

NDA ESTATE SME STEERING GROUP – SOUTH

Meeting 3: 18th November 2013

HR Wallingford, Howbery Park, Wallingford, Oxfordshire, OX10 8BA

Present:

SMEs: Chair: Neil Foreman (NF) – Centronic Wes Harford – AM Sensors Mark Liddiard – HR Wallingford	Tier 2s: Mike O'Neill (MO) - Interserve Dave Barker (DB) - Aquila Nuclear Engineering Support Organisations: None
SLCs: Helen Perthen (RSRL)	NDA: Sam Dancy (SD)
Apologies: Brian McConnell – Hydrock, Steve Spencer – Priory Construction, Keith Millar – Baker Dougan, John Bloodworth – KDC, Ron Gorham - NDA	

Notes:

1 Welcome and Introductions

- Members to the group were welcomed and introductions were made.
- Keith Millar had left Baker Dougan, and an alternative representative was being considered. Mark Liddiard from HR Wallingford had joined the group and was welcomed to the meeting.

2 Chairman's Update from 2nd National SME Group Meeting

- The second National SME Steering Group meeting was held on during the NDA Estate Supply Chain Event on 13th November 2013. Baroness Verma (BV), Parliamentary Under Secretary of State at DECC chaired the meeting as she has a keen interest in the SME Agenda. NF summarised the discussions and outcomes of the meeting:
 - This was in some ways an introductory meeting as the Chair's gave an update on their activities and the main challenges and issues.
 - Representatives from Cabinet Office, Welsh and Scottish Governments gave updates on SME initiatives. There was a discussion regarding all three have a form of opportunities portal and how they were/could be linked together to give a full view across the UK.
 - NDA updated on proposal to launch the NDA SEM Mentoring Scheme in the next few months, with request to steering groups to support and the next CEO's Tier 2 meeting aimed at raising awareness of the SME Agenda planned for February.
 - BV concerned that Nuclear Sector and Britain as a whole do not sell themselves. Great stories of successes should be publicised.
 - There was a discussion on:
 - skills and where we going to be in 20 years and the forward look needed for development. Need to look outside the sector for skills that can be utilised.
 - Supply chain capacity particularly around new build nuclear and decommissioning.
 - All agreed that as a Nation we need to sell ourselves better and recognise we are in a Global market and have great qualities that need to be made known. There was a

discussion on the support that UKTI provided and the time and costs involved with trying to enter foreign markets, and whether support in addition to the trade missions was needed – overseas support could be a future agenda item.

- It was questioned whether BV would follow-up on the meeting. SD thought it likely as Ron Gorham reported in regularly to her regarding the NDA's SME action plan.

3 Update from NDA

Feedback on steering groups

- Cumbria: main subjects concerning Cumbrian region are:
 - Contractual issues
 - Training, shortage of skilled engineers coming through training
 - Exporting skills out of Cumbria and importing other skills into county
 - Identifying SME's in the region – difficult to locate. Created a sub group creating a Cumbria Excellence Event in May for the Energy Sector
- Scotland: challenges currently facing the Scottish supply chain are:
 - the Dounreay 'cliff' – knowledge that the work flow will cease within 10-12 years
 - the need to diversify including SME members not being wholly nuclear and looking at the UK market as a whole, not only Scotland.
 - UK and Scottish governments to work together on nuclear supply chain policy
- Wales: Focus of Welsh Steering Group :
 - communication and visibility of new business
 - engage with south Wales SMEs
- North: focus of Northern Group:
 - Better Practice Innovation Guide for SMEs – launched at the NDA Supply Chain Event
 - NDA SME Steering Group map – an entry points map for SMEs in the North region to the Decommissioning industry

General updates

- Work progressing on introducing the SME Mentoring Scheme. Currently there were 20+ mentors signed up and volunteers were welcome. Next steps were to get information onto the NDA website about the scheme and Mentors, and initiate the process for SMEs to apply to be mentored. It was planned that a short training session would be arranged for Mentors. Several members of the group volunteered to be mentors.
- There was a discussion on the introduction of net monthly payment terms as an NDA flowdown. Other payment issues within the supply chain were raised with regard to early payment discount which were acceptable, but imposing discounts for paying to terms were not. If examples were provided to NDA then it could be followed up.
- Another issue raised was lower tiers having offers made 'in accordance with the main contract', generally this involved having to visit to see the main contract rather than being sent it – there was a risk that if the lower tiers did not spend the time to do this there would be discount rates in the main contract that they did not see or know about.

4 Deminimus Standards for SMEs entering the Nuclear Market document finalisation

- NF had built on Brian McConnell's presentation from the last meeting and developed into three points on what 'a good company' looked like for nuclear decommissioning around 'management', 'culture' and 'attitude', which the group endorsed.

- SD suggested that rather than this being a stand alone document, it may be a good fit into the work the Welsh group were doing on 'frequently asked questions'.

Action 3/1: NF to contact Welsh SG Chair to suggest incorporation into the FAQs

- HP highlighted that RSRL were trying to establish what is 'adequate for purpose' rather than simply specifying certification to standards – would expect to have 'equivalents' to standards ie management systems.
- There was a discussion on insurance companies looking for ISO9001 to cover PI for companies in the nuclear industry (note SD to check with NDA Insurance Manager for view)
- There was a discussion on the use of the Achilles system and costs associated with it, in relation to the value of the audit process provided – generally felt to be low by the group.
- Good nuclear companies were those who, if they made a mistake, learned the lessons and applied them to future projects.
- WH highlighted that Somerset County Council (SCC) has tabulated a supply chain list for Hinkley C which was thought to be an EdF 'approved' list, and it was questioned what the deminimus standard for it was.

Action 3/2: WH to find out what standards SCC used for their list of suppliers

5 Sharing Best Practice

- DB shared an example where Magnox had initiated an exercise via Tier 2 including design of waste management equipment and shielded facility. Aquila identified that savings could be made with design changes with the result that they were engaged on a direct contract, saving £1.3m. This showed the benefit of having specialist companies close to work where they can have a positive impact.
- WH shared an example, again with Magnox, where they had been directly contracted to provide feasibility/options support for a control panel and measuring flows supporting the pumping of waste into a temporary store. They were able to deliver well ahead of programme as they were given the freedom to do a complete package of design, build and factory acceptance – a good example of SME flexibility and adding value.
- SD provided copies of an outline document for capturing case studies which the group agreed would be useful to complete once emailed.

6 Feedback

- NDA supply chain event 2013: The event had around 1,300 delegates registered, with over 200 supplier stands. The aim was to give the high level messages from NDA and HMG, provide insight into overseas opportunities as well as national contacts and give more focus to the Supplier Awards and innovative companies. Generally it was thought to be a very successful day.
- Review of NDA Estate Action Plan: SD went through the 7 areas of the action plan. The group thought that there were still issues of disproportionate insurance requirements and multiple similar questions from the same site for PQQs or call-offs. ML shared an example where different sites of the same SLC were using different 'standard terms' for very similar work, review of which took time and ate up profit. HP highlighted that the SLCs should be reviewing their T&Cs for such issues.

7 Discussion around future role/format

- The group agreed that the Northern 'map' signposting SME support was a good idea and they would develop the 'Southern' version
- It was thought that it should include Southern Nuclear Institute and potential insurance support.

Action 3/3: MO to start developing the Southern Map and bring to next meeting for discussion

- The group format was discussed and it was thought that membership was right for now, but other SMEs may need to be considered in the future so that there was cover for meetings. HP reported that AWE had agreed to join the group.

8 Wrap Up

- The next three meetings were planned:
 - Meeting 4: 11th February 2014, Interserve Offices, London
 - Meeting 5: 20th May, Aquilia Offices, Winchester
 - Meeting 6: 9th September, Centronic Offices, South Croydon