Draft Supply Chain Plan Questionnaire

Submission Template

Allocation Round 4

Supply Chain Plan Questionnaire - Submission Template

CONTENTS

How to complete and submit this form

Please read the Supply Chain Plan Guidance before completing this form, which provides valuable information on how to answer each section. Please ensure your submission is complete and includes all required documentation. Details of any additional documentation required are included in the Supply Chain Plan Guidance.

Developers must provide the information in the form shown in this document but using their own corporate template.

The project[1]

Contact details

Company name		**Authorised representative(s)**	
Company address		**Preferred contact number(s)**	
Preferred email (s)		**Preferred contact person**	

Project details

Project name		**Project size (MW installed capacity)**	
Expected Project commissioning date		**Project location (Grid Coordinates)**	
Expected Project Life		**Ownership structure (including ownership share)**	

[1] Information in this section is not scored

Completion Checklist

	Question	Complete	Tables to be completed	Complete
PROJECT SUMMARY				
S1	Project size and location			
S2	Ownership structure			
S3	Project Milestones		GANTT chart complete	
S4	Supplier market information			
S5	Current Procurement Status		Table S1 completed	
S6	Forward Contract Plan			
S7	Written Summary		Table S2 completed	
BUSINESS ENVIRONMENT				
1.1	% UK Content		Table 1.1 completed	
1.2	Low carbon footprint in supply chains			
1.3	Supply chain development			
1.4	Visibility of opportunities to suppliers			
1.5	Contracting strategy and procurement process			
1.6	Promote new entrants and SMEs			
1.7	Approach to supply chain risk management			
INFRASTRUCTURE				
2.1	Reduced carbon footprint across project lifecycle			
2.2	Coordinate supply chain activity			
2.3	Reliability and resilience for electricity system			
2.4	Supply chain infrastructure			
IDEAS				
3.1	Developer investment in UK R&D		Table 3.1 completed	
3.2	Supply chain partners investment in UK R&D			
3.3	Innovations and novel technologies			
3.4	Innovative business processes and methods			
PEOPLE				
4.1	Market information on skills			
4.2	Project recruitment and hiring strategy			
4.3	UK apprenticeship, trainee and scholarship		Table 4.1 completed	
4.4	Number of jobs: UK, EU and RoW		Table 4.2 completed	
4.5	Diversity and people with protected characteristics			
4.6	Health and safety standards			
4.7	No modern slavery or labour exploitation			
PLACES				
5.1	Investment and growth in project's local economy			
5.2	Alignment with Local Industrial Strategies			
5.3	Strategy for community engagement			

S. Project Summary

Please provide an overview of the status of the project (maximum 4 pages, excluding Tables). This should comprise the following information (but this is not exhaustive):

S1 **Size of project** and key locations (expressed in installed capacity MW).

S2 **Ownership structure** with explanation.

S3 The **stage of development** and key past and future **project milestones**, including expected Milestone Delivery Date (MDD), expected construction start date, delivery of first power, anticipated final commissioning etc. Include a **GANTT chart** showing this information.

S4 Describe efforts to gather **market information** on the availability of capable UK suppliers and potential consortia or alliances of UK suppliers, and UK and international suppliers, for consideration in competitive tenders associated with the Project. Please complete Table PS1 indicating for which components of your project there are capable UK suppliers or consortia of suppliers who could provide the relevant goods and services (see Appendix B). Provide as supporting evidence your current Master Vendor List or equivalent and the Master Vendor List of any contracted 1st tier contractors who have been awarded contracts over £1 million. These lists are to include name of supplier and country of registration.

S5 Complete Table PS2 in full to provide the **current procurement status** of contract packages and purchase orders where the Developer or 1st tier contractors are the buyer, for contracts and purchase orders over £1 million (broken down by DevEx, CapEx, OpEx and DecEX), including description, the name of 1st tier buyer and country of registration, details of suppliers on bid list or with preferred bidder status, and contracts awarded. Rank the information by highest anticipated value of contract first, within each of DevEx, CapEx and OpEx parts of table (see Appendix C).

S6 As far as information is available at the time of submission, add to Table PS2 **all anticipated future** contracts, sub-contracts and purchase orders greater than £1 million to be issued by you and your 1st tier contractors and suppliers for the project broken down by DevEx, CapEx and OpEx phases. Rank the information by highest anticipated value of contract first, within each of DevEx, CapEx and OpEx parts of table (see Appendix C).

Not scored

Summary of Supply Chain Plan outcomes

S7. (a) Please provide a **written summary** (maximum 3 pages) of the single most impactful activity **the project** expects to deliver in response to each of the five sections of your Supply Chain Plan (Business Environment, Infrastructure, Ideas, People and Place). This should therefore describe a total of five (5) impactful activities. Include in your response metrics and KPIs to measure outcomes, who is responsible, date of expected outcome and how you will monitor progress in delivery of the activity and outcomes. Please specify in this description the main risks to achieving the intended outcomes, including those arising from role and responsibility interdependencies and how they will be mitigated.

(b) **In addition,** please complete in full Table PS3 (see Appendix C). Table PS3 is intended to provide a comprehensive inventory of **all** activities and their expected outcomes contained in your Supply Chain Plan. The purpose of the comprehensive activities and outcomes table is to facilitate the efficient monitoring and delivery of your Supply Chain Plan.

Not scored

1. Business Environment

Context

Delivering against the **Business Environment** foundation is about supporting businesses associated with international and UK supply chains for the project, individually or through collaboration, consortia or alliances to improve visibility of opportunities, drive increases in productivity and competitiveness in businesses of all sizes. We are asking developers to strengthen international and UK supply chains by driving impactful investments to attract new entrants, increase competition and expand capability and capacity in the low carbon electricity generation sector.

Developers' Supply Chain Plans are anticipated to foster and support the creation of a business environment for the project and the broader sector equipped for the challenges and opportunities of new and innovative technologies and ways of doing business, as well as maintain downwards pressure on costs and provide for the future resilience of the supply chain. To support the government's ambition of net zero by 2050, consider how the business environment that you create embeds sustainable business practices, in particular supply chains with a low carbon footprint.

As contained in your responses and with regards to the quality of your supporting evidence, marks will be awarded for:

- the **comprehensiveness** of response,
- **scale** of ambition in activities and anticipated outcomes,
- **feasibility**,
- whether you identify **quantifiable outcomes with measurable metrics**, and
- how delivery will be **assured** (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting).

These marks given below are illustrative, as we are consulting on the total marks and relative weighting of the questions in this section.

Marks available: 200

1.1 Renewable energy deployment should deliver economic growth in the places where these developments are located and contribute to both the country's short-term economic recovery from the global pandemic and longer-term industrial transformation to renewable energy and a green economy.

(i) Please anticipate the **levels of UK Content** to be delivered over the project lifetime, broken down by DevEx, CapEx, OpEx and DecEx (decommissioning) and by the project's major components where indicated in the tables provided. Please complete in full Table 1.1 (see Appendix D) and provide evidence supporting your responses. Please provide cross references to your other responses to this questionnaire to identify the activities that have been taken or will be taken to realise these levels of UK Content.

The method to be followed to calculate anticipated UK Content is provided in Appendix H and should be followed closely.

(ii) Please provide a written commentary of no more than 500 words to explain the reasons for your anticipated levels of UK content in each phase of the project. Due to the intent to publish approved Supply Chain Plans including UK content figures, commentaries are intended to provide public justification and avoid disclosure of commercially sensitive information.

70 marks

1.2 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to **incentivise your supply chains to ensure a low carbon footprint** in the goods and services they provide to the project. A maximum of one (1) activity can be undertaken to date. What outcomes are you looking to achieve and by when?

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

25 marks

1.3 Describe and support with evidence the five (5) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to **identify and resolve gaps in capability and productivity in your international and UK supply chains** to improve competitiveness and thereby reduce project costs and risk. A maximum of two (2) activities can be those undertaken to date. **Identify how your activities, directly or in coordination with the wider industry, will support delivery of your commitments to UK Content** for each component of Table 1.1, for example, the offshore wind collective industry goal of 60% UK Content by 2030. What outcomes are you looking to achieve with these activities and by when?

Your answer should be no more than 3 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the five most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Activities may include but are not limited to: providing training to suppliers to meet the quality standards of the project and technology and/or buyer requirements; guidance on navigating the procurement process; facilitating suppliers to access technical and financial advice; use of framework contracts to incentivise inward investment to build local supply chain capacity (based on competitive price benchmarking and performance gates); coordination with other developers to aggregate demand to support supply chain development, and collaboration with primary contractors and suppliers to facilitate partnering, consortia building, joint ventures and clustering amongst UK suppliers and between UK suppliers and international suppliers.

50 marks

1.4 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to **improve the visibility of opportunities** to suppliers within international and UK supply chains, and ensure greater collaboration of opportunity across the industry**.** A maximum of one (1) activity can be undertaken to date. What outcomes are you looking to achieve and by when?

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Activities may include but are not limited to; meet-the-buyer events, supplier portals, consortia and collaboration match-making events, introductions to integrate suppliers including UK suppliers into global supply chains, and a physical one-stop-shop for suppliers from the region where the project is to be located to come to register as a vendor and be guided in how to access opportunities.

20 marks

1.5 Describe and support with evidence how your project contracting strategy and your procurement processes will assure full and fair opportunity for UK suppliers to access open tenders to compete for supply chain opportunities. Provide responses to the following:

a) The value drivers of your project **Contracting Strategy** and how you have approached the packaging of EPCI contracts, the role of framework agreements and other strategic sourcing arrangements, the application of sole/single sourcing criteria, and consideration of consortia bids and supplier collaboration to meet procurement requirements including between UK suppliers and between UK and international suppliers.

b) How you provide full and fair opportunity at the **Expression of Interest** stage.

c) How you provide full and fair opportunity for suppliers to **pre-qualify** and/or or be selected for a **bid list.**

d) How you provide full and fair **tender requirements** (RFQ/RFP/ITT) and contract clauses that do not unnecessarily prohibit market access.

e) What the mechanisms are for **feedback** to unsuccessful suppliers at all stage of tendering.

f) What processes and practices you have in place for fair and timely **payment of suppliers.**

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

20 marks

1.6 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to identify and **promote new entrants** into your supply chains through this project and remove barriers to new entrants, including actions to specifically **support SMEs**. A maximum of one (1) activity can be undertaken to date. What outcomes are you looking to achieve and by when?

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

10 marks

1.7 Describe your approach to **supply chain risk and issue management** (excluding risks and issues pertaining to occupational health and safety as this is dealt with separately below)? Please include information on how you identify, assess, and mitigate risks and issues within your supply chains for this project.

Please describe the **most significant supply chain risks and issues** across the project's life cycle and the measures to be put in place to mitigate these risks or manage the issues. This may include risks relating to bribery and corruption, supply distribution and delivery, custom and boarder administration, supplier capacity constraints, community and other stakeholder grievances, environmental pollution and harm to the natural environment

Your answer should be no more than 1 page (excluding supporting evidence in Appendices, as required).

5 marks

2. Infrastructure

Context

Infrastructure is essential to our future growth and prosperity. Investment in the infrastructure of low carbon electricity generation, transmission, transformation and distribution in the UK is needed to remove barriers to accelerating further investment, boosting productivity in our renewable power sector and delivering on our net zero commitment. In addition, upgrades are needed to supply chain infrastructure internationally and, in the UK, to improve supplier capability and competitiveness so as to drive down costs and risks (including developing localised capacity that due to proximity to a project reduces costs and risk), help attract further inward investment, and decarbonise supply chains and the economy.

As contained in your responses and with regards to the quality of your supporting evidence, marks will be awarded for:

- the **comprehensiveness** of response,
- **scale** of ambition in activities and anticipated outcomes,
- **feasibility**,
- whether you identify **quantifiable outcomes with measurable metrics**, and
- how delivery will be **assured** (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting).

Marks available: 130

2.1 Building new renewable power generation projects and the underpinning infrastructure produces greenhouse gases (GHG) emissions depending on the way this infrastructure is designed, built, operated and decommissioned. Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the **project lifecycle** (particularly the construction phase), to **reduce the carbon intensity** of the project and emission of other GHGs. For example, through reducing carbon miles, using low emissions vessels or green finance. A maximum of one (1) activity can be undertaken to date. How will you set targets and monitor progress, for example, application of the 'PSA 2080' global standard for reducing infrastructure carbon through more intelligent design, construction and operation (see: https://www.carbontrust.com/). Please note it is not sufficient simply to say your project is displacing a higher carbon alternative.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

30 marks

2.2 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to **coordinate supply chain activity** within the project and between different projects to mitigate and offset the impacts that the electricity network infrastructure directly associated with your project will have on **local communities** and the **marine and terrestrial environments.** A

maximum of one (1) activity can be undertaken to date. For distribution or transmission connected projects, this should cover the infrastructure required to connect your project to the distribution or national transmission system.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Activities may include but are not limited to: co-ordinating the design and construction of infrastructure across projects to enable joint planning applications and shared protocols and codes of conduct, coincide corridors of construction activity (e.g. for cabling or civil works), and share or coordinate transmission and transformation infrastructure.

25 marks

2.3 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to make sure that your project supply chains will help maintain **reliability and resilience for the GB electricity system** and assist with integrating increasing amounts of renewable, intermittent generation. Please include how you will monitor and mitigate risks. A maximum of one (1) activity can be undertaken to date. What outcomes are you looking to achieve and by when?

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Activities may include but are not limited to, electricity storage and activities to study and/or resolve weak points in the project's supply chains, especially for asset integrity and operations spare parts.

25 marks

2.4 Describe and support with evidence the five (5) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to **strengthen infrastructure that supports your international and UK supply chains,** so as to achieve improved productivity and competitiveness, reduce project costs and risk and facilitate the adoption of innovative renewable power generation technologies**.** A maximum of two (2) activities can be those undertaken to date. Identify how your activities, directly or in coordination with the wider industry, will support delivery of your commitments to UK content for each component of Table 1.1, for example, the offshore wind collective industry goal of lifetime UK Content of 60% by 2030. What outcomes are you looking to achieve and by when?

Your answer should be no more than 4 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the five most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Infrastructure may include, but is not limited to, fabrication and assembly halls; port storage, laydown areas, quaysides, dry docks and navigation channels; onshore and offshore docking and refuelling stations for autonomous vehicles; and manufacturing plants.

Activities in support of supply chain infrastructure development may include, but are not limited to, feasibility studies; provision of design specifications to suppliers; site visits to advise on project requirements; formulation of design specifications and contracting strategies that take account of local infrastructure and manufacturing capabilities; adoption of new technologies to overcome local capacity constraints; coordination with other developers to facilitate shared infrastructure within supplier clusters; and incentivising consortia building and partnering between UK suppliers and between UK suppliers and international suppliers.

50 marks

3. Ideas

Context

Developing and deploying new **ideas** is central to our ambition of being the world's most innovative economy. Our ability to innovate is one of the UK's historic strengths. We are is a global leader in science and research: leading in measures of research excellence and home to four of the top 10 universities in the world.

The growth of the renewable sector in the UK over the past two decades, together with cost reductions, have been driven by innovation. Cost reduction and efficiency has been underpinned by practical learning by doing to overcome the technical challenges of renewable electricity generation. By delivering against the Ideas objectives, you will ensure that ongoing innovation and the realisation of ideas in the commercial application of Research and Development (R&D) will continue to act as a catalyst for progress toward net zero, industrial growth in the UK and a reduction in our carbon footprint.

As contained in your responses and with regards to the quality of your supporting evidence, marks will be awarded for:

- the **comprehensiveness** of response,
- **scale** of ambition in activities and anticipated outcomes,
- **feasibility**,
- whether you identify **quantifiable outcomes with measurable metrics**, and
- how delivery will be **assured** (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting).

Marks available: 110

3.1 Describe and support with evidence the three (3) most impactful activities your company has undertaken to date or plan to undertake across the development, construction, operations and decommissioning phases of the project your plan of activities to **invest in R&D in the UK** that relate to the challenges faced by the project and by associated technologies. A maximum of one (1) activity can be undertaken to date. Over the lifetime of the project, please state how much you have allocated to invest in UK R&D relevant to the renewable energy technology sector of this project in terms of £ and as a percentage of total estimated project costs[2].

(b) Complete Table 3.1 with details of all the R&D activities that this investment will be spent on, over what timescales, who you plan to collaborate with in the UK and internationally including with other developers, and what outcomes you are looking to achieve, including the Technology Readiness Level (TRL) to be achieved as an outcome from activities to commercialise R&D (see Appendix E).

[2] https://www.gov.uk/government/publications/guidelines-on-the-meaning-of-research-and-development-for-tax-purposes

Activities may include investments in UK public or private R&D facilities and buildings, for example laboratories and testing centres; investment in research equipment, and data management and other software tools for UK institutions; funding for UK research projects and the commercialisation of UK innovation; secondment of employees to UK research institutions; and sponsorship of UK PhDs and post-doctorate positions.

30 marks

3.2 Describe and support with evidence the three (3) most impactful activities your **supply chain partners** have undertaken to date or plan to undertake across the development, construction and operations phases of the project to invest in **R&D in the UK** that relate to the challenges faced by the project and by associated technologies. A maximum of one (1) activity can be undertaken to date. Over the lifetime of the project, please state how much your supply chain partners have allocated to invest in UK R&D relevant to the renewable energy technology sector of this project in terms of £ and as a percentage of total estimated project costs.

Add to Table 3.1 details of all R&D activities that this investment will be spent on, over what timescales, who the supply chain partners, who they plan to collaborate with in the UK and internationally, and what outcomes they are looking to achieve, including the Technology Readiness Level (TLR) to be achieved as an outcome from activities to commercialise R&D.

30 marks

3.3 Describe and support with evidence the three (3) most impactful **innovations or novel technologies** you have introduced and/or demonstrated to date or plan to introduce and/or demonstrate across the development, construction and operations phases of the project that has wider applicability in the sector. A maximum of one (1) innovation or technology can have been introduced and/or demonstrated to date. Please detail the technological challenges these innovations have or aim to overcome and quantify the expected outcomes/performance of each (for example, cost reductions, reduction in carbon footprint, solving a critical challenge for the wider adoption of the renewable technology).

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

30 marks

3.4 Describe and support with evidence the three (3) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to develop innovative **business processes and methods** that contribute to success of the project, and how you have or intend to embed these best practices within your project, or have or intend to work collaboratively with industry, to share and implement the same practices? A maximum of one (1) activity can be undertaken to date.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the three most impactful

activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Processes may include but are not limited to business models, financing arrangements, procurement and contracting strategy, tender design, contract terms and payment innovations, digital twins and software analytics, and health and safety advancements.

20 marks

4. People

Context

People are at the heart of what we are doing and why. The UK has one of the most successful labour markets in the world and is underpinned by a world-class higher education system. Employers increasingly play a role to ensure that business needs for talent, skills and labour are fulfilled.

The renewables sector will require new highly skilled workers covering a broad range of disciplines, in communities right across the country and fully reflective of the diverse nature of the UK if it is to contribute towards achieving net zero by 2050.

Applicants should aim to: -

- deliver training to employees to attain the skills needed for low carbon electricity generation in ways that minimise skill shortages and increase productivity,
- support transitioning of the UK workforce from non-renewable sectors to the low carbon electricity generation sector,
- remove barriers to recruitment of UK residents in the places where developments are located,
- create apprenticeship and employment opportunities for persons resident in the UK,
- develop a diverse workforce, including specific outreach and training programmes to increase the employment and hiring opportunities for disadvantaged persons,
- create career progression pathways for employees for better jobs, and
- identify skills requirements across the renewables sector and collaborate with educational and vocational institutions to take actions to create a UK labour market pipeline, such as developing curricula and accreditation, to deepen the skills base and ensure there are opportunities for people to develop their skills throughout their lives.

As contained in your responses and with regards to the quality of your supporting evidence, marks will be awarded for:

- the **comprehensiveness** of response,
- **scale** of ambition in activities and anticipated outcomes,
- **feasibility**,
- whether you identify **quantifiable outcomes with measurable metrics**, and
- how delivery will be **assured** (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting).

Marks available: 140

4.1 Describe and support with evidence the five (5) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project (including the major supply chain components) to:

(i) **gather information** on the UK labour market; **match** the current and future skill requirements of the project with the skills, qualifications and experience of the UK labour market,

(ii) identify **skill gaps** in the UK labour market and how these gaps can be filled,

(iii) support the **transition** of UK workers from non-renewable sectors (including oil and gas) to the low carbon electricity generation sector,

(iv) and/or **collaborate** with UK educational and vocational education institutions to build a pipeline of experienced and qualified UK workers.

A maximum of two (2) activities can be those undertaken to date.

Your answer should be no more than 3 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the five most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

20 marks

4.2 Describe with supporting evidence how your project **recruitment and hiring strategy** across the development, construction and operations phases of the project will assure no discrimination of suitably qualified and experienced UK residents to access employment and temporary work opportunities in your company and within supply chain contracts. Provide responses to the following:

(a) a description of how you reach out and **alert the UK labour market** in general, and the UK labour market in the **location of the project** in particular, to recruitment and hiring opportunities relating to the project within your company and within supply chain contracts,

(b) a description of how your recruitment process removes barriers to recruitment of suitably qualified and skilled UK workers and provides **equal and fair consideration of UK residents,**

(c) an aggregated **Project Skills Plan** (or equivalent e.g. People Schedules) combining labour requirements across the development, construction and operations phases of the project, broken down into job positions for (i) Professionals and (ii) Technicians, and for each job position the approximate number of FTE (or person-hours of work) required for each.

Your answer should be no more than 3 pages (excluding supporting evidence in Appendices, as required).

20 marks

4.3 How many **UK apprenticeship** and **trainee positions** of greater than six months duration are you taking on at each stage of the project and how many **scholarship positions** at UK education institutions of one year or more duration are you planning to sponsor? Of these positions, what

proportion of do you anticipate will turn into long-term employment opportunities with the project of two years or more? Complete in full Table 4.1 (see Appendix F).

15 marks

4.4 What **number of jobs** in terms of Full Time Equivalent (FTE) workers (see definition in Appendix G) are anticipated at each stage of the project within the developer organisation and within the supply chain of the project and how are you gathering this information? Please break these anticipated jobs down by UK and Rest of the World and by Professional, Technicians and Basic skill. Complete in full Table 4.2 (see Appendix G).

Please describe the anticipated duration of different types of new jobs with examples, which positions will likely be full time employees versus temporary hires, and what career progression activities will be put in place to extend positions beyond the construction period into operations and maintenance or into roles on other projects. Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

50 marks

4.5 Please describe the actions you are taking to tackle workforce inequality and to reduce the disability employment gap. In particular we would like activities that:

- Demonstrate action to identify and tackle inequality in employment, skills and pay in the contract workforce.
- Support in-work progression to help people, *including* those from disadvantaged or minority groups, to move into higher paid work by developing new skills relevant to the contract.
- Demonstrate action to increase the representation of disabled people in the contract workforce.
- Support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications.
- Influence staff, suppliers, customers and communities through the delivery of the contract to support disabled people.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

15 marks

4.6 Describe and support with evidence your policy, procedures and systems to assure the relevant **occupational health and safety standards** for workers are met across the development, construction and operations phases of the project, both within your project workforce and throughout your project supply chain. Describe, with supporting evidence, how these policies and processes can be expected to deliver a safe project.

This should cover the **most significant risks** to occupational health and safety (fatalities, injuries and work-related ill-health) across the project's life-cycle and the measures to be put in place to mitigate these risks, including emergency response measures. This may include mitigation of risks from worker transportation activities, construction activities, confined spaces, working at

heights, fire hazards, hazardous substances, noise and vibration, UXOs, and marine and subsea operations.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

10 marks

4.7 Describe and support with evidence the policies, procedures and systems in place to identify and manage risks so as to ensure that there is no **modern slavery or labour exploitation** and that workers are paid properly and treated fairly (e.g. fair rates of pay, fair working hours, safe working environment) in line with International Labour Organization (ILO) standards within (a) your workplace operations and (b) your entire supply chain. How do you monitor and report the performance of these processes?

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

10 marks

5. Place

Context

The UK is home to world-leading businesses located around the country. Our cities, towns and rural areas have competitive advantages that will be essential to shaping our economic future. However, the UK has greater disparities in regional productivity than many other European countries. The renewables sector is well placed to transform these communities, make a significant regional and local economic impact, and bring greater prosperity.

By delivering on the **Place** foundation, developers are asked to work in partnership with your project's local area to drive opportunities for investment and productivity. For example, this could include working alongside Local Industrial Strategies, Local Enterprise Partnerships and Mayoral Combined Authorities to ensure a coordinated approach and the support of local communities. By creating and enhancing links between regional clusters in the UK and supply chains, you will drive competitiveness, economies of scale and productivity.

As contained in your responses and with regards to the quality of your supporting evidence, marks will be awarded for:

- the **comprehensiveness** of response,
- **scale** of ambition in activities and anticipated outcomes,
- **feasibility**,
- whether you identify **quantifiable outcomes with measurable metrics**, and
- how delivery will be **assured** (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting).

Marks available: 110

5.1 Describe and support with evidence the five (5) most impactful activities you have undertaken to date or plan to undertake across the development, construction and operations phases of the project to create more opportunities for **investment and growth in the project's local economy** (the region where the project is located). A maximum of two (2) activities can be those undertaken to date. Include in the description your efforts to engage with your primary contractors and suppliers to facilitate partnering, consortia building, joint ventures and clustering amongst UK regional suppliers and between UK regional suppliers and international suppliers. What outcomes are you looking to achieve and by when?

Your answer should be no more than 3 pages (excluding supporting evidence in Appendices, as required). Summarise all activities in response to this question, including the five most impactful activities, within the comprehensive inventory of activities and outcomes table (Table PS3 in Appendix C).

Activities may include, but are not limited to, the creation of employment opportunities, training and apprenticeships associated with the regional labour market, investment in supply chain infrastructure in the region, support for the development of regional industrial clusters and collaboration with regional R&D organisations and universities.

50 marks

5.2 What **engagement** have you had, and plan to have, to align development, construction and operation activities with the development of any **Local Industrial Strategies/economic development plans** in relation to the project? What outcomes are you looking to achieve and by when? Please provide supporting evidence in the form of memorandums of understanding, letters of intent or equivalent evidence demonstrating the outcome of discussions and good faith intention to work in partnership with local authorities and other commercial partners to increase opportunities for investment and growth in the local economy.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

30 marks

5.3 What strategy have you developed, or will develop, for **community engagement** in relation to the project and the objective of increasing opportunities for investment and growth in the local economy? What outcomes are you trying to achieve and by when? Please provide supporting evidence in the form of Community Benefit agreements, memorandum of agreement, letters of intent or equivalent, demonstrating the outcome of discussions and good faith intentions.

Your answer should be no more than 2 pages (excluding supporting evidence in Appendices, as required).

30 marks

Appendix A - Scoring Criteria

Supply Chain Plans will be assessed on the merits of the application, taking into account the particulars of the relevant renewable technology, such as the development stage of the technology and its supply chain.

Supply Chain Plans will be scored on the commitments the Applicant makes that support the objectives of the Supply Chain Plan policy (as outlined in Section 1 of the guidance document) and, for the offshore wind sector, the extent to which the project supports delivery of the Offshore Wind Sector Deal.

The Supply Chain Plan Application has specific questions for the Applicant to answer, related to five criteria. For questions that are scored, each question has been allocated a mark which is shown next to the question.

Marks will be awarded based on the comprehensiveness and quality of information provided, specifically for the ambition, feasibility and quantifiable outcome/measurable metrics contained in the responses and quality of supporting evidence, including how delivery will be ensured (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes (including reporting) and obligations). BEIS recognises that not all questions can provide a commitment or measurable outcome, and scoring will reflect this where appropriate.

Applicants should include activities that are ongoing or will be undertaken and be specific about the timelines of their commitments. Where asked, Applicants should provide supporting information in an annex. Applicants may reference previous relevant work, but this should be used to support commitments made or projected outcomes.

Applicants must score at least 50% in each section for their Supply Chain Plan to pass and to be issued with a statement by the Secretary of State approving their Supply Chain Plan.

This marking approach will enable the Secretary of State to make an assessment of whether the Supply Chain Plan sets out sufficient evidence of the projects' approach and the extent to which the project will support the development of each of the assessment criteria across the industrial supply chain supporting the relevant low carbon electricity sector.

Reference	Marks available	Question type	Tables required to be completed	Scoring Criteria	
PROJECT SUMMARY					
S1	0	Project size and location		For information and monitoring only	
S2		Ownership structure			
S3		Project Milestones	GANTT chart complete		
S4		Supplier market information			
S5		Current Procurment Status	Table S1 completed		
S6		Forward Contract Plan			
S7		Written Summary	Table S2 completed		
BUSINESS ENVIRONMENT	**200**	**(Marks in this section are illustrative)**			
1.1	70	% UK Content	Table 1.1 completed	Marks will be awarded for the comprehensiveness of response, scale of ambition in activities and anticipated outcomes, feasibility, whether you identify quantifiable outcomes with measurable metrics, and how delivery will be assured (e.g. through contractual commitments, details of your company's internal measurement/monitoring processes and obligations, including reporting). A high weighting is placed on the scale of ambition.	
1.2	25	Low carbon footprint in supply chains			
1.3	50	Supply chain development			
1.4	20	Visibility of opportunities to suppliers			
1.5	20	Contracting strategy and procurement process			
1.6	10	Promote new entrants and SMEs			
1.7	5	Approach to supply chain risk management			
INFRASTRUCTURE	**130**			Fully comprehensive responses to all parts of question with activities and/or processes delivering in aggregate a high material contribution to international and UK supply chains to support the low carbon electricity sector, supported by detailed evidence of feasbility, assurance of delivery and measurable outcomes	4
2.1	30	Reduced carbon footprint across project lifecycle			
2.2	25	Coordinate supply chain activity			
2.3	25	Reliability and resilience for electricity system			
2.4	50	Supply chain infrastructure			
IDEAS	**110**			Responses to all parts of question with activities and/or processes delivering in aggregate a high material contribution to international and UK supply chains to support the low carbon electricity sector, supported by evidence of feasbility, assurance of delivery and measurable outcomes	3
3.1	30	Developer investment in UK R&D	Table 3.1 completed		
3.2	30	Suppy chain partners investment in UK R&D			
3.3	30	Innovations and novel technologies			
3.4	20	Innovative business processes and methods			
PEOPLE	**140**			Partial responses to the question with activities and/or processes delivering in aggregate a moderate contribution to international and UK supply chains to support the low carbon electricity sector, supported by evidence of feasbility, assurance of delivery and measurable outcomes	2
4.1	20	Market information on skills			
4.2	20	Project recruitment and hiring strategy			
4.3	15	UK apprenticeship, trainee and scholarship	Table 4.1 completed		
4.4	50	Number of jobs: UK and RoW	Table 4.2 completed		
4.5	15	Diversity and people with protected characteristics		Incomplete responses to question with activities and/or processes delivering in aggregate a low contribution to international and UK supply chains to support the low carbon electricity sector.	1
4.6	10	Health and safety standards			
4.7	10	No modern slavery or labour exploitation			
PLACES	**110**			No or minimal information and supporting evidence provided and/or required tables not completed	0
5.1	50	Investment and growth in project's local economy			
5.2	30	Alignment with Local Industrial Strategies			
5.3	30	Strategy for community engagement			

Appendix B - Project Components with Capable UK Suppliers

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Tables PS1 Project Components with Capable UK Suppliers (see Weblink for technology specific tables to complete)

Appendix C - Project Summary Tables to be completed

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Table PS2 Current Status of Contract Packages and Forward Contracts Plan

Table PS3 Comprehensive Inventory of Supply Chain Activities and Outcomes

Appendix D - UK Content Tables to be completed

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Tables 1.1 Anticipated UK Content in Project Delivery

Appendix E - UK R&D Tables to be completed

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Table 3.1 Activities to Support R&D in the UK

Appendix F - Apprenticeships, Training and Scholarships Tables to be completed

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Table 4.3 Apprenticeships, Training and Scholarships

Appendix G - FTE Jobs Table to be completed

One Full Time Equivalent (FTE) means the amount of effort which would be available from an individual working full time for one year. Employee numbers should be expressed on a FTE years basis by applying the following multipliers to employees in each situation:

- Employees/hires working a standard 5-day week (i.e. more than 30 hours per week): x1.0
- As above, working less than 30 hours per week: x0.5
- Working more than 30 hours per week on a seasonal basis (c 6 months per year): x0.5
- Part time working (less than 30 hours per week) on a seasonal basis (c 6 months per year): x0.25

and then multiplying by the number of years that each position will be active in connection with the Project.

Qualification Levels: https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels

UK FTE means direct jobs (employees or direct hires) created or maintained by suppliers operating in the UK as registered companies or with an operating license, expressed as Full Time Equivalent positions

Rest of World means direct jobs (employees or direct hires) created or maintained by suppliers operating in countries other than the UK as registered companies or with an operating license, expressed as Full Time Equivalent positions

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Table 4.2 Number of Job Opportunities on the Project

Appendix H - Method to Calculate UK Content

This section is work-in-progress and should be reviewed as such. Details and interpretations may change, and templates may be modified and/or added to further guide developers to calculate UK Content in their project on a consistent and verifiable basis.

The methodology to be applied to calculate anticipated UK Content in response to question 1.1 of this Questionnaire and to report UK Content in delivery of a developer's approved Supply Chain Plan, is the methodology endorsed by the Offshore Wind Industry Council described in *BVG Associates (2015) Methodology for Measuring the UK content of UK offshore wind farms, for UK Government, Department of Energy and Climate Change, RenewableUK and The Crown Estate, May 2015.*

Appendix H provides summary guidance to support the consistent application of the methodology by developers across different renewable power generation technologies, both for forecasting UK Content in uncommitted expenditure and for tracking and reporting UK Content within committed expenditure. This summary is provided as an aid to developers in applying the full methodology, which should be followed in detail and is that contained in the document by BVG (2015).

Table H1 of this Questionnaire is provided as a template to guide the calculation of anticipated lifetime UK Content in a project.

[INCLUDE LINK TO WEBPAGE WITH THE EXCEL TEMPLATE]

Table H.1 Template to Guide Calculation of UK Content in Project Expenditure

Definitions

Generator	A Developer or Generator is the company that owns a project development. The term 'Developer' refers to the owner up to the point that they are awarded a CfD Contract in a specific Contracts for Difference Allocation Round. The term 'Generator' refers to the owner thereafter. In Appendix H the single term 'Generator' is used.
Development expenditure (DevEx)	DevEx costs incurred by the Generator from the award of development rights by The Crown Estate to FID
Capital expenditure (CapEx)	CapEx includes costs incurred from FID to works completion date (WCD)
Operational expenditure (OpEx)	OpEx includes costs incurred by the project Generator from works completion date (WCD) to the end of active life
Decommissioning expenditure (DecEx)	DecEx includes costs incurred in the decommissioning, dismantling and disposal or recycling of the project
Works Completion Date (WCD)	WCD is the date at which the project's full rated generation capacity has been commissioned
Total expenditure (TOTEX)	TOTEX includes all costs incurred from award of development rights to the end of decommissioning, and is the aggregation of DevEx, CapEx, OpEx and DecEx

Final Investment Decision (FID)	FID is the point of a project life cycle at which all consents, agreements and Contracts that are required to commence project construction have been signed (or are at or near execution form). At this point there is a firm commitment by equity holders or debt funders to provide or mobilise funding to cover the majority of construction costs
Committed Expenditure	Committed expenditure includes past and current contracts, and future contracts for which expenditure has been committed and the supplier selected
Uncommitted Expenditure	Uncommitted expenditure is all expenditure related to the project for which a supplier has not yet been selected
Customer	A Customer is a purchaser of goods or services for the project, which may be a project Generator or a Supplier at any tier of the supply chain (except the bottom tier)
Supplier	A Supplier is a provider of goods or services to a Customer. A Tier 1 Supplier is a supplier directly contracted by the project Generator
Internal Supplier	An Internal Supplier refers to the activities performed by a Customer that are not passed through to Suppliers, for example, expenditure by a civil works contractor in deploying their own equipment and inhouse (ie internal) work teams to execute part of a scope of work, and then sub-contracting the remaining portion of the work scope to Suppliers
Sub-supplier	A Sub-supplier is a company that is two or more steps down the supply chain from the Customer
Contract	A Contract is an agreement between a Customer and a Supplier to provide a goods or services to an agreed value. It covers the aggregated payment by the Customer to the Supplier for a defined scope of work or supply of goods. Purchase Orders (POs) are considered a type of Contract. The total Contract value could be made up of a number of transactions
Sub-contract	A Sub-contract is an agreement between a Supplier and a Sub-supplier
Contract Value	The Contract Value is the price paid by a Customer to a Supplier inclusive of profit margin (exclusive of VAT where applicable)
Base Cost	Suppliers calculate UK Content within their Base Costs. Base Cost is the Contract Value less the Supplier's profit margin, and is comprised of the value of the Supplier's aggregated internal and external Sub-contracts. (Profit margins plus Base Cost form the Contract price to the Customer and the Contract Value to the Supplier). VAT is excluded from all calculations [tbc]
Margin	Margin means profit margin as EBITA [tbc] Suppliers calculate and report percentage UK Content in their Base costs. Total % UK Content across multiple Contracts is the weighted average of UK Content in the Base Cost of each Contract. Total % UK Content is reported by a generator as % UK Content in TOTEX. The country destination of profit margins or the company's taxation are not considered in the calculation of UK Content. Therefore, when applying total % UK Content to TOTEX to derive a monetary figure for UK Content, the level of UK Content within aggregated profit margins will be proportionate to the percentage of UK Content in Base Cost. (An alternative is for the monetary value of UK Content to be % UK Content within aggregated Base Costs x aggregated Base Cost, which will be a lower monetary figure). [tbc] A Supplier may include a margin in the cost of an Internal Sub-contract.
Internal Contract or Sub-contract	An Internal Contract is the discrete volume of expenditure on activities performed by an Internal Supplier. The value of an Internal Contract may include a profit margin, for example, where there is a cross charge between different company operations (ie an internal transaction). Where this is the case, the internal margin is deducted from the Internal Contact value to derive the Base Cost for calculating UK Content within the Internal Contract.
FTE	Direct jobs (employees or direct hires) created or maintained by suppliers, expressed as Full Time Equivalent
UK FTE	UK FTE jobs are direct jobs (employees or direct hires) created or maintained by suppliers operating in the UK as registered companies or with an operating license, expressed as Full Time Equivalent positions.

Summary Guidance for Calculation of UK Content *(Work in Progress)*

Component	Summary of Methodology	UK Content Calculation
UK Content	% UK Content is reported by a generator as percentage of DevEx, CapEx, OpEx and DecEx and as % of TOTEX.	UK Content is calculated as a proportion (%) of Base Cost for each contract or internal contract (or each component or category of unallocated expenditure). Total project lifetime UK Content is calculated as the aggregated weighted average of % UK Content across all current and past contracts (and all components/categories of unallocated expenditure) across DevEx, CapEx, OpEx and DecEx, as follows: Total project lifetime % UK Content = ∑ (£ UK Content / £ Base Cost) x 100% Total project lifetime £ UK Content = Total project lifetime % UK Content x TOTEX
Committed expenditure	Committed expenditure includes past and current contracts, and future contracts for which expenditure has been committed and the supplier has been selected. Committed expenditures are at prices of the day. For committed expenditures: • Supplier undertakes UK Content calculation for contracts > £10 million • Customer undertakes UK Content calculation for contracts < £10 million For committed expenditure with contract values >£10 million, the Customer asks suppliers to undertake the UK Content calculation following in the methodology summarised in Appendix H (this document) and described in detail in BVG (2015). For committed expenditure with contract values <£10 million the Customer undertakes the UK Content calculation based on professional judgement following the guidance in Appendix H (this document), supported by the information in BVG (2015).	Calculation of UK Content as % of Base Cost in a Contract V Contract Value M Contract profit margins OH Overheads apportioned to Contract G Expenditure on internal and external Goods S Expenditure on internal and external Services Di Incremental depreciation of asset over contract period cOH UK Content in Overheads, apportioned to Contract value cG UK Content in Goods, apportioned to Contract value cS UK Content in Services, apportioned to Contract Value cDi Incremental depreciation of asset over contract period % UK Content = (cOH + cG + cS + cDi) / (V – M + Di) x 100% [“Di” in denominator- tbc]
Uncommitted Expenditure	Uncommitted expenditure is all expenditure related to the project for which a supplier has not been selected Uncommitted expenditure is in real terms and undiscounted For all uncommitted expenditure the Customer undertakes the UK Content calculation based on professional judgement following the summary guidance in Appendix H (this document) and the detailed methodology described in BVG (2015).	Calculation of UK Content as % of Base Cost in a project component or goods/service category U Uncommitted expenditure allocated to a specific project component or category of goods/service M profit margin (assumed) Cp % Capacity of UK suppliers to meet demand Pr % Probability of UK suppliers capturing orders cOH UK Content in Overheads, apportioned to component or category cG UK Content in Goods, apportioned to component or category cS UK Content in Services, apportioned to component or category cDi Incremental depreciation of asset over contract period % UK Content = [(cOH + cG + cS + cDi) x Cp x Pr] / (U – M + Di) x Cp x Pr x 100% [“Di” in denominator- tbc]

Margins	Profit margins Where commercially confidential or otherwise unable to identify Margins, assume margin is 10% of Contract Value or 10% of uncommitted [tbc]	**Committed expenditure** To derive Base Cost, remove actual profit margin from contract value. **Uncommitted expenditure** To derive Base Cost, remove assumed profit margin from Uncommitted expenditure allocated to a specific project component or category of goods/service.
Overheads	A portion of corporate overheads are included in the calculation of UK Content as part of Base Cost, and include: • asset maintenance • finance • IT • sales • research and development • human resources • training not directly associated with project For **committed expenditure with contract values >£10 million**, calculation of UK Content in Overheads is by the Supplier as the number of UK FTE within total FTE Overheads workforce, proportioned to the ratio of the contract value to total sales of the company over the contract period. For **committed expenditure with contract values <£10 million**, calculation of UK Content in Overheads is by the Customer as the number of UK FTE within total FTE Overheads workforce of the supplier, proportioned to the ratio of the contract value to estimated total sales of the Supplier over the contract period. For **uncommitted expenditure**, expenditure is allocated to a specific project component or category of service or goods, and UK Content is then calculated as follows: • assume Overheads are 10% of Base Cost [tbc] • assume that for suppliers operating in UK overheads are 100% UK Content* • assume that for suppliers not operating in UK overheads are 0% UK Content *given that definition of UKFTE is any employee or direct hire created or maintained by suppliers operating in UK, then can assume all (100%) of FTE Overheads workforce is UKFTE [tbc]	**Committed Expenditure** OH Total Annual Overhead CP Period of Contract in years V Contract Value TS Total sales over the contract period TFOH Total average FTEs in Overheads function in contract period UKFOH Total average UK FTEs in Overheads function in contract period % UK Content in OHs = [(OH x CP) x (V/TS)] x (UKFOH/TFOH) **Uncommitted expenditure** % UK Content in OH = (U - M) x 10%
Supply of Goods (manufactured products, equipment, materials)	For **committed expenditure with contract values >£10 million,** UK Content is calculated by the Supplier as the actual weighted average (by sales price) of % UK Content in all goods produced by the supplier in the year the Contract is fulfilled. This % UK Content figure is reported to all Customers in that year, regardless of product or product model/type sold to Customer [tbc] For **committed expenditure with contract values <£10 million**, UK Content is calculated by the Customer as the estimated weighted average (by sales price) of % UK Content in all goods produced by the Supplier in the year the Contract is fulfilled. For **uncommitted expenditure,** expenditure is allocated to a specific project component or category of service or goods, and UK Content is then calculated as follows: • for suppliers operating in UK, UK Content is a professional judgement based on 100% minus estimated imported value of	**Committed expenditure** PT Total sales of all products in final year of contract P1 Total sales of all of product type number 1 in final year of contract P2 Total sales of all of product type number 2 in final year of contract C1 % UK Content in P1 C2 % UK Content in P2 % UK Content in Goods = [∑ (P1 x C1) + (P2 x C2) + etc] / PT or % UK Content in Goods = C1 (where P1 is the supplied good) **Uncommitted expenditure** % UK Content in Goods = 1 - [(CIF/ (U - M - OH)]

	intermediary goods used in manufacturing process (equivalent to CIF*). [tbc] • for suppliers not operating in UK, UK Content is professional judgement of whether intermediary components in the overseas manufacture process are exported from UK, and if so the UK-retained export value. [tbc] *CIF – IncoTerm 'Cost, Insurance, Freight': https://www.trade.gov/know-your-incoterms	
Supply of Goods (fuel)	**Fuel** • Apply 70% UK Content to expenditures on fuel bought in the UK • Apply 0% UK Content to expenditures on fuel bought overseas	
Supply of Goods (internal manufacturing)	**Internal Manufacturing** For the purposes of calculation % UK Content, manufacturing processes that are performed by the supplier of a service (eg a marine vessel services company that produces spare parts in their own workshops) are treated as an Internal Supplier. Treat this internal manufacturing as per the calculation for UK Content for external suppliers of goods.	As above
Supply of Services	For all calculations of UK Content in services, first deduct from the Base Cost the value of any goods components within the service (eg products, equipment materials). If these goods are entirely consumed during the contract period (eg aggregates), then calculate % UK Content in these goods as per the Supply of Goods methodology above. If the goods deducted from service are a 'Capital Investment' (eg supplier-owned equipment deployed during contract such as earth movers or vessels, then calculate % UK Content as per the Capital Investment methodology below. [tbc] This leaves labour-in-Services as the basis of the calculation for % UK Content in services, as follows. For **committed expenditure with contract values >£10 million,** UK Content in service contracts is calculated by the Supplier as the actual total number of UK FTEs employed by the Supplier (or division of Supplier) in the last year of the contract, as proportion of total number of FTEs employed by the Supplier (or division of Supplier) in the last year of the contract For **committed expenditure with contract values <£10 million**, total UK Content is calculated by the Customer as the estimated number of UK FTEs employed by the Supplier (or division of Supplier) in the last year of the contract, as proportion of total number of FTEs employed by the Supplier (or division of Supplier) in the last year of the contract: • for suppliers operating in UK assume UK Content in total workforce of supplier is 100%* • for suppliers not operating in UK assume UK Content in total workforce service is 0% For **uncommitted expenditure,** expenditure is allocated to a specific project component or category of services, and UK Content is then calculated as follows: • for suppliers operating in UK assume service (less overheads) is 100% UK Content*	**Committed Expenditure >£10m** V Contract Value M Contract profit margins cOHs Overheads apportioned to Contract value and then pro rata to labour-in-Services only Gs Value of Goods within service contract (includes Overheads apportioned to Contract and pro rata to Goods-in-Service only) TFs Total average FTEs in supplier of service in final year of contract UKFs Total average UK FTEs in supplier of service in final year of contract % UK Content in Services (less Goods-in-Services) = (UKFs/TFs) * (V – M – Gs – cOHs) **Uncommitted expenditure** Gs Value of Goods within service component or category (includes Overheads apportioned to Contract and pro rata to Goods-in-Service only) or category UKFs Total UK FTEs in provision of service component or category cOHs Overheads apportioned to service component or category and then pro rata to labour-in services only % UK Content in Services (less Goods-in-Services) = (UKFs/TFs) * (U – M - Gs - cOHs)

	• for suppliers not operating in UK assume service is 0% UK Content *given that definition of UKFTE is any employees or direct hire created or maintained by suppliers operating in UK, then assume 100% of FTE within services meets the definition of UKFTE [tbc]	
Supply of Services (land rent)	**Land rent** The UK content is the percentage of UK FTEs involved in administering the land asset. To calculate % UK Content in insurance treat as a 'service'	as above
Supply of Services (insurance)	**Insurance** UK Content in insurance considers only the premiums paid by the Customer. To calculate % UK Content in insurance treat as a 'service'	as above
Supply of Services (warranty)	**Warranty** To calculate % UK Content in a warranty treat as a 'service'	as above
Supply of Services (internal services)	**Internal Services** For the purposes of calculation % UK Content, services that are performed by the suppliers' own workforce (excluding labour in Overheads) (eg engineering services, construction team) are treated as an Internal Supplier. Treat this internal service as per the calculation for UK Content for external suppliers of services.	as above
Capital Investments (applicable to committed expenditure only)	A Supplier may have made a capital investment in equipment or a manufacturing facility that is used to fulfil a Contract. The equipment or manufacturing facility depreciates during the fulfilment of a Contract. For the purposes of this methodology, % UK Content is calculated as portion of the depreciation cost of the investment. For **committed expenditure where the supplier's depreciated investment value over the contract period is >£10 million,** UK Content within capital investments is calculated by the Supplier as the incremental depreciation of the asset over the period of the contract, apportioned to the ratio of the contact value to total sales of the supplier over the contact period. If a Supplier has an established process for attributing an investment cost to a particular Contract, it should use this as a basis for the UK Content calculation. If a Supplier has no established process, a linear depreciation model should be used over 20 years for a marine vessel (ie 5% per year) and 10 years for other capital investments (ie 10% per year). The % UK Content of the depreciation equals the UK Content in the original investment, which is calculated by determining the % UK Content in the original investment from analysing the Contracts awarded at the time. Making this analysis will become more difficult with time, therefore for investments made more than five years before they are used in fulfilling a Contract, a Customer may make its own estimate of the UK Content in the supplier's investment. For **committed expenditure where the supplier's depreciated investment value over the contract period is <£10 million** (or is >£10 million but investment was made > 5 years before contract) UK Content within capital investments is estimated by the Customer following the guidance above.	**Committed expenditure -** where the supplier's depreciated investment value over the contract period is >£10 million: CP Period of Contract in years V Contract Value TS Total sales over the contract period Di Incremental depreciation of asset over contract period Io % UK Content in original investment % UK Content in Investments = [(V x CP) / TS] x Di x Io **Committed expenditure -** where the supplier's depreciated investment value over the contract period is <£10 million, or is >£10 but investment was made > 5 years before contract): % UK Content in Investments = [(V x CP) / TS] x Di x Io (est.)
Contingency	Treat all contingency sums as Uncommitted expenditure and follow the guidance above.	