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# Kier Group plc

HMP Millsike Analyst and Investor Site Visit

14 May 2024



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# 1. Introduction

Simon Kesterton,

Chief Financial Officer, Kier Group plc



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# Introduction



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**Simon Kesterton**  
Chief Financial Officer, Kier Group plc

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**Stuart Togwell**  
Group Managing Director, Kier Construction

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**Paul Wright**  
Operations Director, Kier Construction

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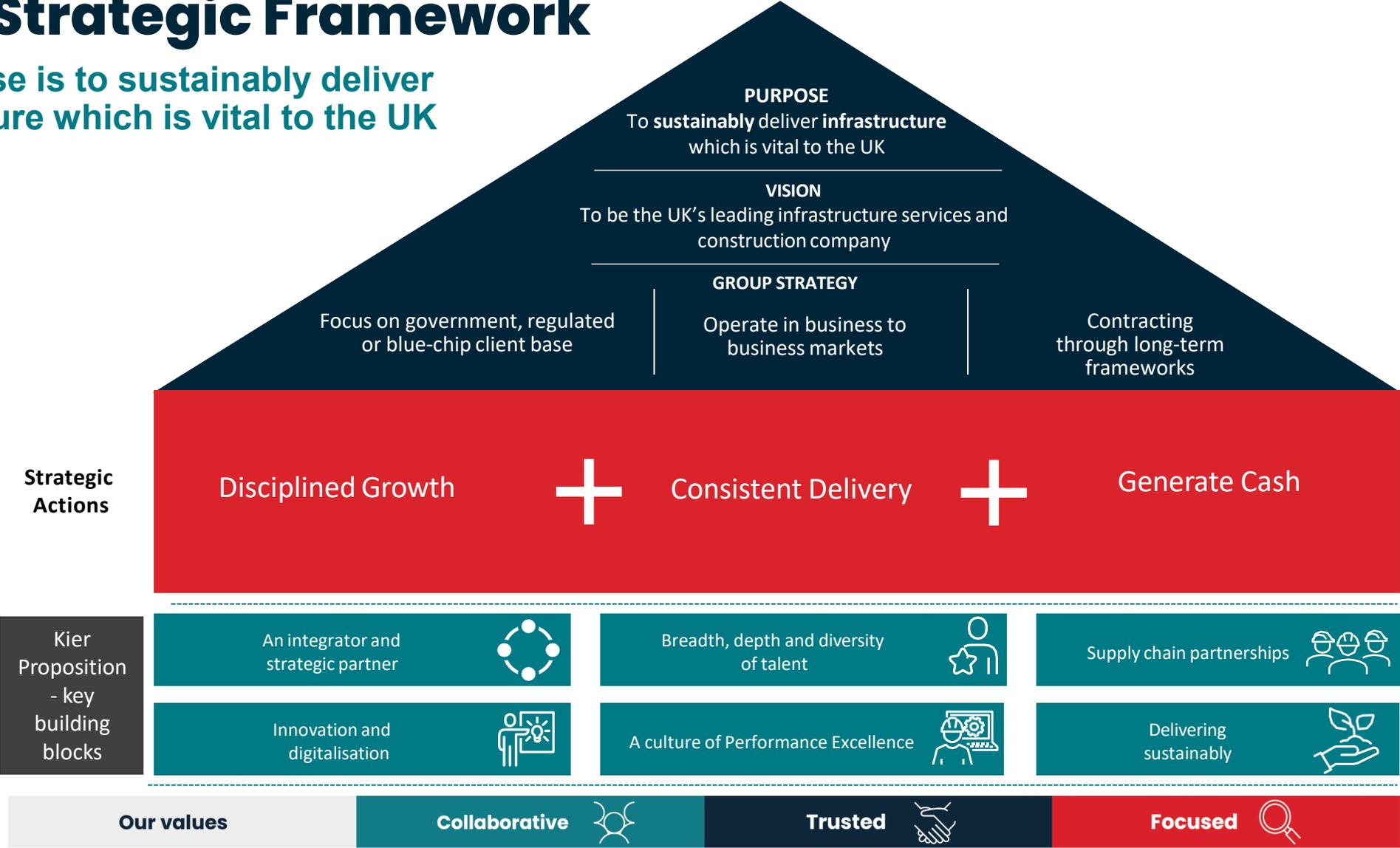
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# Today's Agenda

<b>11:00</b>	<b>Presentation</b>
<b>12:00</b>	<b>Site Visit</b>
<b>13:30</b>	<b>Lunch</b>
<b>14.30</b>	<b>Departure</b>

# Kier's Strategic Framework

Our purpose is to sustainably deliver infrastructure which is vital to the UK



# Business Units

Construction well placed to support clients in key markets

## Infrastructure Services



### Transportation

Design, engineering, delivery and maintenance of transportation projects in the land, sea and air sectors

### Natural Resources, Nuclear and Networks

Design, engineering, delivery and maintenance of projects in the nuclear, water and energy sectors

## Construction



### Construction

#### Regional Build

UK national builder weighted towards education, health, justice and defence

#### Kier Places

Facilities management and housing maintenance services

## Property



### Urban Regeneration and Property Development

Mixed-used commercial and residential development business delivered through joint venture partnerships

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## 2. Construction Overview

Stuart Togwell,

Group Managing Director, Construction



# Regional Build – Market Opportunities

UK Government social infrastructure spending focused on prisons, schools, hospitals and defence



## Justice

- 20,000 new prison places required
- £4bn commitment over 4 years
- C.£250m per annum of estate management



## Education

- 500 DfE school replacement projects over 10 years
- > 200 further free school projects approved for DfE capital funding



## Health

- Up to £22.2bn indicative capital funding to 2030-31 under New Hospitals Programme
- £685 accelerated delivery fund to eliminate RAAC



## Defence

- £5.1bn Defence Estate Optimisation Portfolio
- £400m to be spent in improving military homes
- £650m future capital investment across UK Visiting Forces Estate in UK



## Commercial

- Continued opportunities to work with blue chip clients on mixed-use commercial developments

# Regional Build – Overview

Delivering social infrastructure for public sector clients and commercial buildings for private clients



## Justice

- Building and refurbishing prisons for the Ministry of Justice (“MoJ”)
- Awarded position on £1bn Alliance 4 New Prisons Programme (“A4NP”)
- Appointed on Accelerated Houseblocks Delivery Programme and Small Secure Houseblocks Programme



## Education

- Delivered c. 46,000 school places over 5 years for the Department for Education (“DfE”)\*
- DfE Framework



## Health

- Long standing relationships with health trusts across the UK
- Delivered 135 healthcare projects over 5 years\*
- ProCure23 framework
- NHS SBS framework
- New Hospital Programme



## Defence

- Appointed to £5.1bn Defence Estate Optimisation Portfolio (“DEOP”)
- Delivering projects for the Defence Infrastructure Organisation (“DIO”)
- Crown Commercial Services framework



## Commercial

- Delivering commercial buildings for blue chip clients, predominantly in London
- Science and technology

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## 3. Alliance 4 New Prisons Programme



# Alliance 4 New Prisons Programme

Appointed to Ministry of Justice's £1bn New Prisons Programme



- Four contractor alliance members to deliver over 6,000 places at four new prisons
- Blueprint for Ministry of Justice (“MoJ”) portfolio
- First prison – HMP Millsike
- Aligned to Construction Playbook
- Prioritises Modern Methods of Construction (“MMC”) to maximise efficiency incorporating:
  - Standardised components
  - Platform design for manufacture and assembly (“DfMA”)
  - Digitalisation of construction

# Justice Portfolio

## Kier's positions on other MoJ frameworks



- Alliance 4 New Prisons Programme
- Advanced Houseblocks Development Programme
  - HMP Elmley
  - HMP Bullingdon
- Appointed to Constructor Services Framework
  - National - £10m to £30m
  - South England - up to £5m
- Crown Commercial Services frameworks
  - HMP Glasgow - New facility on 54-acre site
  - Hard Facilities Management - £1.5m to £10m per annum
  - Hard Facilities Management - £10m + per annum
- Small Secure Houseblocks Programme – Northern Region

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## 4. HMP Millsike Overview



# HMP Millsike – Overview

Resettlement and training prison creating 1,500 prison places with a value of £400m



## HMP Millsike – Future of Construction

- 54-acre site in Full Sutton, East Yorkshire
- Value: £400m + enabling works
- UK's first electric prison
  - Run solely on electricity, using solar panels, heat pumps and efficient lighting systems
- Category C prison
  - Resettlement and training prison
  - 1,500 prison places
- Building on success of HMP Five Wells, the MoJ's pathfinder project
- Completion in 2025

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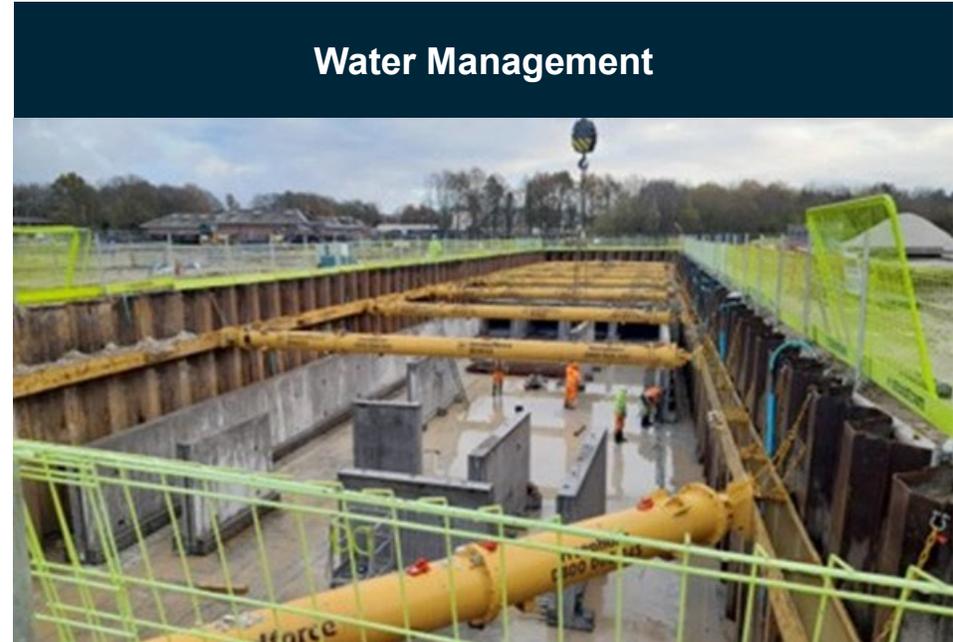
# Initial Groundworks

Major groundworks including site clearance and high level of ground water management

Major Groundworks

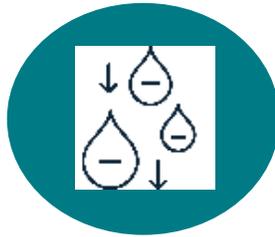


Water Management



# HMP Millsike

## Key statistics



5 million litres of water managed



950 people on site at peak construction



50 sustainable jobs for prison leavers



100% of waste diverted from landfill



16,500 components



Over 1,000 training opportunities



68 apprenticeships and training opportunities\*



40% local supply chain delivery



c.340 new local jobs created\*

# Modernising Construction

New construction approach optimising time, quality, efficiency and sustainability



- **Digital platform** - Ynomia used to generate 3D digital twin to visualise every component
- **Tracking** - accurate build process throughout delivery from design and manufacture through to installation
- **Lifecycle performance** - use and performance of every component is monitored accurately during construction and throughout asset life cycle



- **Standardised Approach** – design and construction focusing on efficiency and repeatability
- **Modern Methods of Construction** – precast concrete to reduce materials and waste. Delivering majority of the build off-site
- **Components** – 16,500 components manufactured offsite by UK supply chain partners. Pre-manufactured value c.85%

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## 5. Sustainability



# Sustainability Framework

Building for a Sustainable World

Key focus areas:



# Environment and Social Sustainability at HMP Millsike

Driving down carbon emissions and delivering social value to the local community

## Environment: Construction



- 100% waste diverted from landfill
- Over 60% of plant and machinery hybrid/electric

## Environment: Energy Use



- All-electric prison
- c.80% less energy used than a typical Victorian prison e.g. Wormwood Scrubs

## Social: Jobs and Training



- 68 apprentices and trainees\*
- c.560 upskilled workers\*
- “Making Ground” initiative supporting prison leavers into jobs

## Social: Community



- c.50% site based local labour\*
- c.95% offsite local labour\*
- Over 40% of supply coming from within 50 miles of site
- Over 1,000 local volunteering hours

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## 6. Conclusion

Simon Kesterton,

Chief Financial Officer, Kier Group plc



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# 7. Q&A

