

Brexit: Amey preparedness activity

DECEMBER 2020

Amey is one of the UK's largest infrastructure support service providers. Every household in Britain benefits from the work Amey does, from maintaining the UK's road and rail infrastructure, keeping schools safe and clean, managing the UK's defence estate, safely escorting prisoners and keeping prisons and courts secure, collecting and processing waste, as well as delivering utilities services.

As a strategic supplier to government, we have a responsibility to taxpayers and local communities to ensure that the public services we operate remain stable throughout Brexit.

The breadth and complexity of our supply chains, in addition to the large number of people we employ, may expose us to certain risks as a result of the UK's decision to leave the EU, but we consider those risks to be manageable and we have held extensive consultations with our customers and key suppliers to understand their concerns, conduct detailed risk assessments and develop contingency plans.

Since the Referendum in June 2016, our priority has always been to maintain business as usual across our contracts. We are doing this by ensuring that we are engaged with all our customers and that their priorities are embedded in our preparedness activity and in the contingency plans of our key suppliers. This ensures a consistent approach is taken across the supply chain, which leaves us better able to safeguard the delivery of public services, irrespective of the negotiating outcome.

All our preparedness activity has been led by a single project management team comprising experienced commercial leads from across our business, together with key group functions such as legal, procurement, finance and communications.

OUR STATEMENT

Amey has carried out a detailed review of its operational business and supply chain, including second and third tier suppliers. This includes setting up a working group to review our customers' requirements, the impact on key supply chain partners and the potential effect on our workforce.

Our primary focus is to ensure that our employees remain supported and our services remain uninterrupted. As the UK finalises the details of its new relationship with the EU, we will continue to closely monitor developments and build further contingency into our operations where we can.

John Faulkner

Group Strategy & Development Director, Amey



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WHAT ARE THE RISKS?

We have focussed our preparedness activity on the following areas:

- 7.45% of our workforce are non-UK nationals and we employ many more through our supply chain. We have engaged with these employees as a matter of priority to reassure them that we are aware of the risks they face and are taking appropriate measures to ensure their continued employment at Amey is as straightforward as possible. We have also extended this additional support to the UK nationals we employ overseas.
- Most of our contracts rely on the use of machinery and plant and some of the parts we need for our equipment to remain operational come from the EU. In the absence of a trading agreement with the EU, the cost of those parts may rise and become harder to source. To mitigate against this, we have undertaken a review of our stock and supplier lists to ensure we have continued access to the parts we need at competitive prices, even in the absence of a trading agreement.
- A further concern related to machinery and plant is the cost and availability of fuel. We continue to monitor the effect of Brexit on its price and availability and we have undertaken a review of our stock and storage capacity at depots across the UK. As part of our commitment to reaching net zero carbon across our business, an increasing number of the vehicles we use are powered by electric and hydrogen sources and we are committed to using more renewable energy where we can. At present, however, we have no alternative power source for many of the vehicles and tools that we use.
- Amey also imports large quantities of materials, such as aggregates, from the EU. The impact of price rises, shortages or delays for importing these materials could have an impact on our ability to deliver projects on time and on budget. To guard against this, we have undertaken a similar review of our stock and storage capacity, as well as our supplier lists, to ensure we will continue to have access to the materials we need.
- Lastly, as a strategic supplier to government, Amey is governed by several procurement, safety, financial and data protection regulations from the EU that are going to change and require us to adapt. We continue to engage with government and our regulators to ensure that we are prepared for and compliant with the upcoming changes.

MORE INFORMATION

To find out more about Amey's Brexit preparedness activity, please contact publicaffairs@amey.co.uk

