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Heathrow strengthens its support for the UK steel industry

IMMEDIATE RELEASE: Wednesday 17 July 2019

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At an industry event today, Heathrow has become the latest signatory to the UK Steel Charter, signalling its continued support for this vital strategic industry and maximising the opportunities for UK steel producers to supply the project. Heathrow is the first major private sector signatory of the Charter, and the announcement follows public sector support from the Department for Business, Energy and Industrial Strategy (BEIS), and the Scottish and Welsh Governments.

In signing the Charter, Heathrow has committed to taking specific steps to maximise the amount of UK steel used in the project. These include:

- ✓ Develop a future steel pipeline, detailing and publicising its future steel requirements well in advance of tendering and construction
- ✓ Place a requirement in appropriate contracts requiring the origin of steel to be provided
- ✓ Monitor and produce data on the levels of UK-produced steel used in the expansion

The UK Steel Charter is an important new initiative aimed at maximising the amount of UK produced steel used in UK construction and infrastructure projects. Building on pre-existing government policy in this area, the Charter asks organisations to sign up and commit to a range of simple procurement steps, ensuring decisions take into account longer term strategic sustainable aims such as economic growth, and social and environmental considerations, as well as cost. The steps will inject real transparency into procurement practises, maximising the ability of UK steel producers to compete for and win supply contracts in the UK.

In the coming months, UK Steel will be working to encourage more organisations to follow Heathrow's examples and sign the Charter, in particular encouraging those key Government departments with oversight for major projects and spending, such the Department for Transport and the Ministry of Defence. With Heathrow Expansion now on-board, support will also be sought from other major infrastructure projects, including HS2 and offshore windfarm developers. Heathrow's support should now act as a catalyst for others right across the UK to sign up and to use their purchasing power to support UK steel, UK manufacturing and UK jobs.

John Holland-Kaye, Heathrow's Chief Executive said:

"We're incredibly proud to be signing the UK Steel Charter today, building on our 2016 commitment to follow public sector procurement requirements for steel. Heathrow expansion is an opportunity to deliver an economic boost for all the nations and regions of the UK, and supporting the steel industry is key to achieving that."

"In addition, Heathrow will be the first major infrastructure project in the UK to pioneer the large-scale use of Logistics Hubs – aiming to build as much of the project offsite as possible. A number of our 18 shortlisted Logistics Hub sites are based in steel-producing communities and we hope this opportunity will boost confidence, innovation and investment in these areas."

Gareth Stace, UK Steel Director General said:

“We are absolutely thrilled that Heathrow Expansion has decided to sign the UK Steel Charter. Right from the start, Heathrow Expansion has been committed to ensuring that the benefits of this multi-billion pound project are felt in every corner of the United Kingdom. In signing the UK Steel Charter, Heathrow is giving steel producers the length and breadth of the UK the best possible chance of playing a major part in this exciting project.”

Deirdre Fox, Director Strategic Business Development at Tata Steel in Europe and Chair of UK Steel Procurement Committee said:

“Heathrow should be applauded for supporting strong supply chains and thereby communities across the UK as it expands its operations.

“Signing up to the UK Steel Charter will help ensure UK steel companies have the best chance to provide the hundreds of thousands of tonnes of steel needed for the expansion project.

“Supporting projects like the Heathrow Expansion is in the DNA of Tata Steel and the other UK steel companies which are ready and able to supply steel to this important project.”

Roy Rickhuss, General Secretary of Community, said:

“This is another welcome signatory to the UK Steel Charter. Heathrow Expansion is leading the way in the private sector in demonstrating its commitment to our steel industry.

“This is a big vote of confidence in the UK’s ability to supply into major infrastructure and construction projects.

“I hope other major steel consumers will follow Heathrow Expansion’s example and sign up to the UK Steel Charter.”

ENDS.

Notes:

The UK Steel Sector:

- Produces 8 million tonnes of steel a year, around 80% of the UK’s annual requirement
- Employs 31,900 people directly in the UK and supports a further 52,300 in supplies chains and local communities
- The average steel sector salary is £36,000, 28% higher than the UK national average and 46% higher than the regional average in Wales, and Yorkshire & Humberside where its jobs are concentrated
- Makes a £1.6 billion direct contribution to UK GDP and supports a further £3.9 billion
- Makes a £3.2 billion direct contribution to the UK’s balance of trade
- 96% of all steel used in the UK is recovered and recycled to be used again and again

UK Steel, a division of Make UK, is the trade association for the UK steel industry. It represents all the country’s steelmakers and a large number of downstream steel processors. <https://www.makeuk.org/uksteel>

The UK Charter and accompanying guidance can be found here:
<https://www.makeuk.org/Insights/Publications/2019/04/18/UK-Steel-Charter>

Existing UK Government guidance on the public procurement of steel can be found here:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/576874/13DecFinal_publication_version_PPN_Steel_Procurement_2_4_.pdf