

**NUCLEAR DECOMMISSIONING SUPPLY CHAIN DEVELOPMENT PROJECT****MARKET APPRAISAL**

The nuclear decommissioning market globally is estimated to be worth in excess of £300BN over the next thirty years according to the Global Decommissioning Opportunities<sup>1</sup> study carried out in 2005. In addition to the existing 436 operational nuclear reactors, there are currently 47 reactors under construction, 133 in planning and 282 early stage proposals for new reactors worldwide, presenting on-going opportunities for decommissioning for many decades to come.

As the first country to develop civil nuclear power stations, the UK is at the forefront of nuclear decommissioning on a large scale and as such presents Scottish companies with an opportunity to gain valuable experience and develop expertise which will be exportable to other countries. Those overseas countries identified as presenting the greatest opportunity for Scottish companies are USA, France, Germany, Canada, Japan, Sweden, Russia, Spain, Ukraine and Italy.

The development of expertise within Scottish companies during the decommissioning of UK civil nuclear facilities could lead to opportunities within the emerging global nuclear decommissioning market as well as other industrial decommissioning activity such as offshore oil & gas, conventional power generation plants, mining, defence and refinery installations.

The Nuclear Decommissioning Authority (NDA) is responsible for managing the clean up of the UK's first generation of civil nuclear facilities including three sites in Scotland at Dounreay, Hunterston A and Chapelcross.

The NDA plan to spend approximately £70 billion nationally on decommissioning and clean-up in the UK. £6 billion will be spent in Scotland and a further £50 billion (approx) will be spent dealing with the decommissioning, clean up and associated works at Sellafield in Cumbria. The NDA has clearly stated their commitment to supporting the development of UK supply chain companies to allow them to compete for contracts across the sector. Significant opportunities exist for Scottish companies with experience in engineering, fabrication, construction and waste management services and it is imperative action to support their involvement in this sector is taken now to ensure they are amongst the early adopters of expertise in the field of decommissioning.

Scotland has a number of engineering and manufacturing businesses already delivering services to the nuclear decommissioning sector, however there are many companies in Scotland, particularly SMEs who are unaware of the supply chain opportunities which exist within the sector primarily because of the perception that it is 'nuclear'. Many of

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<sup>1</sup> <http://collections.europarchive.org/tna/20060715171900/http://www.dti.gov.uk/energy/eid/page27830.html>

the tasks required to decommission a nuclear facility are the same as those required in the general mechanical, electrical and civil engineering sectors. Specialist service opportunities exist in areas such as project management and remote handling (potential for companies operating in sub-sea environment).

With Sellafield being reasonably close to the border (similar travel time from Glasgow as from Manchester or Newcastle) supply chain opportunities there are accessible to Scottish companies. In the future there may also be additional decommissioning contracting opportunities in the UK relating to military installations and abroad as other nuclear reactors (e.g. Eastern European) are decommissioned.

To be able to take advantage of nuclear decommissioning opportunities, Scottish companies need help firstly to recognise the opportunities, then to match existing skills and expertise, access new skills, coordinate and collaborate together, and tender effectively to secure contracts relating to both the Scottish sites and Sellafield or elsewhere. This Project aims to help companies achieve this through new activities as well as referral to and use of existing SE products and services. There will also be potential for the project to assist companies, in conjunction with SDI, to actively pursue contract opportunities overseas through engagement with, for example the International Atomic Energy Agency.

## **PROJECT DESCRIPTION**

This project will establish a dedicated programme of support and development for Scottish supply chain companies by providing specialist industry support in Market Intelligence, Technical Issues, Decommissioning Technologies & Processes, Applicable Engineering Technologies, Tendering Advice, Technological Diversification and Transfer. The project will target support at SMEs and start-up companies who are already active in or wish to enter the nuclear decommissioning sector and will be available to both account managed and non account managed businesses across Scotland, including the Highlands & Islands. Where appropriate, companies will be referred to SDI for assistance with accessing international opportunities.

Programme delivery will include a wide range of activities e.g. meet the buyer, expert support and brokerage, facilitated access to purchasing companies, enhanced supply chain management/knowledge to Nuclear Tier 1 and Tier 2 contractors, to enable Scottish companies to enter and exploit market opportunities through better tendering and partnering activity.

The project will cover the following key areas:

- Nuclear decommissioning technologies and processes
- Wider engineering technologies and transfer opportunities
- Specific nuclear decommissioning tendering support
- Marketing and business advice
- New-build nuclear supply chain needs

The project will take the form of technical and/or business support tailored to the needs of each company assisted. The Project will help Scottish businesses:

- Explore more effective technologies, better materials and improved designs
- Accelerate innovation
- Improve market intelligence and links to buyers in the nuclear decommissioning sector
- Identify potential crossover opportunities from other sectors (e.g. Aerospace, Defence, Renewable Energy and Oil & Gas)
- Troubleshoot production or quality problems
- Increase productivity and reduce costs
- Enhance commercial performance, e.g. through improved tendering for contracts

The project will utilise the Enquiry Fulfilment and Research Service to raise awareness of suitable supply chain opportunities to the Scottish business base and South Operations Team will coordinate and deliver a number of 1-to-Many events to facilitate contact between Scottish businesses and Tier 1/Tier 2 companies in the sector. A suitably qualified and experienced company will be appointed to deliver specialist technical industry support and development to those companies identified as having the potential and an interest in entering the sector to ensure they are in a position to compete for contracts. The services offered will be coordinated with and complimentary to existing SE and HIE products.

The appointed contractor will be required to have expertise in working with companies from a wide range of technical/engineering disciplines, direct experience of working within the nuclear decommissioning sector and a successful record in the delivery of technology transfer programmes.

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