

SME Steering Group - Scotland

Meeting 3 – 13.02.14 Dounreay, Scotland

MINUTES

Attendees

SMEs: Chair: Peter Murphy, (PM), Turnbull & Scott Stephen Sutherland, (SS), JGC Engineering Bertie Williams, (BW), NDSL Bob McKee, (BK), McKillop Engineering & Projects Shaun McLaughlin, (SM), McLaughlin Construction Wendy Pring, (WP), KCP Ltd	Tier 2s: Adrian Peckitt, (AP), Nuvia David Craig, (DC), Nuvia
SLCs: Ken Nicol, (KN), DSRL Kenneth Linn, (KL), DSRL	Support Organisations/Guests Keith Muir, (KM), Highlands & Island Enterprise Brian Nixon (BN), Decomm North Sea – guest speaker NDA: Ron Gorham (RG) Pippa Kelly (PK) Kirsty Snape (KS)
Apologies: Sam Dancy	

1. Introductions

2. Chairman's Update

Brief outline of history behind the setting up of the SME Steering Groups as the NDA's response to the Government brief to spend a significant portion of its outlay with Small and Medium Size enterprises. Five Regional groups meet regularly. The chairs of each regional group attend a National meeting every 6 months and the chairs report back to each region. Steering Groups are not intended to be governed by NDA, the NDA are members only, SME's run the groups. RG added that in addition to the original premise of the Steering Groups, NDA are supportive of the local regions inviting other agencies beyond the NDA estate, and as such Brian Nixon is attending on behalf of the Decommissioning North Sea.

Outstanding Actions

- Insurance issues – Kirsty Snape, NDA Insurance manger to present later
- SD to check whether other SLC's to offer pre-CTM training – no update available at meeting.
- Dounreay Socio Economic aspirations – SMc gave an update on Ayrshire's Targeted Recruitment Plan to counter issues where larger contractors were not meeting their promise on training for SME's. The document is signed up to on larger contracts (above £750,000) by the suppliers and provides a guarantee of training days, job placements and apprenticeships. The Council have an arrangement with training and apprenticeship providers to support the plan. This then becomes part of the KPI for the supplier and they are rewarded based on their achievement of the plan.
- Council have worked with the procurement department and ensured that it does comply with European Procurement regulations.

Action : SMc to provide the paper on request.

RG explained each NDA site has a Corporate Social Responsibility Requirement. Previously concerns were raised that such KPI's could not be included under the legislation but this

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was incorrect. However the test of any such KPI should be that it should be relevant and proportional.

Action : KM to speak to Trudy Morris regarding a paper on this that was issued to Joe Kane

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Representative attended from the Scottish Government, Oonagh Gill from the Business Directorate. Other regions have more difficulties than Scotland in identifying SME's. Common issues on Insurance, payment terms etc were raised. Scottish Government presented how economic development is run in Scotland with the Business Gateway for new businesses, SC & HI for the high growth companies. Numbers quoted for Scottish Government spending £9.7bn and 46% going to SME's and of that £2bn goes to companies with less than 50 employees. Contract Finder is the National Government's portal for business opportunities and will be improved and is expected to be used by all SLC's. Scotland has Public Contract Scotland as the portal for new public business and the future of these two has yet to be resolved. Security Access across the Estates is a common topic to be raised at the next National meeting.

Other items of interest from the Chair

Scottish Enterprise ran a Nuclear Supply Chain Development Programme in the past and have funding to run another programme this summer. Any one is interested, contact either Scottish Enterprise or Chair.

Issue raised over NAMRC programme 'Sharing in Growth' - a 4 year business development and training programme for companies working in the Nuclear Industry. Chair is concerned that the programme is not available to companies outside England. Chair asked Scottish Government to look into this but have not responded to date. The programme covers nuclear new build and the NIA have used attendance on the programme as a bench mark question in a survey to assess the readiness of the Company for nuclear new build. This would automatically exclude any Scottish Company.

NDA understanding of the issue was that the Scottish Government were given the opportunity but were not able to make any money available to support the programme. Second programme is open beyond Nuclear New Build to Decommissioning community. Awaiting confirmation of grant placing. May be a further programme but no decisions have been made as this is linked to the current parliament. RG acknowledges that this has become a geographical issue and needs to be included in future.

Action : PM to discuss further with SE on next step – raised to National Steering Group meeting

Costain SME Training Academy – 12 days of training available for free, experts from Costain or its suppliers over the course of a year. Programme starting end of February based in the North West England. Places were available at the time of the meeting.

3. Update from NDA

Payment Terms – raised by all regional groups. NDA Executive discussed the flow downs and decided to move to Nett Monthly payments. This is now a mandatory flow down on all new contracts throughout the supply chain and should be included in new tasks on Frameworks. In addition SLC's are to consider where possible to change payment terms on existing contracts. This was changed at the end of 2013.

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Action : All members to look at current payment terms and any examples of this not being carried through the supply chain through Tier 2's and Tier 3's. Any issues to be reported to KL and via PM to NDA

Sam Dancy previously sent out a template to all Steering Group Chairs for reporting Good News stories into NDA and onwards to Government.

Action : PK to recirculate template with the minutes.

SME National Meeting Agenda includes Security access for NDA Estates. The Security Manager, Rakesh Burgul will be presenting at that meeting.

Also presenting to the National Meeting will be Kirsty Snape, Insurance Manager who joined this meeting later.

Terms and Conditions including Bonds, Guarantees and Retentions need to be proportional and relevant. Some examples of multiple commercial 'sticks' etc.

Action : All members to report to KL any examples of any perceived unrealistic Terms & conditions.

Comment from a member that the alternative to T&C's are clients who receive bonuses for achieving KPI's supported by their suppliers, however this is not often passed on down the line below Tier 2's. Would it be worth considering that KPI's are also passed down the supply chain within the contract? RG agrees with the exception of Health & Safety or Security.

4. Insurance Issue – Kirsty Snape, NDA Insurance manager

Summary of original issue: Insurance Premiums increasing for SME's once working on a Nuclear Site. Draft briefing note (circulated to committee only, in a document attached to minutes – final document to be available on NDA website) summarised as follows: Nuclear insurance should not be possible to be bought as a contractor, only the SLC's are liable. The contractor only needs to be able to cover non-nuclear damage ie standard Public Liability. Current limit of liability under Nuclear Installations Act £140m this is being increased to reach to €1.2bn in 5 years. The NDA organises all Nuclear Insurance for the Licenced sites. This insurance covers all personal injury or damage to 3rd party property due to a nuclear incident.

This document can be handed to Insurance Brokers/Underwriters when preparing a quote. Question was raised that once an SME alerts the brokers that it is working on a Nuclear site , the premium will automatically be raised. KS clarified that it should not make any difference as the H&S is very strict and is therefore a safe site to work on. This highlights the misconception of Brokers that SME's are liable for the nuclear element.

NDA Insurance brokers (Willis) have offered to provide quotes for SME's for the work just on Nuclear sites only or for their annual complete Insurance. However it must be considered that if a company has historical claims it will affect the premium offer. This is not funded by NDA. A flyer from Willis will be circulated and is attached to the minutes.

Action : KS to circulate checklist available on who is responsible for what on insurance

Action : All to review in 6/12months on how the introduction of Willis and the briefing note has changed the situation

Action : All to feed back to KS on briefing note

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KS to present to National Steering Group meeting 1st April.

Discussion over how this could be adapted to cover New Nuclear Build – not within the NDA's remit currently but could be adapted to fit should it be required.

5. Local Diversification – Decomm North Sea

Presentation attached.

6. Discussion around future role/format

Action : Scottish SG committee volunteer to beta test updated Contract Finder system against Public Contracts Scotland.

Action : All to send to Ken Linn any anonymised examples of proportionality for review

- Question over input of SL to future meetings.
- SME New build Steering Groups being formed by EDF (representative is N Foreman, Southern SME SG Chair)
- Local representative from Nuclear Skills Academy would like to present to the group.
- CEMAR training also interested in presenting at a future meeting.
- Issue knowing who are local/Scottish SME's – each site should know their own local SME's
Discussing how to identify not only the existing SME's on site but also the potential companies in the Supply Chain. Scottish region have an advantage with a list of current and potential SME's from the Meet the Buyer events and have used this for questionnaires in the past.
What is the objective in identifying these SME's (refer to the TOR) – how to work on interacting with the current list? Currently Minutes are posted on NDA web, using LinkedIn, NDA Web alert – onus should be on companies to look for information and as well as for Groups/NDA to disseminate information.
One potential objective of identifying SME's could be to profile the SME's in order to identify what matters to them. Potentially use Survey Monkey to target the SME's in the list held by HIENT.

Action : KM to check the information available and whether it could be used.

Action : Each SLC site to provide NDA with a list of current SME's on each site

7. Next Meeting

Action : PK To set up next meeting using Doodle – KL to contact Chapelcross or Hunterston to host.