

The UK Offshore Wind Supply Chain: A Review of Opportunities and Barriers

As the Joint-Chair of the Offshore Wind Industry Council, I am delighted to welcome the report from Matthew Chinn on the offshore wind UK supply chain being published today.

When the Minister of State for Energy, Business & Enterprise and I asked Matthew, back in May, to undertake a review of the barriers and opportunities facing the UK offshore wind supply chain, it was on the back of a growing confidence in the sector: the location of Siemens' first offshore wind manufacturing facility at the ABP Hull, the building blocks of EMR in place with the first CfD auction soon to take place and a strong pipeline of projects. It was the right time to take stock of the work industry and Government has been doing to reduce costs and build the supply chain.

Matthew's report sets out a number of recommendations both for industry and for Government which we will work on together, through the Offshore Wind Industry Council, to take forward. OWIC will respond in full to all 24 recommendations in the report and has identified the following priority actions on which to get to work on immediately:

- (i) Industry, through OWIC, needs to take a much more assertive approach to telling the success story of offshore wind in the UK to a wide audience (Recommendation 1);
- (ii) Government and industry should work together, through OWIC, to articulate a simplified message about the size of the supply chain opportunity (Recommendation 3);
- (iii) OWIC should work to identify improved forms of contract for the offshore wind sector in the UK, which provide for a collaborative relationship between developers and the supply chain – focusing first on the principles of a good contract, not a model contract (Recommendation 15);
- (iv) Industry should, through OWIC, build consensus about the appropriate level of bonding and challenge punitive levels of bonding where it occurs. They should work with the finance industry to develop alternative options that genuinely mitigate the risks arising from the suppliers chosen (Recommendation 16);
- (v) Industry should continue to work together through OWIC to explore the extent to which standardisation is currently possible and practical and agree actions to deliver on those areas (Recommendation 20);
- (vi) Government should seek to discuss with its northern European counterparts how all countries can maximise the supply chain benefits of the wider European market (Recommendation 21);
- (vii) Government should simplify existing initiatives to keep on improving its help for companies throughout the supply chain to help them better navigate the large array of support mechanisms that exist. This may mean better signposting, rather than ever new initiatives (Recommendation 22);

In itself, this is a challenging agenda, but I am greatly encouraged by the commitment shown by the industry to work collaboratively to deliver these improvements. OWIC and the Offshore Wind Programme Board have a strong track record of delivery – I am confident we can continue to deliver

to maximise the strength of the UK supply chain – and the jobs and investment that follow – as a result of our world-leading position on offshore wind.

Benj Sykes

Joint-Chair of the Offshore Wind Industry Council