

NDA ESTATE SME STEERING GROUP – SOUTH

Meeting 7: 21st January 2015

Portsmouth Aviation, Portsmouth

Present:

SMEs: Chair: Neil Foreman (NF) – Centronic Mark Liddiard (ML) – HR Wallingford Wes Harford (WH) – AM Sensors Steve Spencer (SS) – Priory Construction Mark Sharpe (MS) – Oxford Technologies Michael McCormack (MM) – Portsmouth Aviation Steve Jenkins (SJ) – Force One Ltd	Tier 2s: John Bloodworth (JB) – KDC, Dave Barker (DB) - Aquila Nuclear Engineering Other/Support Organisations: Stephen Bennett (SB) AWE SLCs: Doug Price (DP) Magnox NDA: Sam Dancy (SD)
Apologies: Brian McConnell – Hydrock, Mike O’Neill – Interserve, Ron Gorham – NDA, Chris Squires – EdF, Andrew Thompson – BD Nuclear	

Notes:

1 Welcome and Introductions

- Members to the group were welcomed and Portsmouth Aviation thanked for hosting the meeting.
- Brian McConnell had indicated that workload prevented him from continuing with the group, and the Chair expressed his thanks for Brian’s input to the group.

2 Update from NDA

Feedback from Steering Groups

- The Northern Region had produced a Guide to SME Collaboration which had been successfully launched at the NDA Estate Supply Chain Event in November 14.
- The Scottish Region had been continuing making links with North Sea Decommissioning and were engaging with Scottish Enterprise’s Nuclear Supply Chain project. They were also considering making a document/map to demonstrate where information/support/funding can be found in the Scottish region.
- The Welsh Region had produced the FAQs for SMEs about working within the sector which the Southern Region had provided support to. It was also successfully launched at the Supplier Event.
- The Cumbrian Region continued to have three main focus areas of training, commercial barriers, identifying Cumbrian SMEs.

General Updates

- NDA were consulting on their Business Plan for 2015-18 and attendees were encouraged to review the plan and submit comments.
- The NDA Estate Mentor Scheme for 2015 would be launched in the next month for a new cohort of mentees. NDA had a light touch approach to the Mentor scheme as it was a volunteer scheme, it was hoped that existing mentors would continue to support the scheme, and there were potentially some pairings from the current scheme who would wish to continue their mentoring.

- The next NDA Estate Supplier Event would be held on 4th November 2015 at Event City Manchester. Feedback from the group was that the 2014 event was one of the most beneficial events that people attended.

Sellafield changes

- SD updated on the announcement that Sellafield would become an NDA Subsidiary. The decision was taken following a detailed review by the NDA of the management model at Sellafield, supported by independent experts. Under the new arrangements Sellafield Ltd (the Site Licence Company) continues to operate the site but will no longer be under the temporary ownership of a private sector contractor (a Parent Body Organisation). Instead, ownership will belong to the NDA and the SLC will acquire a 'strategic partner' to assist in the delivery of its programme. In simple terms, the private sector becomes a supplier to the SLC rather than a parent of it. There will be a transition period over the next 12-15 months, and there should be 'business as usual' on the Sellafield programme during this period. The stakeholder briefing with more information was on the NDA's website at: <http://www.nda.gov.uk/publication/new-management-arrangements-for-sellafield-stakeholder-briefing/>.
- There was some concern expressed that all work would be delayed as some projects seemed to have been put on hold, or tenders delayed, which was being linked to the announcement. SD responded that where projects/tenders had been delayed it was more likely due to the NDA review of the overall Sellafield Plan (known as PP14), as NDA needed to be assured that the projects were properly planned and resourced with appropriate contract strategies.
- There was a discussion on the Cumbrian Britain's Energy Cost Business Cluster (BECBC) and the focus for Cumbrian based companies that it gave. It was questioned whether there was a need for a Southern Cluster.

Update from Magnox

- There was concern from the group that with the new Parent Body Organisation (PBO), projects had been delayed and there was a lack of information/communication on the programme going forward. There was also an example where only 24 hours' notice had been given that a requirement was going to stop against a framework, which was surprise and has a knock on impact for a small SME. It was also unclear as to the difference between trading with the Cavendish Fluor Partnership (CFP), the PBO, Cavendish Nuclear as a Tier 2 and Magnox.
- DP clarified that suppliers should not hear from CFP as SLC contracts were direct with Magnox Ltd who have CFP staff seconded into them. Suppliers may however be requested to quote by Cavendish Nuclear who act as a Tier 2 supplier to Magnox Ltd and other SLCs.
- DP was responsible for the procurement and supply chain team within Magnox and developing their capability. The new contract was a Target Price but the supply chain was still important for delivery of the programme. CFP needed to ensure that they understood the current portfolio and emerging work, undertaking deep dives at each site to understand where they are on the programme. This meant that new packages were being put under review before going to the market. It was also important to get learning across the sites.
- It was acknowledged that communication could be better with the supply chain and it was intended to have more supplier events, but the preference was for a series of focussed events, with topic driven smaller forums. It was highlighted that Sellafield had put on their

website the contact details of the major Tier 2s working on site, while at Magnox only the company name was published, which made it harder for SMEs to make links to the Tier 2s.

- It was also highlighted that for Magnox to get real value from innovation they needed access to the lower tiers of the supply chain who provide the innovation. DB had prepared an innovation presentation around satisfying the client and would let DP have a copy.

Action: DB to provide copy of innovation slides to DP

- SB noted that AWE had a focus on long term value and listening to suppliers on improvement ideas. They had a wide variety of requirements so capturing everything could be difficult.

3 SC21

- At a previous meeting, Ron Gorham (RG) had asked the group to look at SC21 as the NDA Estate Shared Services Alliance (SSA) was looking at SC21 as an initiative it could use in supply chain management as it was already being used in the nuclear sector. They were interested in the reaction and views of the SME community, ie how it would be received and how to roll it out. NF had provided a presentation on SC21 at the last meeting.
- SB provided a Clients view from AWE. Use of SC21 evolved out of category management as procurement staff were embedded in projects but there was a need to get an overall view of a supplier's performance – SC21 was a potential vehicle for this with a new focus on getting better performance measures from suppliers, so they are particularly focussed on the relationship aspects and resolving issues. AWE started with 24 strategic suppliers, including SMEs, across a variety of disciplines and were looking at objective performance indicators. They had since reduced the number as they found requirements could be consolidated with the AWE team who were managing the suppliers and there was no longer a need for SC21 to be used.
- NF provided a refresh of the slides presented at the last meeting giving Centronic's experience of SC21. For training/implementing costs MAS had provided match funding. Centronic saw the benefit of SC21 being the ability to get close to your customer and let them see what your business can do.
- There were two programmes – Business Excellence and Manufacturing Excellence. NF emphasised that it was important to get buy in to the scheme from the very top of the business to make it work. There was a need for a continuous, sustainable improvement plan, and this could be linked to strategic business goals.
- It was considered a good business tool, building good relationships leading to a more robust supplier.
- There was a discussion on how relevant SC21 was to suppliers who were not providing manufacturing services. SB responded that AWE had taken suppliers from a range of disciplines including decommissioning and construction and had focussed on the relationship piece and try to resolve issues on projects, monitoring against project milestones. AWE have a scorecard for suppliers detailing all their contracts and RAG status.
- Normally SC21 is undertaken with one client and there was a discussion on how that might work across the NDA Estate where suppliers had multiple clients within the SLCs. The group thought that NDA needed to consider the plan for implementation, pick a couple of companies to start the programme and build up from there. The group suggested that the

scheme was not right for all companies, it needed a limited experimental roll-out and not a blanket 'you will adopt'.

Action: NDA to consider implementation plan for SC21 and feedback to group

4 Sharing Best Practice – success stories and case studies

- JB had drafted an example whereby an alliance of contractors had been formed without needing a formal Joint Venture – each contractor in the alliance has a contract with the SLC and the contractor most suited to a particular task takes the lead. He was waiting for confirmation from partner organisations that it could be released.
- ML provided a Lessons Learned for business continuity plans. His head office was recently impacted by a large fire at a neighbouring office block following an arson attack - the learning being to look around the neighbouring area to your premises and do a risk assessment.
- MS highlighted that he was an Oxfordshire based SME who had successfully gained a contract at Dounreay for remote handling.
- SJ had an example of where being on the mentor scheme had helped his company break into the sector gaining work at more than one site.

Action: SD to send out case study form to all and attendees to complete where they have appropriate case studies.

5 Feedback

- There was a discussion in the value the NDA saw in the SME agenda – NDA did view SMEs as an important sector of the supply chain and recognised the benefits they brought.
- Feedback from the group was that attendees were starting to see some differences and were getting direct contracts with the SLCs. It was moving in the right direction.
- There was a discussion on holding a Southern Region event later in the year to extend the group, exchange information and provide a networking opportunity. It needed to add value to what other event organisers provided. The format used for the Northern group could be considered. It was highlighted that the Northern group members put a lot of work into organising the event themselves – NDA had provided the funds and booked the venue.

Action: SD to send round format for Northern SME event and attendees to comment within two weeks.

- NF updated on the National SME Steering Group held in October – notes to the meeting are on the NDA website. A session was also held at the NDA Estate Supplier Event in November with the SME group Chairs and Baroness Verma who really took an interest in what the groups were doing.
- Everyone was thanked for their participation at the meeting and the next meeting would be held in 3 months' time.

DATE OF NEXT MEETING: TBA April 2015