



Urenco Capenhurst's socioeconomic impact on the UK economy

December 2024



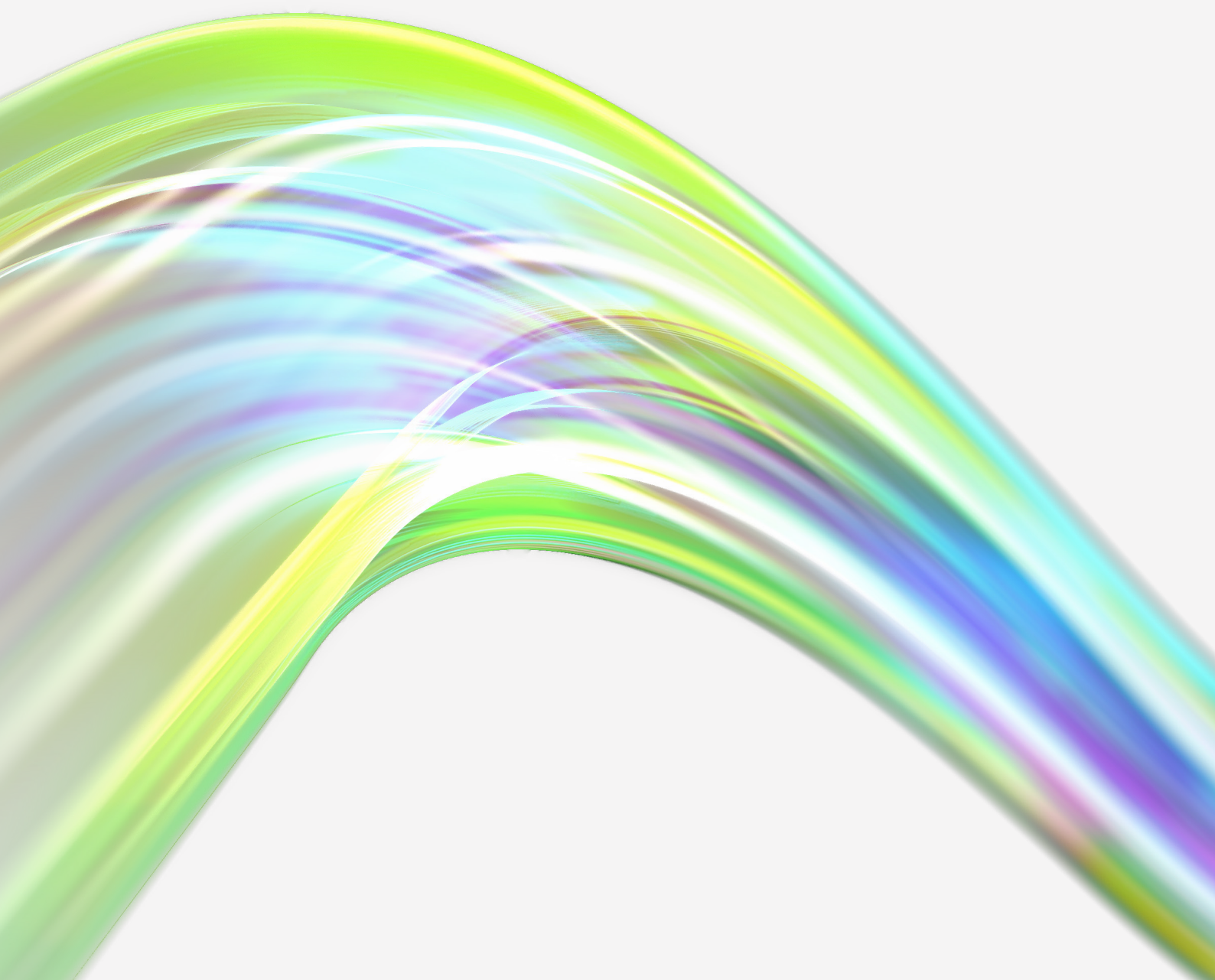


December 2024

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Executive summary

Urenco is a global supplier of enrichment services and fuel cycle products for the civil nuclear industry.

Urenco is a trusted, long-term international supplier of uranium enrichment services, fuel cycle products and related solutions to the nuclear industry. Founded in 1970 by the governments of Germany, the Netherlands, and the United Kingdom, it has uranium enrichment facilities in each of the three countries and the United States. It supplies enrichment services and fuel cycle products for use in nuclear power stations around the globe. This report commissioned by the company focuses on its Capenhurst site near Chester, UK, which forms part of the 'North West Nuclear Arc', a unique nuclear sector cluster – spanning the North of England and North Wales. It quantifies the economic contribution that Urenco Capenhurst's operations made to the UK economy in 2023. It assesses the impact of Urenco Capenhurst itself, and the economic activity stimulated by its procurement from its UK supply chain and by the payment of wages. The results are presented across three metrics: the contribution to UK GDP, employment, and tax receipts generated.

Urenco Capenhurst also contributes to the UK economy by boosting its productive potential. It does so by enhancing the skills of its workforce through training, and participating in the Richie programme to foster science, engineering, technology, and maths, or STEM careers among young people. Moreover, Urenco Capenhurst's considerable export presence (71% of Urenco Capenhurst's turnover in 2023 was generated by exports) helps to support UK jobs with these sales likely to boost the UK's ability to exercise soft power.

Urenco Capenhurst's contribution to UK GDP

Oxford Economics estimates that Urenco Capenhurst supported a £547 million contribution to UK GDP in 2023. Some £256 million or 47% of this was generated by Urenco Capenhurst itself based on Oxford Economics' analysis, with the remainder supported along its supply chain and by wage-induced impacts. This means that Urenco Capenhurst has a GDP multiplier of 2.1. In other words, for every £10 million in GDP generated by the Capenhurst facility itself, another £11 million is generated elsewhere in the economy.

We estimate Urenco Capenhurst's procurement stimulated a £174 million contribution to GDP along its UK supply chain in 2023. It purchased inputs of goods and service from 1,003 UK suppliers. Some 25% of its domestic procurement spend went to the North West of England.

In 2023, Urenco Capenhurst and its suppliers are estimated to have paid their combined staff £173 million in wages. This is estimated to have stimulated a £117 million contribution to GDP.

Urenco Capenhurst's contribution to UK employment

In 2023, Urenco Capenhurst supported 4,575 jobs around the UK. Urenco Capenhurst itself employed 951 people as at the end of 2023, 21% of the estimated total, implying it had an employment multiplier of 4.8. This means that for every 10 people employed at the Capenhurst facility, its expenditure supported another 38 people's jobs elsewhere in the UK. This multiplier is higher than Oxford Economics' 2023 study of the wider civil nuclear industry where the employment multiplier was found to be 3.3.¹ This study defined the civil nuclear sector as including firms directly involved in the generation of nuclear power, and those in its "nuclear-specific" supply chain.

Urenco employed 951 people at its Capenhurst site. To give an indication of scale this is approximately 1.5% of the total number of people estimated to be employed in the civil nuclear industry in the UK.

Urenco Capenhurst's contribution to UK tax receipts

In 2023, Urenco Capenhurst is estimated to have generated tax revenues of £130 million. This would have been sufficient to pay the annual salaries of over 4,050 nurses in the UK. Urenco Capenhurst itself paid £52 million in taxes to the Exchequer.

Urenco Capenhurst is estimated to have a tax multiplier of 2.5. So for every £1 million it pays the Exchequer in tax, it supports another £1.5 million in tax payments around the UK economy.

Urenco Capenhurst's contribution to the productive potential of the UK economy

Urenco Capenhurst spent £600,000 on apprenticeships and sponsored education. In 2023, Urenco Capenhurst had 33 apprentices in learning, mostly between the ages of 16 and 20 years old and a further 16 people taking part in further education.

¹ Nuclear Industry Association, January 2023. [The Economic Impact of the Civil Nuclear Industry](#).

1. Introduction

Urenco is a global supplier of nuclear fuel enrichment services and fuel cycle products for the civil nuclear industry. Urenco has served the nuclear fuel supply chain for over 50 years, equipping the business with the expertise to reliably deliver its services and solutions, which are critical for the clean energy transition. Urenco is one-third owned by the UK government, one-third by the Dutch government and one-third by German utilities RWE Power AG and PreussenElektra GmbH and has the benefit of four enrichment facilities in the UK, Germany, the Netherlands, and the United States. It supplies enrichment services and fuel cycle products for the civil nuclear industry globally and in 2023, supplied to over 50 customers all over the world, supporting the generation of carbon free energy in 19 countries which use nuclear power.

The company's profile and importance has grown in recent years with increased emphasis on the role of nuclear energy in the clean energy transition and achieving energy security goals. Governments around the world have increasingly turned their attention to nuclear as a method of generating carbon-free electricity with the aim of meeting their climate targets. Nuclear is the second largest source of clean energy generation used today and will continue to play a critical role in providing baseload electricity.² This is ever more evident given the climate crisis and the need to decarbonise economies, as well as the need for greater energy security and independence following the invasion of Ukraine in 2022.

Urenco's role in the global nuclear supply chain is evolving. In May 2024, the UK government awarded £196 million to Urenco to build a new uranium enrichment facility.³ This is to produce high-assay low enriched uranium (HALEU) fuel by 2031. This fuel type is used by more modern advanced nuclear reactors, including the small modular reactors that are coming on line. This co-investment between Urenco and the UK Government is a significant step in the UK's domestic advanced nuclear fuel

production capabilities – a market currently dominated by Russia as the only commercial producer of HALEU.

Before that investment gets underway, this study focuses on the economic contribution of Urenco's site at Capenhurst in 2023. It is located approximately 10 km to the north of Chester and has several activities on site including: enrichment; chemical deconversion, and nuclear stewardship carried out by Urenco UK Limited, Urenco Chemplants Limited, and Urenco Nuclear Stewardship Limited, respectively.

This report will consider these activities in aggregate. It therefore looks at all the operations from the Capenhurst site. It excludes the operations of the company's head office in Stoke Poges, Buckinghamshire.

This report provides an assessment of the socio-economic contribution Urenco Capenhurst makes to the UK. The company's economic footprint is assessed using a standard means of analysis called an economic impact assessment. This technique enables a modelling of Urenco Capenhurst's economic impact in terms of its contribution to GDP, number of jobs supported, and tax revenues generated for the Exchequer. The estimates are made for the calendar year 2023. A summary of the methodology is provided in Box 1, with more details in the Appendix at the end of this report.

Urenco Capenhurst's contribution to the UK is not limited to the activity that is supported by its ongoing operations. The report also investigates how Urenco's investment in apprenticeships, and other staff training act as catalysts for future economic activity, by enhancing the UK economy's productive potential.

² International Energy Agency. 2024. [World Energy Outlook 2024](#).

³ Department for Energy Security and Net Zero. 2024. [HALEU deconversion competition: scheme guidance](#).

The report is structured as follows:

- Chapter 2 explores the direct economic contribution Urenco Capenhurst made to the UK in 2023, through its own generation of GDP, employment, and tax revenues at its Capenhurst site.
- Chapter 3 investigates the impact its procurement has in stimulating economic activity along its UK supply chain. It quantifies the gross value added, employment, and tax receipts it supports at suppliers.
- Chapter 4 analyses Urenco Capenhurst and its suppliers' payment of wages and how that impacts the consumer economy.
- Chapter 5 investigates the total economic contribution Urenco Capenhurst makes through its expenditure.
- Chapter 6 looks at how Urenco Capenhurst boosts the supply side of the economy through the training and upskilling it provides its workers.
- Chapter 7 concludes.

Box 1: Introduction to our economic impact analysis

The impact Urenco Capenhurst has on the UK economy is assessed using an economic impact assessment. This involves quantifying the company's economic contribution across three channels of expenditure (summarised in Figure 1, overleaf). The channels of impact are:

- **Direct impact** relates to the employment and economic activity generated at Urenco's site in Capenhurst.
- **Indirect impact** captures the economic benefit stimulated by Urenco's procurement of inputs of goods and services from its UK supply chain.
- **Induced impact** comprises the wider economic benefits that arise from the payment of wages by Urenco Capenhurst, and the firms in its UK supply chains, to staff who spend their income in local retail, leisure, and other outlets.

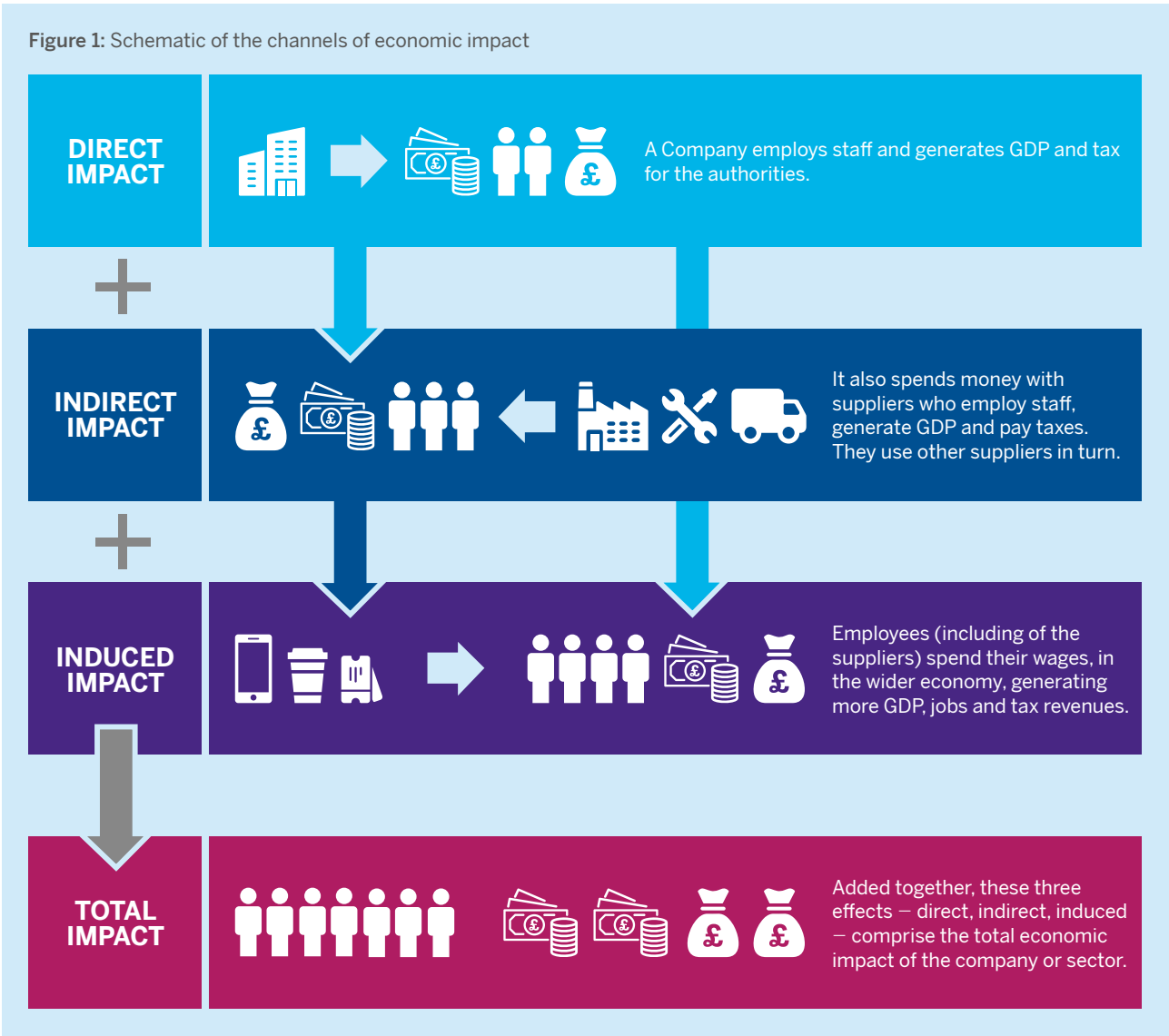
This approach enables us to build a picture of Urenco Capenhurst and its overall contribution to the UK economy across three key metrics:

- **GDP** or, more specifically, Urenco Capenhurst's gross value added contribution to GDP. In simple terms, gross value added is the value Urenco's output is sold for, minus the cost of bought-in goods and services used up to make the output.
- **Employment**, measured on a headcount basis for comparison with Office for National Statistics (ONS) employment data.
- **Tax revenues**, including corporation tax, business rates, income tax, and National Insurance contributions.

The results are presented on a gross basis. They therefore ignore any displacement of activity from Urenco's competitors or other firms. Nor do they consider what the resources currently used by Urenco Capenhurst or stimulated by its expenditure could alternatively produce in their second most productive usage.

Our analysis also looks at Urenco Capenhurst's **catalytic impacts** on the productive potential of both the UK and local economies. This explains how the company's efforts to improve the human capital of its staff boosts the supply side of the economy. These are largely treated in a qualitative way and cannot be added to the expenditure impacts summarised above.

Figure 1: Schematic of the channels of economic impact



2. Direct impact

This chapter investigates the economic contribution made by Urenco at its Capenhurst site, near Chester. It looks at what it contributes to UK GDP, the numbers of people it employs, and the tax revenues it pays.

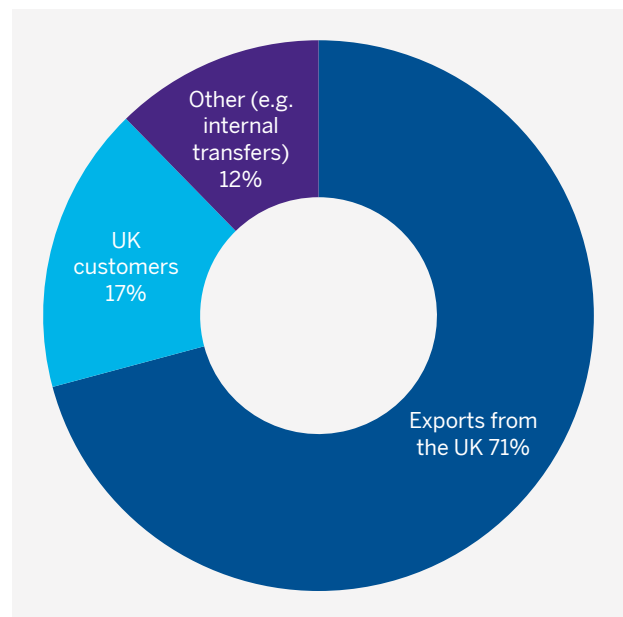
2.1 Turnover

Urenco Capenhurst earned £523 million in turnover in 2023. The majority (£406 million or 78%) was generated by enrichment services at the Capenhurst site, with nuclear stewardship and chemical deconversion services generating the remainder. A large proportion of Urenco's sales are to overseas customers; in 2023 71% of Urenco Capenhurst's turnover (£371 million) was generated by exports (Figure 2). To give some context to this figure, in 2023, the UK's nuclear exports of goods (e.g. nuclear reactors and radioactive materials and not including enrichment services) amounted to 1.3 billion.⁴

In 2023, the US was Urenco Capenhurst's largest market, with one third of its revenues (£171 million) from sales to US based customers (Figure 3). The next largest market was mainland Europe (£142 million), followed by the UK (£116 million).

Exporting offers the company significant opportunities to grow and also reduces risk. This brings advantages for the UK economy and, in turn, enhances the company's offering to its domestic customers. Selling overseas enables companies such as Urenco to benefit from economies of scale and scope. This allows it to spread its fixed costs over a wider range and number of goods and services, reducing its per-unit costs and making it more price competitive. This safeguards jobs in the UK, both at Urenco and in its domestic supply chains and through wage-consumption impacts.

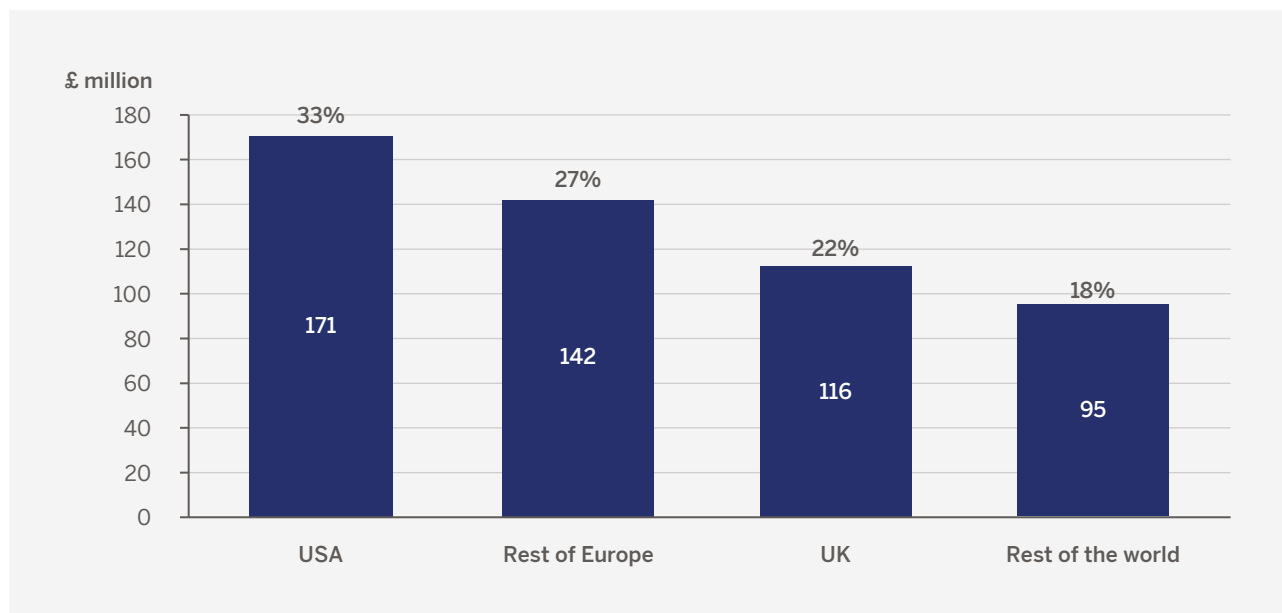
Figure 2: Share of turnover earned by Urenco in 2023. Source: Urenco



Finally, sales to foreign clients can boost Urenco's brand name and reputation within the industry, helping to boost future business. These sales may also boost the UK's overall reputation and ability to exercise soft power. For example, in 2023, Urenco signed a long-term agreement to supply enrichment services for a state-owned nuclear power plant in Bulgaria.⁵ The plant generates more than a third of Bulgaria's electricity and the agreement will help support Bulgaria in becoming more energy independent.

⁴ UNCOMTRADE. We identified the following SITC codes relevant to the nuclear industry.71871: Nuclear reactors and parts thereof, 71877: Nuclear reactors, 71878: Fuel elements (cartridges), non-irradiated, for nuclear reactors, 7189: Parts of nuclear reactors, 52515: Uranium or plutonium, 52517: Uranium and its compounds depleted in U235, thorium and its compounds, alloys, and other products containing uranium depleted in U235 or thorium, 52519: Spent (irradiated) fuel elements (cartridges) of nuclear reactors.

⁵ Urenco, [Press release](#), April 2023

Figure 3: Urenco Capenhurst's revenue by customer region. Source: Urenco; Oxford Economics

2.2 Urenco Capenhurst's contribution to GDP

We estimate that in 2023 Urenco Capenhurst made a £256 million contribution to UK GDP. The major contribution came from the £160 million gross operating surplus the company made (as measured by its earnings before interest, taxes, depreciation, and amortisation (EBITDA)). Urenco Capenhurst paid £90 million in compensation to its employees, which included the payment of wages, pensions, social security contributions, bonuses, and benefits in kind (Figure 4). In addition, Urenco Capenhurst also contributed £6 million in business rates in 2023. This is approximately 8% of total value of business rates received by Cheshire West & Chester Council in financial year 2023-24.⁶

To give an indication of scale, Urenco Capenhurst's direct contribution to UK GDP is 2.5% of that made by all the firms, institutions, and other economic actors in the Cheshire West and Chester local authority district where it is located.⁷ Alternatively, its GDP contribution is approximately 5% of that of the total UK civil nuclear industry.⁸

2.3 Urenco Capenhurst's contribution to employment

As at the end of 2023, Urenco employed 951 people at its UK Capenhurst site. To give an indication of scale this is approximately 1.5% of the total number of people estimated to be employed in the civil nuclear industry in the UK in 2021.⁹ The company provided employment across a wide range of skill

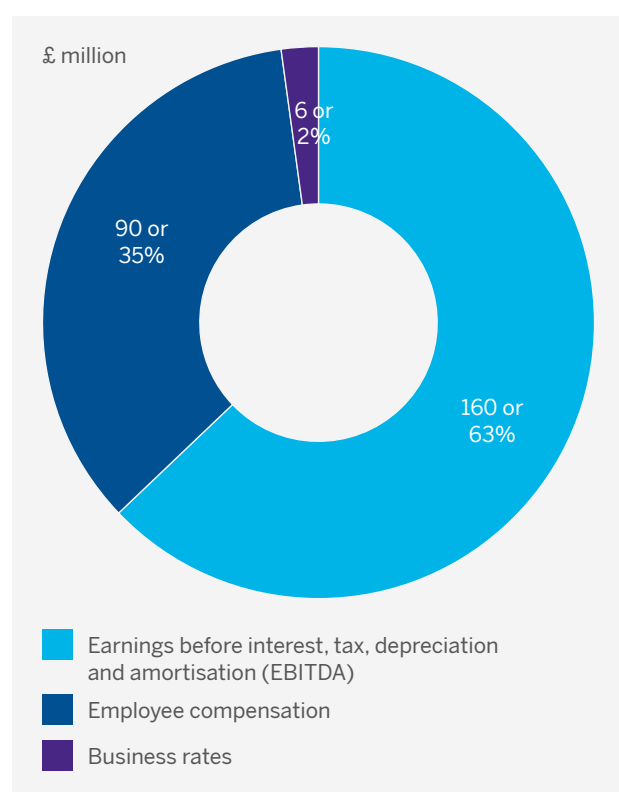
⁶ Cheshire West & Chester Council, Budget Book 2023-24.

⁷ ONS. 2024. Regional gross value added (balanced) by industry: local authorities by ITL1 region.

⁸ Nuclear Industry Association. 2023. *Delivering value: The economic impact of the civil nuclear industry*.

⁹ Nuclear Industry Association. 2023. *Delivering value: The economic impact of the civil nuclear industry*.

Figure 4: Urenco Capenhurst's direct contribution to UK GDP in 2023. Source: Urenco; Oxford Economics



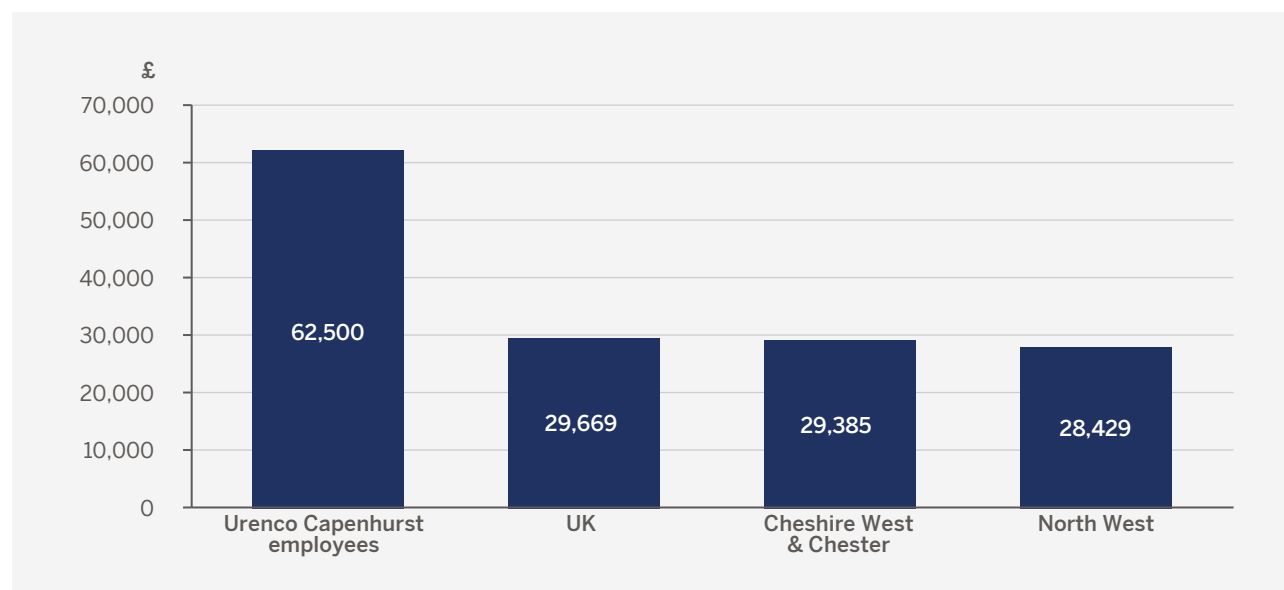
levels and different job types. Some 62% of total employees were employed in the operations on the site, while 27% are employed in the technology division.

A large number of contractors also worked on site over 2023. As Urenco Capenhurst pays for their services as part of its spend on inputs of goods and services, these are considered in the indirect impact in Chapter 3.

2.4 Wages at Urenco

In 2023, Urenco Capenhurst paid a total of £53.7 million in basic salaries (excluding bonuses, pensions, and social security payments), with the median average basic salary amounting to £62,500. To put this in context, the median annual pay for all employee jobs (full and part time) in the UK in 2023 was £29,669. The median wages that Urenco employees receive are more than double that of the Cheshire West and Cheshire local authority district and the wider North West region (Figure 5).¹⁰ The payment of high wages will drive consumer spending in the region which will help to boost the wider economy.

Figure 5: Median annual earnings in 2023. Source:ONS; Oxford Economics



¹⁰ ONS. 2023. Earnings and hours worked, place of residence by local authority: ASHE Table 8.

3. Indirect impact through supply chain spending

Urenco Capenhurst supports economic activity along its UK supply chain through its procurement spending. This expenditure stimulates gross value added, employment, and tax receipts at its suppliers, and those firms' supply chains.

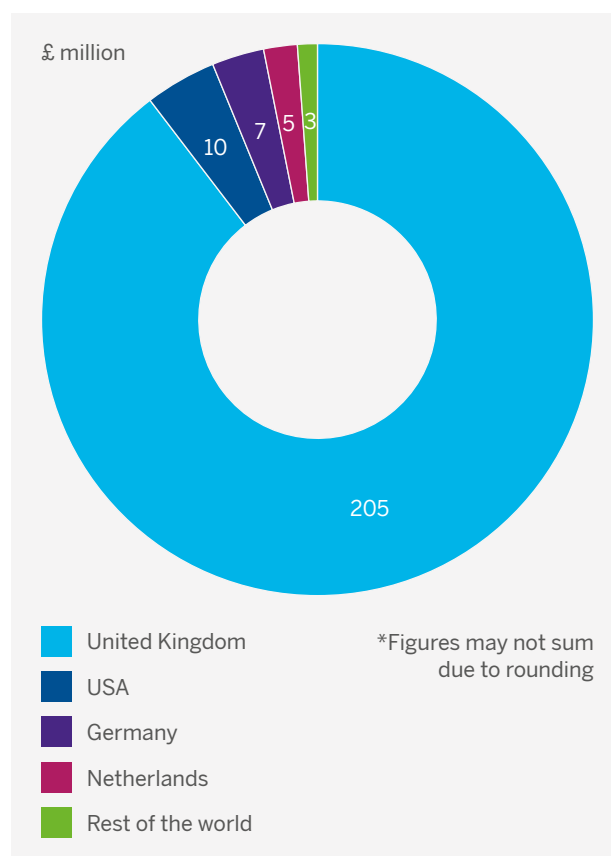
3.1 Urenco Capenhurst's expenditure on inputs of goods and services

In 2023, Urenco Capenhurst spent £229 million on inputs of goods and services. Of this, £205 million or 90% was spent with UK suppliers (Figure 6). Imports from foreign suppliers provided the other £24 million, or 10%. The majority of the imports were sourced from suppliers in the United States, Germany, and the Netherlands.

Urenco Capenhurst bought inputs from 1,003 different suppliers in the UK. They were located across the length and breadth of the nation. Forty-eight were located with the same local authority as Urenco's Capenhurst site, namely Cheshire West and Chester and 239 more in the rest of the North West region. By value, 2.7% of the spend is with suppliers in the same local authority and 25% in the rest of the North West (Figure 7).

In England, the spend takes place with suppliers that are disproportionately located in deprived areas. In 2023, Urenco spent 17.4% of its procurement budget with English suppliers in the 10% of local authorities ranked the most deprived by the English indices of deprivation (Figure 8).¹¹ Of these local authorities, Salford, Manchester, and Nottingham are where Urenco's procurement spend is the highest. Similarly, 33.7% of Urenco's procurement budget was spent with firms located in the 25% most deprived local authorities. Procurement spend in deprived areas helps to reduce regional inequalities because the spend supports local jobs. Moreover, economic activity in the area is further boosted through workers spending their wages in the local economy.

Figure 6: Urenco's expenditure on inputs of goods and services by country. Source: Oxford Economics



¹¹ Ministry of Housing, Communities & Local Government. 2019. English indices of deprivation 2019.

Figure 7: Heatmap of Urenco Capenhurst's procurement spend in the UK in 2023

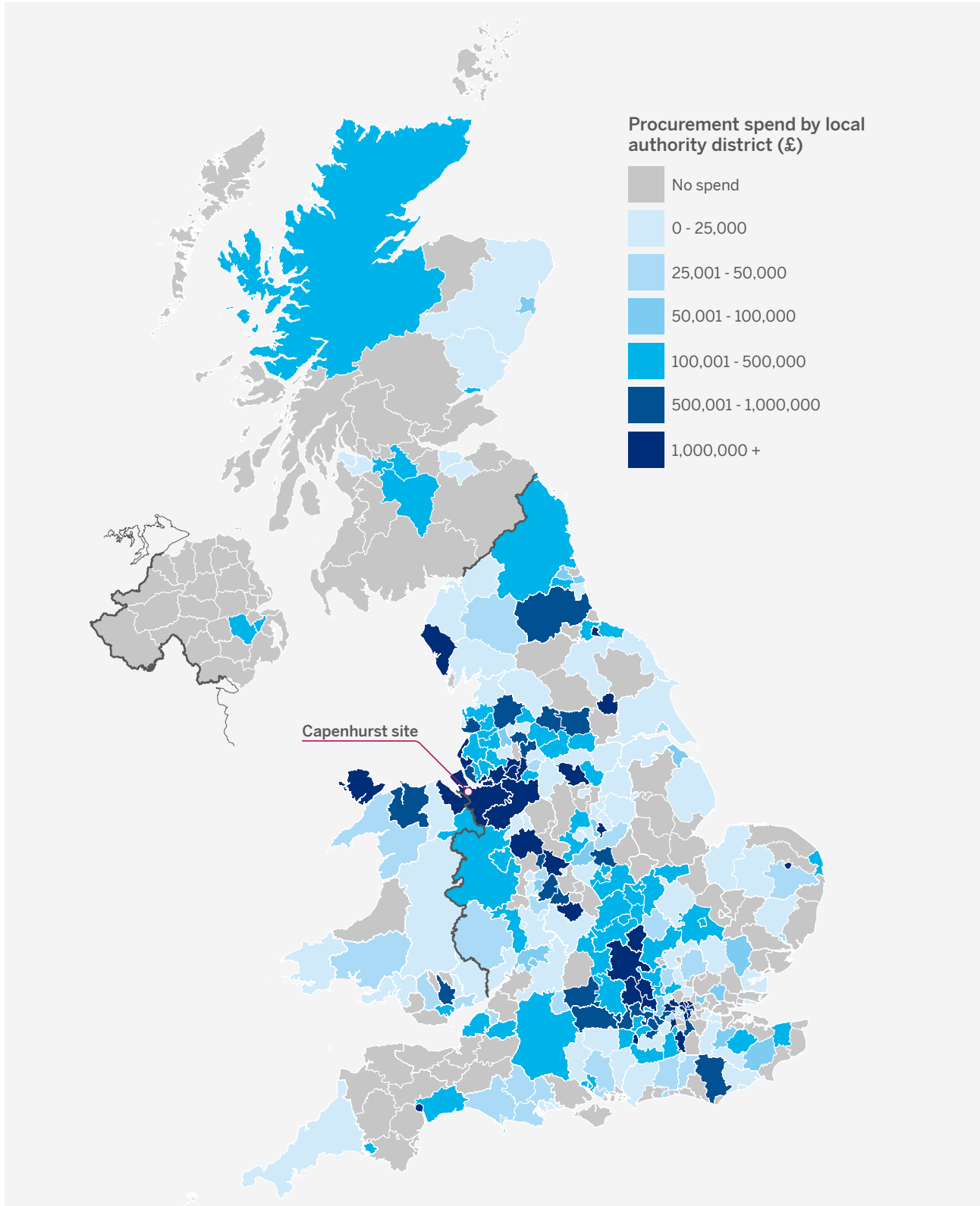
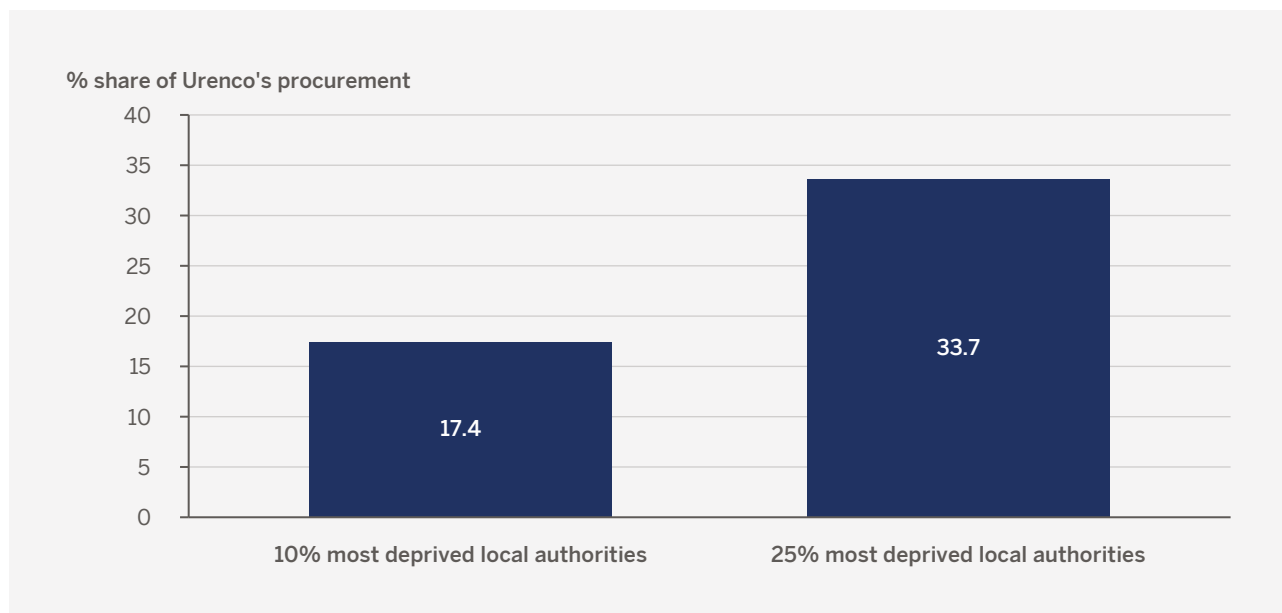


Figure 8: Share of Urenco Capenhurst's procurement from suppliers in England in 2023. Source: Oxford Economics

This expenditure stimulated jobs, economic activity, and taxes at the company's immediate suppliers and also along their supply chains, as the suppliers purchased parts and services in order to fulfil Urenco's orders. We estimate Urenco Capenhurst's procurement stimulated £174 million in gross value added along its UK supply chain in 2023. Of this, £64 million was within the business sector services, such as law, accountancy, consultancy, architecture, engineering, testing, scientific R&D, equipment rental, employment agencies, cleaning, and security. Another £28 million was spent on IT and other information services (Figure 9). Suppliers in electricity, gas, water supply, sewerage etc. were the third-largest beneficiaries (£14 million).

Urenco Capenhurst's spend on inputs of goods and services from domestic suppliers stimulated 2,330 jobs in the UK. We estimate over 900 of these, or 41%, were at firms providing business sector services (Figure 10). Another 346 jobs were supported in IT and other information services. A further 178 were in construction. Some of these people will work on site, so are likely to also spend money in the local economy.

We estimate that the economic activity and employment stimulated by Urenco Capenhurst's procurement in 2023 generated £48 million in tax receipts.

Figure 9: Gross value added stimulated at UK suppliers by Urenco Capenhurst's procurement in 2023, by industry. Source: Oxford Economics

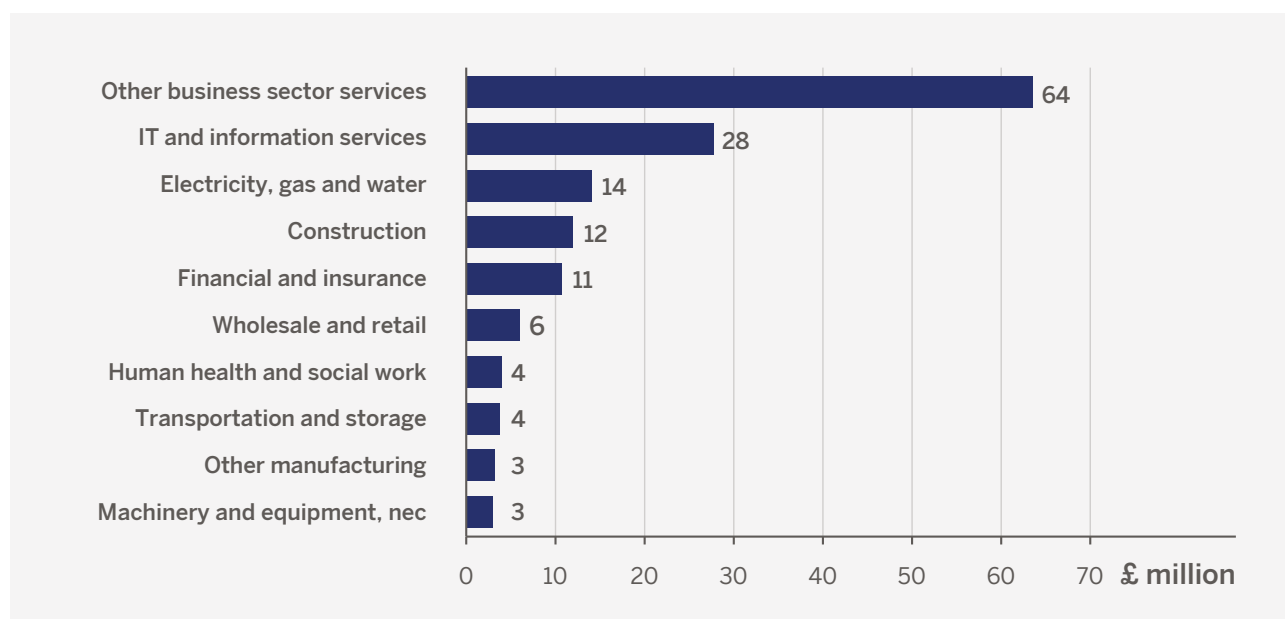
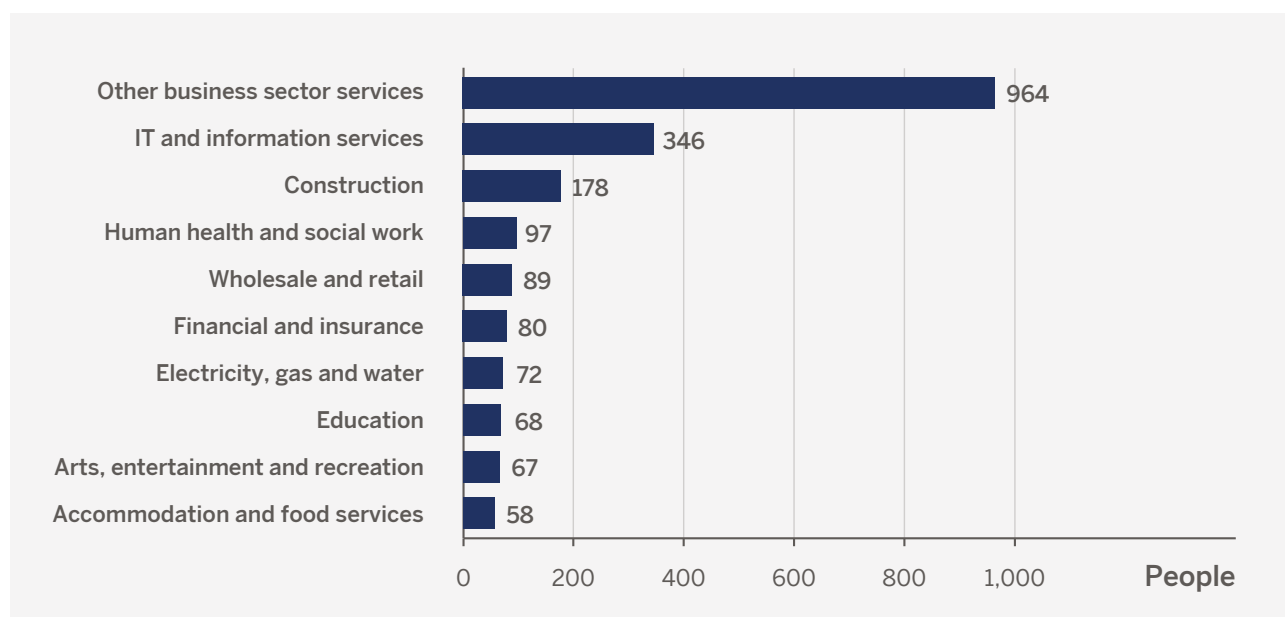


Figure 10: Employment stimulated at UK suppliers by Urenco Capenhurst's procurement in 2023, by industry. Source: Oxford Economics



4. Induced impact through wage consumption

The final channel of the impact on the demand side we consider is the induced impact. This describes the gross value added, employment, and tax revenues in the UK by the wage-financed consumption of the firms' workers and by workers in its supply chain.

4.1 The wages supported

In 2023, Urenco Capenhurst paid its staff £72 million in gross pay. After the payment of income tax and employee National Insurance contributions, the 951 employees received £54 million which they could potentially spend. Using data on the average pay in each industry, we estimate the 2,330 workers Urenco Capenhurst's procurement supported along its supply chain received £102 million in gross wages.¹²

The wages paid to Capenhurst staff by Urenco and the firms in its domestic supply chain were partially used to purchase goods and services. This consumer spending created demand at retail, leisure, and other outlets, and along their supply chains, which supported economic activity, jobs, and taxes.

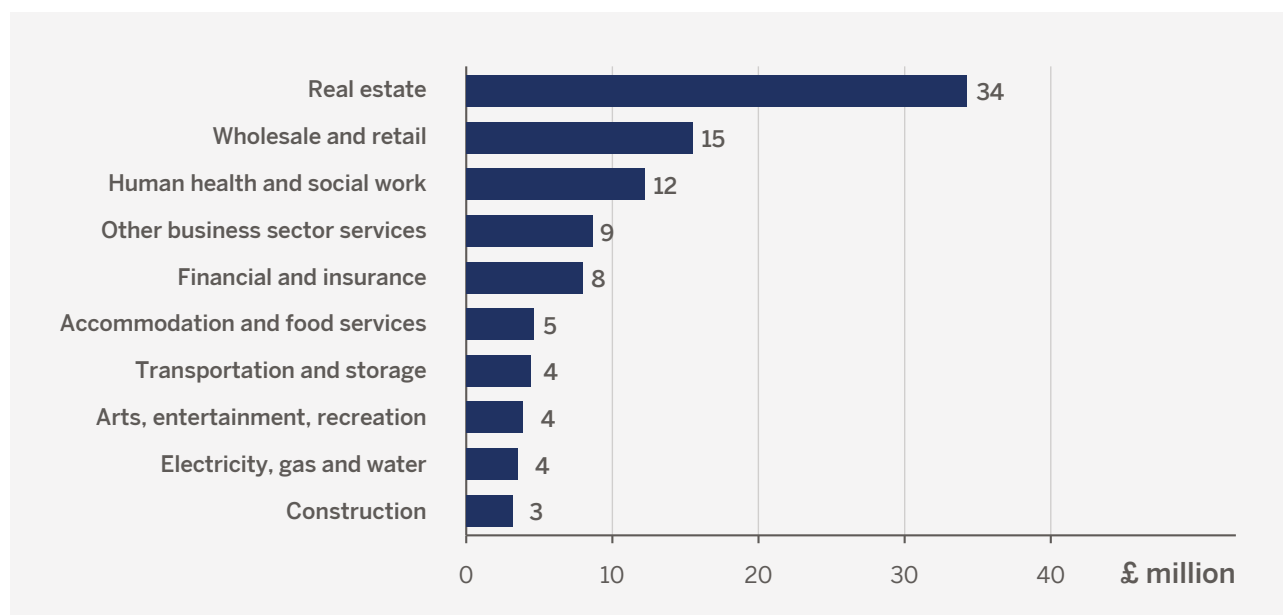
4.2 Size of the induced impact

In 2023, the 3,280 staff's wage-financed consumer spending is estimated to have supported a £117 million gross value-added contribution to GDP. Of this, £34 million or 29% was supported in the real estate sector from the renting, buying, and selling of property. Another £15 million or 13% was stimulated in the retail and wholesale sector. The health industry's gross value added is estimated to have increased by £12 million.

The wage-financed consumption is estimated to have supported 1,294 jobs in 2023, of which 296 were in the retail and wholesale sector and 107 in the hospitality sector. The stimulated economic activity and employment are estimated to have supported £30 million in tax payments.

¹² ONS. 2019. Earnings and hours worked, industry by two-digit SIC: ASHE Table 4.

Figure 11: Induced GVA by Urenco Capenhurst's procurement in 2023, by industry. Source: Oxford Economics



5. Total impacts

The direct, indirect, and induced impacts outlined in this chapter can be summed to quantify the total gross contribution Urenco Capenhurst made to the UK economy in 2023 through its expenditure.

5.1 Urenco Capenhurst's total impact on gross value added

In 2023, Urenco Capenhurst's expenditure stimulated an estimated £547 million gross value-added contribution to UK GDP. Some £256 million or 47% was generated at the company itself. Its procurement stimulated another £174 million along its domestic supply chain (Figure 12). This indirect impact was 32% of the Capenhurst facility's total impact on GDP. Its induced impact supported an estimated £117 million contribution to UK GDP, or 21% of its total.

Urenco Capenhurst's gross value-added multiplier was 2.1. Therefore, for every £10 million in gross value added generated at the company's Capenhurst site, it supported a further £11 million around the rest of the UK economy through its expenditure.

Analysed by industrial sector, £258 million of the gross value added supported by the Capenhurst site in the UK was generated in the chemicals and pharmaceutical products sector (Figure 13). This was 47% of the contribution to UK GDP, and included the activity generated by Urenco itself. The second largest gross value added contribution to GDP was supported in the other business services sector at £72 million, or 13% of the total. The IT and other information services was the third largest beneficiary.

Figure 12: Urenco Capenhurst's total impact on UK GDP in 2023. Source: Oxford Economics

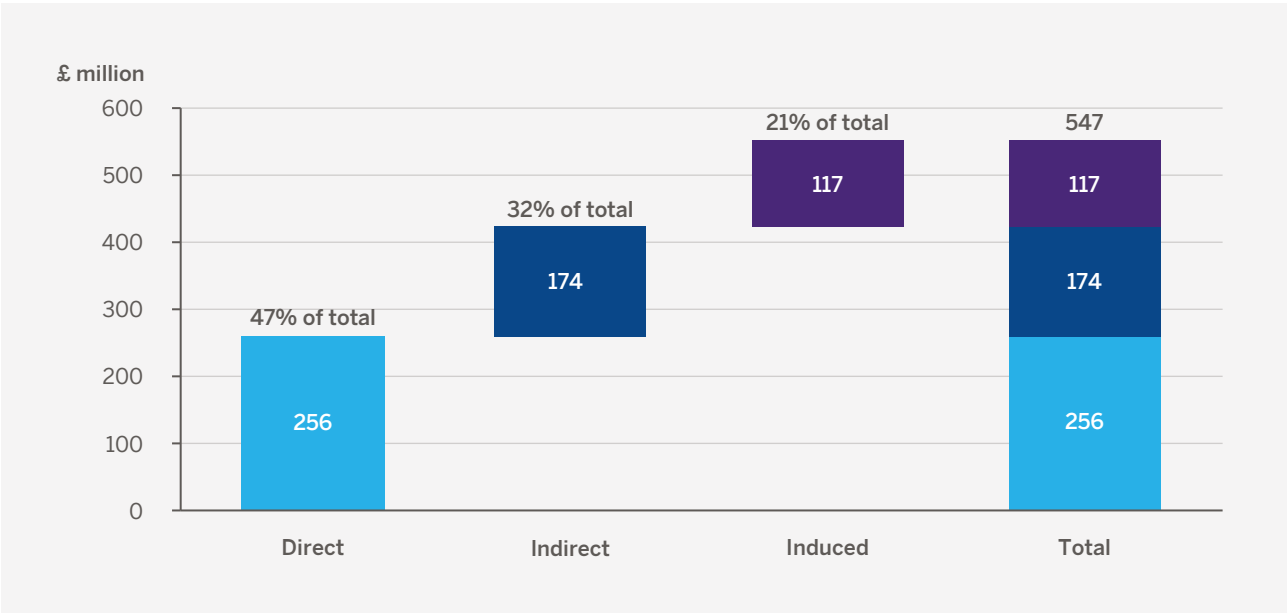
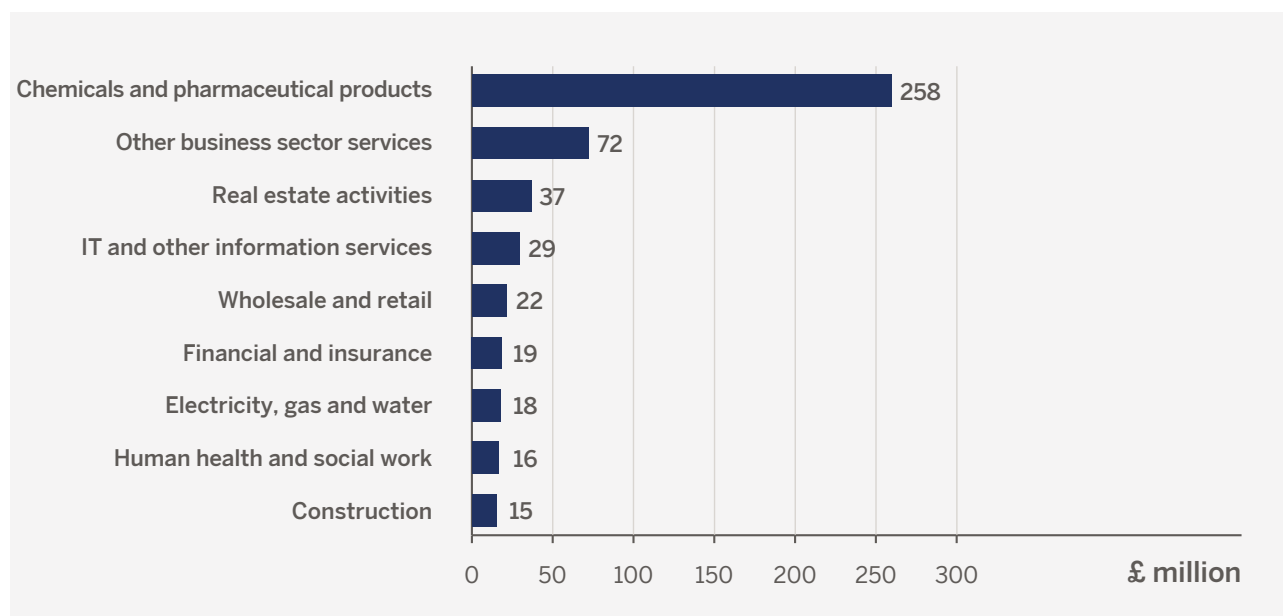


Figure 13: Gross value added supported by Urenco Capenhurst in 2023 by industrial sector. Source: Oxford Economics



5.2 Urenco Capenhurst's total impact on employment

In 2023, Urenco Capenhurst supported 4,575 jobs around the UK. The site itself employed 951 people or 21% of the estimated total. Its procurement is estimated to have supported another 2,330 people in employment along its supply chain or 51% of the total (Figure 14). Another 1,294 people or 28% owed their jobs to the induced impact.

Urenco Capenhurst's employment multiplier is estimated to be 4.8 at the UK level. Therefore, for every 10 people employed at the site itself, it supports another 38 in employment around the rest of the UK. This multiplier is higher than our 2023 study of the wider civil nuclear industry where the employment multiplier was found to be 3.3.¹³ This study defined the civil nuclear sector as including firms directly involved in the generation of nuclear power, and those in its "nuclear-specific" supply chain.

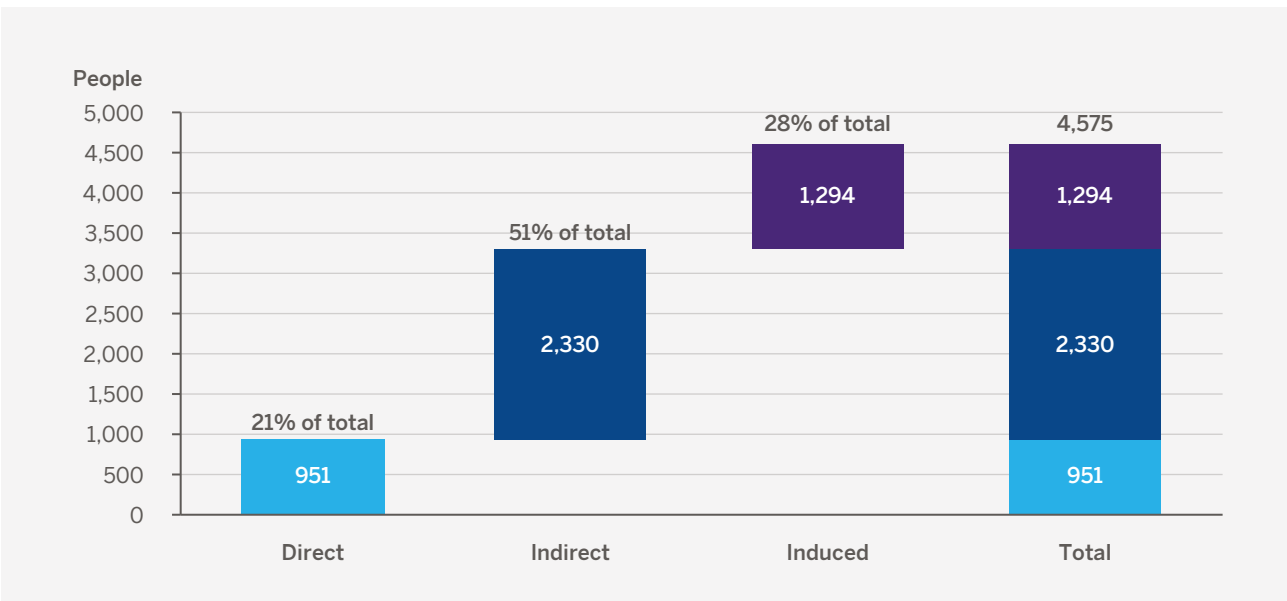
Of the 4,575 jobs Urenco Capenhurst is estimated to have supported in 2023, 1,095 or 24% occurred in the other business services sector (Figure 15). Another 963 were stimulated in the chemicals industry, which includes Urenco's own employees at the Capenhurst site. The company's expenditure stimulated some 393 jobs in the health and social work sector.

5.3 Urenco Capenhurst's total impact on tax receipts

In 2023, Urenco Capenhurst supported tax receipts worth £130 million to the Exchequer. To give a sense of scale, this would cover the annual salary of 4,050 nurses in 2023.¹⁴

Of the tax receipts supported, £52 million or 40% were by paid by the company itself or its staff through their income tax or National Insurance contributions. The economic activity and employment generated by the indirect and induced impacts are estimated to have generated £48 million and £30 million of tax receipts, respectively.

Figure 14: Urenco Capenhurst's total contribution to employment in 2023. Source: Oxford Economics



¹³ Nuclear Industry Association, January 2023. [The Economic Impact of the Civil Nuclear Industry](#).

¹⁴ ONS. 2023. [Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14](#).

Figure 15: Employment supported by Urenco Capenhurst in 2023 by industrial sector. Source: Oxford Economics

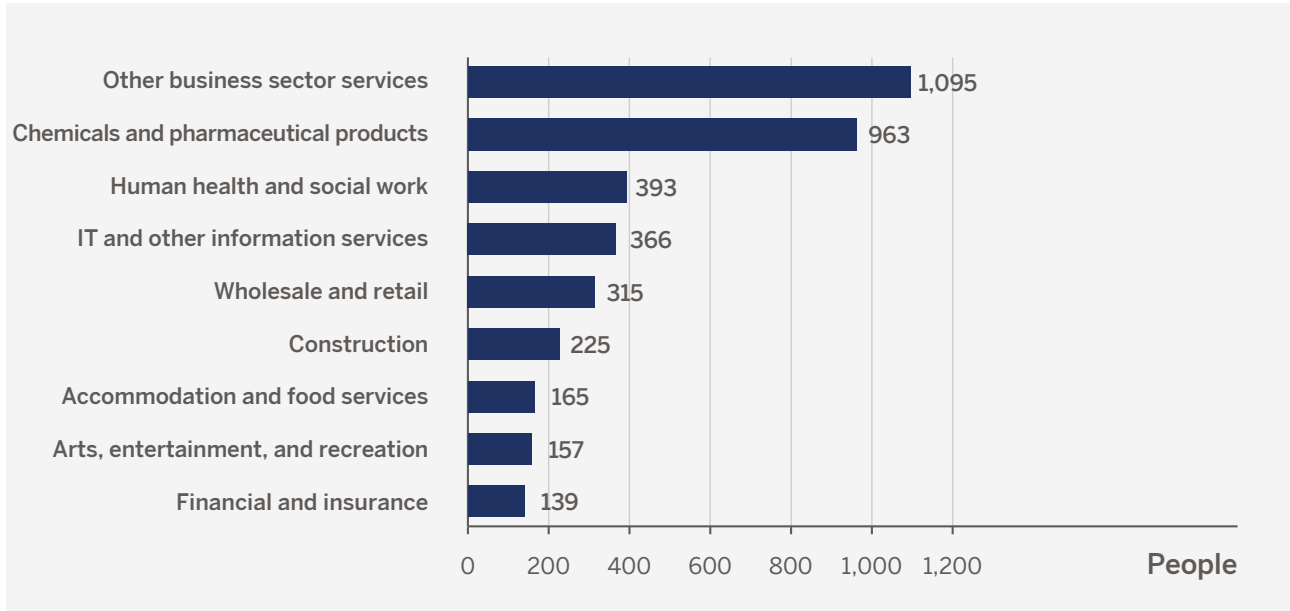
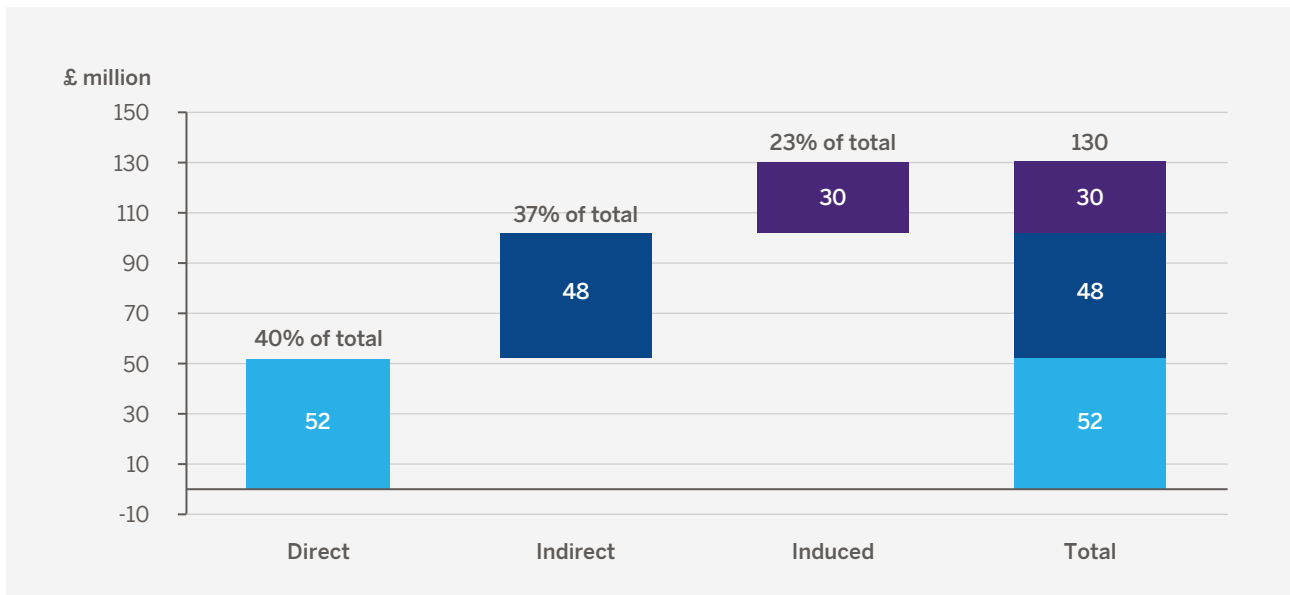


Figure 16: Tax receipts supported by Urenco Capenhurst's expenditure in 2023. Source: Oxford Economics



6. Urenco Capenhurst's other contributions to the UK

Aside from the expenditure impacts it creates, Urenco Capenhurst also contributes to the UK economy by boosting its productive potential. It does this through its investment in the training and education it provides its staff and students. Both boost the productive potential of the UK economy.

6.1 Urenco Capenhurst's investment in skills

Urenco Capenhurst's investments in staff training helps to boost the productive potential of the economy through the passing on of new knowledge and competencies. Some of this new knowledge may also be transferred to colleagues, as the recipient of the training will likely share some of their new skills with their co-workers. Training may also boost innovation as the skills and knowledge acquired may help the firm develop new products or knowledge or adapt more rapidly to the introduction of new technology or work processes.

In 2023, Urenco Capenhurst spent some £600,000 on apprenticeships and sponsored education. At the end of 2023, Urenco Capenhurst had 33 people taking part in apprenticeships and 16 people taking part in further education with courses ranging from BTECs to masters' level. Academic evidence suggests that apprenticeships play a pivotal role in establishing young adult's careers with the impact of apprenticeships shown to significantly increase lifetime earnings and chances of being employed.¹⁵

Urenco Capenhurst also contributes to the UK's human capital through its work to sponsor STEM and other education through its CSR efforts discussed in the next section.

6.2 Urenco Capenhurst's impact on the local community

Urenco has underlined its commitment to a sustainable future through its multiyear impact programme. Urenco Capenhurst has formed partnerships with charitable organisations focused around Chester and within an hours' drive of the Capenhurst facility. Urenco Capenhurst support includes a wide range of activities including cash giving, in-kind contributions (such as the donation of equipment), and staff time through volunteering during work hours. Some of the causes Urenco and its staff support are:

- **Chester Zoo:** Urenco has a multi-year partnership with Chester Zoo to support its conservation research. The aim is to double the size of its current laboratory facilities to reinforce its science programme and increase its training capacity. This should enable the zoo to reach over 150,000 young people through different learning programmes. Chester Zoo, with Urenco's support, will not only continue to be a leader in conservation and preventing extinction but will also increase its global impact by influencing zoos across the world. Furthermore, Urenco funding will also assist Chester Zoo to create job opportunities for graduates and trainees.
- **University of Manchester:** Led by the University of Manchester, the multi-year partnership is working with the Science & Engineering Education Research and Innovation Hub (SEERIH), Dalton Nuclear Institute and Scott Heath (Prof of Nuclear Chemistry) to support a coordinated and focused STEM programme for pupils, teachers and students across primary, secondary and tertiary education. There will be a particular focus on engaging pupils from lower socio-economic areas. This partnership will enable students from a wide socioeconomic background to recognise their potential, find out more about sustainable solutions, raise their science capital and access innovative and rewarding careers.

¹⁵ BIS 2011, The long term effect of vocational qualifications on labour market outcomes.

- **Teach First:** Urenco is the first nuclear company to support STEM education through Teach First, an established and respected route to encourage and develop a more diverse and inclusive pipeline of future STEM professionals. Through the partnership with Urenco, Teach First has been able to train and develop 45 new STEM teachers nationally over a three year period, as well as creating opportunities to engage with schools through coaching and site visits. Urenco is supporting a further 20 teachers in the next phase of the partnership.
- Urenco started **The Richie Education Programme** to foster young people's interest in science, technology, engineering, and maths (STEM). This programme enables schools and students to have access to informative hands on workshops and digital resources. In 2023, over 51,000 students engaged with the STEM online resources.
- Teams from Urenco Capenhurst have also supported two local mental health charities. They produced engineering drawings and fitted out the rooms for **Flynn's Port in the Storm** in Ellesmere Port. This is a community based mental health charity centre, and mental health crisis cafe. From the facility the charity provides counselling and mental health services to patients throughout Cheshire West and Chester, Cheshire East, the Wirral and Merseyside. Urenco Capenhurst also supports **Men in Sheds**, a charity aimed at boosting mental health, as people come together to repair and repurpose items, and do other voluntary activity.
- Urenco Capenhurst regularly donates to **Claire House Charity Hospice**, based in the Wirral and Liverpool, which helps seriously and terminally ill children. Other regular donations have been made to the Hospice of the Good Shepherd in Chester.

7. Conclusion

This report has explored how Urenco's operations at its Capenhurst site impact the UK economy. We estimate that for the year 2023 Urenco, an international supplier of enrichment services and fuel cycle products for the civil nuclear industry, supported a contribution of nearly £550 million to UK GDP. Its operations and supply chain supported over 4,500 jobs across the country. This comprised the 951 employees at Urenco Capenhurst and more than 3,600 jobs in the rest of the economy, sustained by both the company's procurement of goods and services as well as the wage-induced spending it supports. We estimate Urenco's Capenhurst operations raised £130 million in tax revenues, enough to pay the annual salaries of some 4,050 nurses.

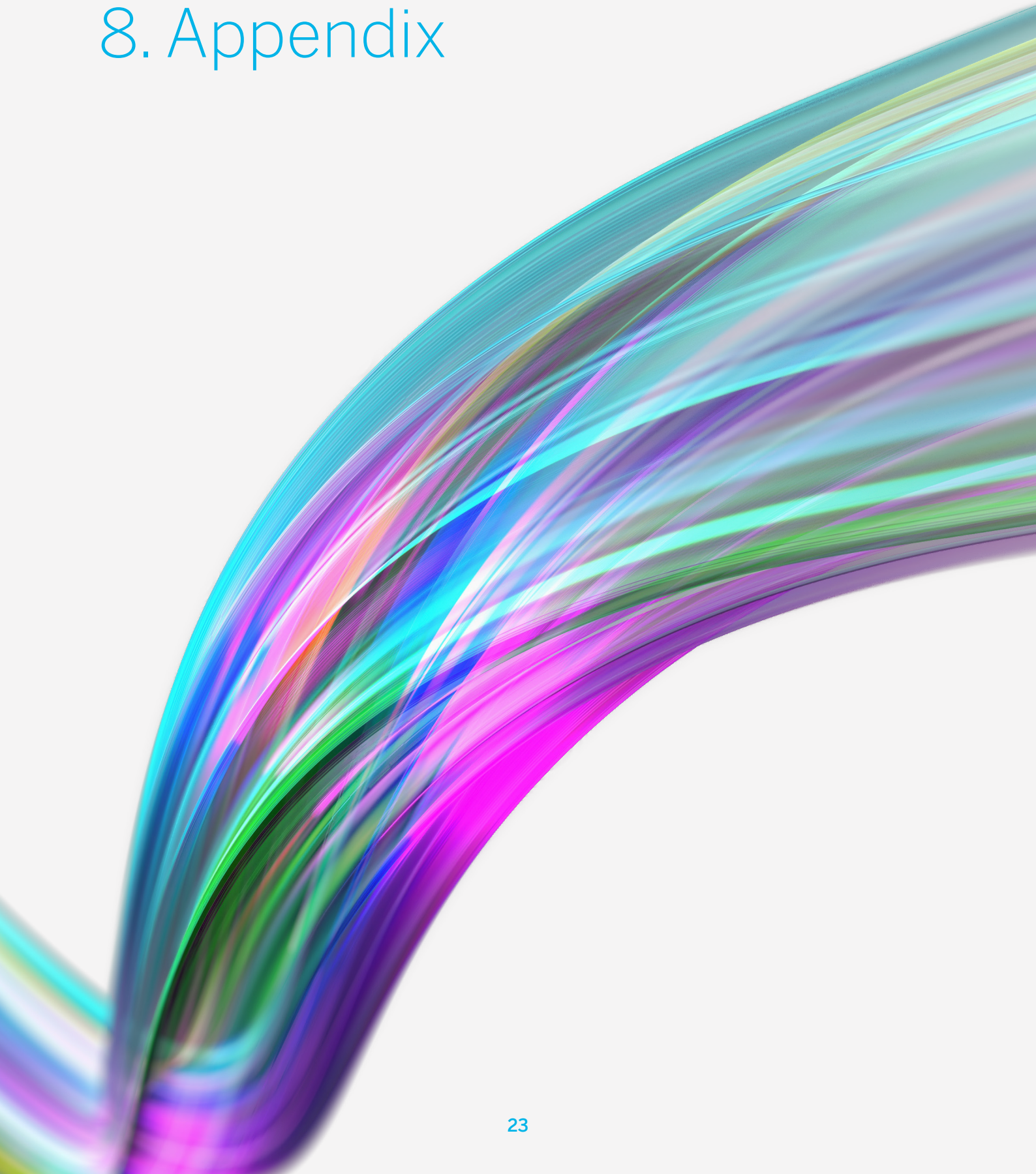
As well as contributing towards economic growth, Urenco's Capenhurst facility supports employment by providing highly skilled jobs. This means that Urenco can pay its staff well, with employees on average earning a basic salary of £62,500, more than twice the UK average of £29,895.

This is especially important in the North West of England, which is home to some of the country's more socio-economically deprived districts. Urenco Capenhurst also supports reducing regional inequalities through its supply chain. In 2023 it spent some £230 million with over 1,000 suppliers, of which almost a quarter were in the North West of England. In 2023 it spent a third of its procurement budget with firms located in the 25% most deprived local authorities.

Urenco is investing in the next generation of workers at its Capenhurst site via apprenticeships and further education. The £600,000 it spent in 2023 supported 33 people within apprenticeship schemes and 16 people taking part in further education with courses ranging from BTECs to masters' level. Apprenticeships are particularly important as independent research has shown that they can boost participants' chances of getting a job and their lifetime earnings when in work.

While this study has looked at the impacts the company's existing operations in Cheshire, the role that Urenco plays in the global nuclear chain is about to change. In May 2024 it was awarded £196 million by the UK Government to construct an advanced nuclear fuels facility to produce high-assay low enriched uranium (HALEU). The new facility will produce fuel from 2031 which will help accelerate the development of a civil HALEU commercial market and in-turn the development of the next generation of nuclear reactors. This means the company is well placed to be part of the next phase of nuclear power generation and will make a contribution to the country's energy security by reducing the reliance on Russia as the current sole supplier of HALEU commercially. As well as continuing to support the UK economy, Urenco will be well placed to safeguard the UK's national interest through its development of new nuclear fuels.

8. Appendix



8. Appendix

Economic impact modelling

Economic impact modelling is a standard tool used to quantify the economic contribution of a company or sector. Impact analysis traces the economic contribution of a company through three separate channels:

- **Direct impact** – refers to the economic activity undertaken by Urenco at its Capenhurst site in the UK.
- **Indirect impact** – consists of activity that is supported as a result of Urenco's procurement of goods and services by Urenco in the UK, plus the further purchases of those UK suppliers, and so on.
- **Induced impact** – reflects activity supported by the spending of wage income by both "direct" and "indirect" (supply chain) employees.

Direct impacts

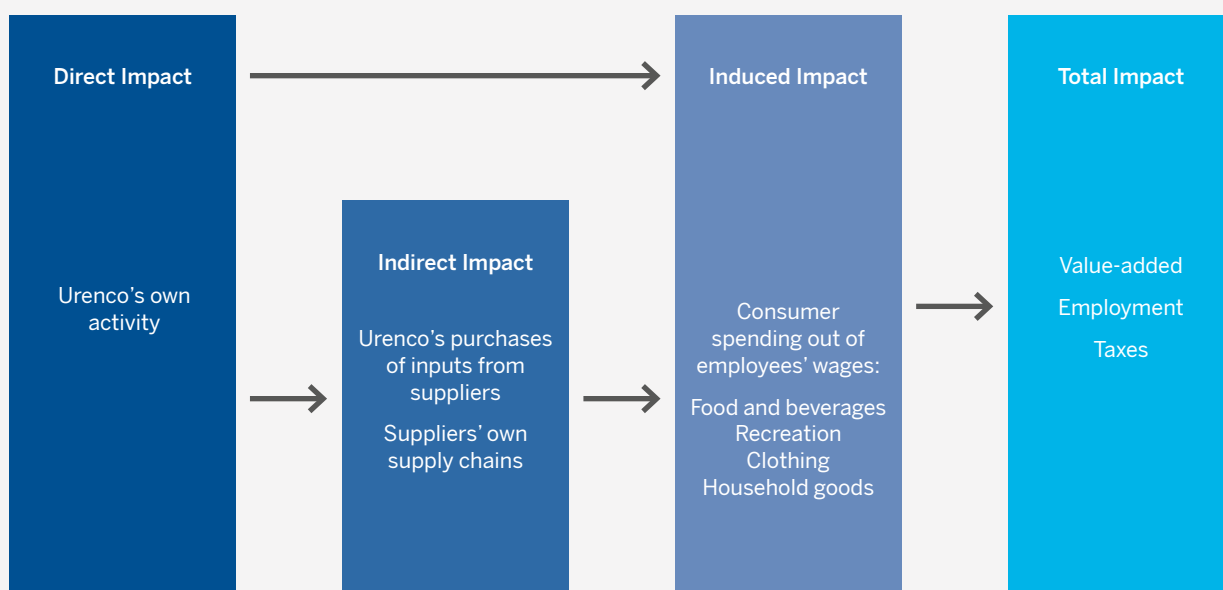
Urenco Capenhurst's direct impact is calculated using the so-called income approach to national accounting.

This means that we sum the components of income to obtain an estimate of the company's gross value-added contribution to GDP. For Urenco, the relevant income components are its compensation of employees and EBITDA measure of profits. To this we add its payments of business rates as a production tax to get GDP.

Indirect and induced impacts

Indirect and induced impacts are estimated using an "input-output" model. This type of model sets out the goods and services that UK industries purchase from one another in order to produce their output (as well as their purchases from abroad). These tables also provide detail on the spending patterns of UK households and indicate whether this demand is met by UK production or imported products. In essence, the tables show who buys what from whom. Figure 18 demonstrates a stylised input-output model. Using details of these linkages from the input-output tables, Oxford Economics constructed a bespoke global impact model which traces the intermediate

Figure 17: Calculating the total economic impact through the three channels

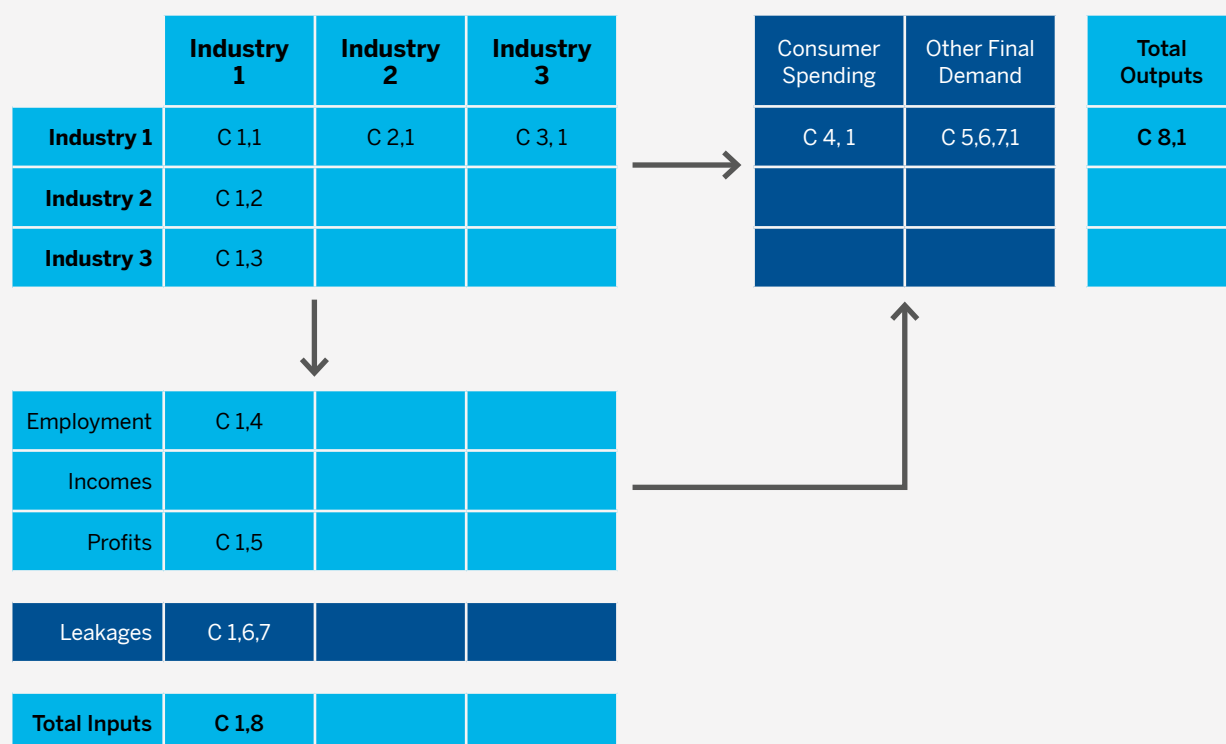


consumption impact, and capital good consumption impact, attributable to Urenco (this is known as the Leontief manipulation). This impact model quantifies all rounds of subsequent purchases along the supply chain. These transactions are translated into GDP contributions, using UK-specific ratios of gross value added to gross output, sourced from the UK input-output table. Once we have obtained results for output and gross value added, we estimate employment using productivity estimates for each industry. These are sourced from the ONS's Annual Business Survey and Business Register and Employment Survey.¹⁶ The scale of tax receipts generated

along Urenco's supply chain and stimulated by its payments of wages (i.e., the indirect and induced impacts) are estimated from a range of official data sources. Average wages of employees in each industry are sourced from the ONS's Annual Survey of Hours and Earnings.¹⁷ Income tax and National Insurance Contributions allowances and rates are sourced from HMRC. Effective corporation tax rates are sourced from HMRC.¹⁸

We used the input-output table for 2020, produced by the OECD, for this analysis.¹⁹ This was the most recent global input-output table at the time of modelling.

Figure 18: A stylised input-output model



¹⁶ ONS. 2024. Non-financial business economy, UK: Sections A to S.

¹⁷ ONS. 2023. Earnings and hours worked, industry by two-digit SIC: ASHE Table 4.

¹⁸ HMRC. 2020. Corporation tax statistics 2023.

¹⁹ OECD. 2024. Inter-Country Input-Output tables.



Urenco Limited
Urenco Court
Sefton Park
Bells Hill
Stokes Poges
Buckinghamshire
SL2 4JS UK

[urencolimited.co.uk](https://www.urencolimited.co.uk)