend – during its construction. This includes a total of £4.4 billion in the East of England, including £2 billion in Suffolk.
- 4.** Sizewell C is a project that will deliver for the East of England. The project commits to build upon the skills and experience of companies in the East of England already working on Hinkley Point C, and to attract additional expertise and skills from companies across the region. The East of England stands to benefit from a significant proportion of the 233,000 job opportunities (direct, indirect and induced) supported through the supply chain, with 73,000 in the East of England of which 35,000 will be in Suffolk. For every direct job created by Sizewell C another will be created in the supply chain. This will not only mean jobs for individuals but tangible improvements to the social fabric of communities where long-overdue social and economic improvements will be felt.
- 5.** 1,500 apprenticeships will also be created by Sizewell C and its supply chain over its construction, helping train up young people in highly skilled jobs which will benefit the UK's future workforce.
- 6.** To reach the UK's legally binding target of net zero by 2050, the Consortium believes that nuclear must play an integral role in the future energy mix. This view is shared by independent bodies such as the Committee on Climate Change and the Energy Systems Catapult.
- 7.** The Government has clearly set out its ambitions for nuclear in its Ten Point Plan for a Green Industrial Revolution and Energy White Paper, outlining a commitment to take at least one large new nuclear power station to a Final Investment Decision by the end of this Parliament.
- 8.** Sizewell C will also allow the UK to take further steps to achieve the pledges set out in the Nuclear Sector Deal when it was launched by the UK Government in June 2018, including an ambition to substantially reduce the new build costs by 2030. For the East of England, Sizewell C will also make good on the government's pledge to develop a nuclear supply chain cluster to unlock further growth, investment and jobs by providing greater opportunities for local businesses.
- 9.** The Sizewell C Consortium, a group of over 200 leading companies and organisations from across the country, has been guided by its goal to deliver Sizewell C and ensure that the priorities of levelling up and net zero are met. The Consortium will continue to work constructively with government, regional bodies and third-party stakeholders to make sure the benefits of Sizewell C are realised in the East of England, and the presence of the UK's existing nuclear supply chain is guaranteed and enhanced across the country.

1. This MoU:

- a. states the commitment of the Sizewell C supply chain to the East of England, by facilitating the investment of around **£4.4 billion, including £2 billion in Suffolk**, during construction and supporting up to **73,000 jobs in the East of England, including 35,000 in Suffolk**.
- b. states the commitment of the Consortium to work collaboratively with its partners across the East of England to ensure that the region capitalises on the opportunity presented by Sizewell C and that the value in local communities is maximised.
- c. is a statement of working intent and is not intended to be legally binding. Nothing in this MoU is intended to affect in any way the legal obligations and/or rights of either party. It is intended to be binding in honour only.

The Consortium commits to the following in the East of England:

2. Supporting local suppliers and guaranteeing a nuclear legacy in the East of England

- a. The Consortium commits to significantly expanding the percentage of the construction spend in the East of England. This will generate work worth hundreds of millions of pounds for East of England suppliers.
- b. The Consortium will build relationships with the local business community, including small and medium-sized enterprises. We will work collaboratively with Local Enterprise Partnerships and Chambers of Commerce across the East of England. This includes taking full advantage of the supply chain outreach work undertaken by the Suffolk Chamber of Commerce and the links with the New Anglia LEP Growth Hub. Together, we will seek to drive significant social impact on the ground, leaving a sustainable legacy on the social and environmental fabric of the East of England.
- c. Enhancing the gigawatt nuclear industry will also help grow the prospective industries of tomorrow – nuclear-generated hydrogen, Direct Air Capture and Small and Advanced Modular Reactors (SMR/AMR). The expertise Sizewell C will help develop will further the case for the East of England as an attractive region for investment.
- d. Growing the supply chain will also increase international opportunities for East of England businesses; working collaboratively with the Ports of Ipswich and Lowestoft as well as the Ports of Felixstowe and Harwich.

3. Training up the next generation in Suffolk

- a. It is estimated that, were the UK to drive an ambitious nuclear programme, the nuclear industry could create as many as 300,000 jobs by 2050 – many of those highly skilled jobs can be secured in the East of England¹. That means protecting our existing nuclear expertise, built on decades of experience. It also means giving new generations the skills, education and personal development they need to build long-term careers within the nuclear sector, as well as increasing the pipeline of talent available. That is why the Consortium, alongside Sizewell C, have committed to a number of initiatives.
- b. **Promoting gender balance in nuclear.** Sizewell C has signed up to the Gender Target set out in the Nuclear Sector Deal; to achieve 40% women in the nuclear industry by 2030, and 50% women apprenticeship starts by 2021.
- c. **Social mobility.** In collaboration with suppliers, local authorities, local colleges and other local stakeholders, the Consortium will help overcome skills shortages while providing sustainable career opportunities for people in the region. These initiatives will

¹ https://www.niauk.org/wp-content/uploads/2020/10/Fortyby50_TheNuclearRoadmap_201009.pdf

focus particularly on young people with an active effort to be inclusive by targeting females and youth classified as Not in Education, Employment, or Training (NEET).

- i. Up to a third of the workforce on site will be recruited from the local area using a Jobs Service that makes accessing roles easy with partnerships in place with the third sector to break down barriers to work.
 - ii. The Consortium will support initiatives such as Kickstart and the Youth Employment Service while working with outreach organisations to increase social mobility and widen access to roles in areas such as Ipswich, Lowestoft and Leiston.
 - iii. A prospectus that demonstrates the wide range of these roles on the project will be drawn up while the Consortium will work with local colleges and training providers across the East of England, identifying and matching lead colleges for the delivery of courses that support each phase of the project.
 - iv. There will be support for social partners programmes delivered by Inspire Suffolk and Access Community Trust (ACT) charities to deliver employability programmes to hard-to-reach groups.
 - v. A pre-employment training and outreach initiative will be funded, working in close partnership with the Local Enterprise Partnership (LEP), East Suffolk and Suffolk County Councils, the Department for Work and Pensions (DWP), and others.
- d. **Future workforce.** The Consortium will work alongside local higher and further educational institutions to develop these skills and ensure that world class talent developed in the East of England is encouraged to enter its nuclear and construction industry. This means working in partnership with local colleges and schools such as Alde Valley Academy, East Coast College, Suffolk New College and West Suffolk College.
- i. Sizewell C will help the East of England enhance these centres of excellence across the country, helping build the unique, expert skillset that will differentiate the region from other areas of the nuclear market. We are committed to developing these programmes so that we can bring work to the people of the East of England in future.
 - ii. A close collaboration with Young Sizewell C will encourage and inspire young people onto a pathway and into a job with the project.

4. Accelerating the UK's journey to net zero

- a. The Consortium will help drive the East of England coastal region as an energy hub for the UK. With a thriving offshore wind sector, the Freeport East Hydrogen Hub and Sizewell B and C nuclear power stations, the region has the potential to play a leading role in driving the UK towards net zero by 2050.
- b. Sizewell C will facilitate greater use of hydrogen across the network, laying the groundwork for a thriving industry which could create thousands of jobs in the East of England. Providing the UK Government provides support for SMR and AMR technology, Sizewell C is also complementary to and will act as a bridge to those future technologies.
- c. To drive maritime and on-land decarbonisation, hydrogen could be produced via nuclear energy at Sizewell B and then Sizewell C. By 2030, 1GW of hydrogen could be produced (largely from nuclear), equating to 20% of the 5GW hydrogen target set out in the Prime Minister's Ten Point Plan for a Green Industrial Revolution. Partnering with

organisations including the Ports of Felixstowe and Harwich, Ryse, Wrightbus and JCB, a submission for a 'Freeport East Hydrogen Hub' was accepted by Her Majesty's Treasury in its March 2021 Budget – this has the potential to create 13,500 jobs in the East Anglia region.

- d. Sizewell C is actively exploring Direct Air Capture (also part of the Prime Minister's Ten Point Plan for a Green Industrial Revolution) supported by low carbon heat from Sizewell C. A small amount of low-carbon heat could remove 1 megatonne of carbon from the atmosphere, with the Prime Minister's ambition to remove 10 megatonnes of carbon by 2030.

5. Conclusion

- The signatories aspire that, with these measures in place, the development of Sizewell C will serve the East of England, its businesses and its people by creating skilled jobs, securing a skilled workforce, guaranteeing investment and future proofing the nuclear supply chain in the region.
- The signatories encourage the UK Government to consider the socioeconomic benefits of developing Sizewell C outlined in the MoU, alongside the many decisions that need to be made to deliver net zero.
- The East of England will derive substantial benefits, as listed above, by committing to Sizewell C.

Signed

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Cameron Gilmour – For the Sizewell C Consortium

Counter signed: