UK Government

Technology Partner

Summary Full Business Case

Department for Energy Security and Net Zero (2026)

Contents

Executive Summary

1. This business case sought approval for Great British Energy – Nuclear (GBE-N) to award and enter into a Technology Partner (TP) contract with Rolls-Royce SMR (RR SMR) for the GBE-N small modular reactor (SMR) programme.
2. Following approval of this business case, GBE-N and RR SMR entered into contract in April 2026.
3. Approval to award the TP contract was a pre-condition to the National Wealth Fund (NWF) entering an agreement to provide up to £599 million of financing to support RR SMR with the development of its SMR design.

Strategic Case

4. In its 2024 manifesto, the government set out several key nuclear new build policy commitments, including the delivery of SMRs. The SMR Programme is aligned to the government's top strategic missions: to kickstart economic growth and make the UK a clean energy superpower.

5. Nuclear power provides firm, reliable, low-carbon generation, complementing intermittent renewable technologies and supporting a balanced and resilient energy system. Significant additional nuclear capacity will be required beyond the current fleet and live pipeline of projects to meet 2050 net zero and energy security targets. SMRs, due to their scale and modular design, offer the potential for lower cost and more predictable deployment of nuclear capacity.

6. As set out in the SMR Summary Programme Business Case,[1] a fleet-based approach to SMR deployment is key to unlocking the full value of SMRs by leveraging learning and modularisation to drive cost and schedule reductions, incentivise manufacturers to invest in UK supply chains, and build investor confidence.

7. The TP contract represents the largest individual contract within the GBE-N SMR project (which, it was announced in November 2025, will be sited at Wylfa, in Anglesey, North Wales). It is also an important commercial milestone in the government's ambition to bring forward one of Europe's first SMR fleets.

[1] https://www.gov.uk/government/publications/small-modular-reactor-summary-programme-business-case

Economic Case

8. The TP contract is a key component of the SMR Project, which will add 1.5GW of baseload power to the grid, increasing energy independence.

9. Analysis indicates that delivering an SMR programme is likely to represent value for money, driving economic growth through increasing energy security and supporting UK supply chain growth.

10. As outlined in the SMR Summary Programme Business Case, power system modelling has been conducted to assess the value of the project over time. Initial modelling outputs, updated once the TP competition had reached the preferred bidder stage, suggest the project represents positive marginal value for money to the system with adjustments for uncertainty, risk and optimism bias applied. This modelling sits alongside the non-power system benefits, which include the potential to support ~3,000 jobs on site at peak construction, stimulating regional growth at the site and factory locations. Overall, the result is a robust value for money case for the SMR programme.

11. The project's critical success factors include alignment with strategic objectives, delivering strong public value, affordability within likely funding, supplier attractiveness and capability, ease of delivery, and enabling faster, lower-cost deployment of future SMR fleets.

Commercial Case

12. Through the SMR competition, GBE-N delivered a robust, two-year procurement under the Public Contracts Regulations 2015, resulting in the selection of the technology that could give it greatest confidence in reaching operations from the mid-2030s and maximising SMR fleet replication benefits.

13. In June 2025, GBE-N announced that RR SMR had been selected as its Preferred Bidder to partner with to develop the UK's first SMRs. It was announced in April 2026 that GBE-N and RR SMR had entered into the TP contract.

14. The TP contract consists of two stages: Stage One for the development of RR SMR's site-specific design solution; and Stage Two, which is subject to a decision and subsequent issuance of a notice to proceed to Stage Two of the contract, for the supply and installation of the three SMR units. The contract will reflect the allocation of the Wylfa site to the SMR project.

15. The TP Appointment Agreement is based on the NEC4 Engineering and Construction Contract June 2017 edition, as amended. The contract has robust controls, protections and commercial milestones to ensure effective delivery.

Financial Case

16. The Financial case confirms that TP contract spend will be managed within the £2.6 billion allocated in June 2025 to the overall SMR programme across the Spending Review period. The contact will run beyond this period, and additional funding requirements will be confirmed at future spending reviews.

17. Robust governance structures are in place to manage financial delivery, including dedicated commercial and finance expertise and appropriate contract controls.

18. Alongside the TP contract, the National Wealth Fund has agreed up to £599 million of financing to support RR SMR with the development of its SMR design. The option of accessing this form of investment was offered to all bidders who reached the initial tender phase of the GBE-N SMR competition, subject to terms being agreed and the eventual award of a TP contract.

Management Case

19. GBE-N has been set up as the Government's expert nuclear delivery body. GBE-N has strong contract management and project delivery capability in place, with experience of managing complex high-value contracts and of delivering large-scale projects.

20. GBE-N has in place the appropriate assurance and risk management structures, and was subject to Whitehall assurance processes (the SMR project is on the Government Major Projects Portfolio) ahead of entering the TP contract.

21. Going forward, GBE-N will be responsible for managing the TP contract. Alongside this it will continue to bring together the developer capability necessary to enable a project to progress, which will require further procurements, and manage the various interfaces between project components.

22. The NWF will be responsible for managing the financing it has agreed with RR SMR across the lifetime of its investment.

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