

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Introductions

The Chairman thanked all for attending and outlined that in this session he hoped to set out ground rules and to understand from the NDA what current objectives are. It was noted that Wales and South West are only one of several regional groups due to be established.

Introductions were invited from the group. Responses were as follows:

Matt Tuck, Matom

SME supporting into NDA estate

Gareth Davies, Burges Salmon

Involved supporting NIA.

Andrew Samuel, Mon Maintenance

Nuclear sector presence for 3 years, worked in other sectors, mechanical and electrical SME.

Richard Heaton, Read Construction

SME in predominantly public sector tender work. Currently not in nuclear sector but diversifying into opportunities there. Objective: to understand the opportunities.

Alex Read, Read Construction

Simon Gledhill, LM Engineering Services Limited

SME in offsite stainless fabrication & manufacturing with nuclear experience.

Peter McNaughton, Doosan Babcock

Tier 2 supplier to nuclear sector.

Ian Mowatt, EIP

Experienced in Nuclear Power Generation, Oil & Gas and Local Government. Responsibility includes Supply Chain Development within the Anglesey Energy Island Programme.

Peter Walden, Magnox

Commercial director looking at strategy for procurement programme, inc Trawsfynydd decommissioning programme.

Sam Darcy, NDA

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Supply chain manager. Interested in SME agenda and working with employers.

Andy Slaney, Provelio Nuclear Ltd

SME director and owner. Estate programming and project management services.

Chris Scott, Costain

Addressing densest areas of gravity. Previously with Prominex.

Agenda

NDA Perspective

SD opened the discussion by providing an outline of the NDA perspective as follows:

From 2005 the NDA have retained responsibility for 19 sites across UK. The supply chain are key in delivering clean-up of sites. They have been looking to all tiers for support on the SME agenda and thanked Tier 2 organisations in attendance at this meeting. Tier 2 engagement is important as NDA recognise that the five Site Licence Companies (SLCs) who manage the 19 sites within the NDA Estate on a day to day basis are letting longer term, larger frameworks which impacts on SME opportunities. Currently, the top 20 suppliers across the SLCs account for 65% of supply chain spend: keen to achieve visibility of Tier 2 opportunities re SME engagement. One aim: Want to look at supply chains through estate with link to SMEs.

Ron Gorham, NDA entered the meeting.

SD said that part of the process was in recognising there are other nuclear clients (eg. Horizon, EDF Energy). They are also trying to improve procurement plans which will help Tier 2s in the main but seek to expand information to help SMEs understand what was available. There were a series of workshops over the last 18 months looking at this. One of the outcomes was that the NDA and SLCs will operate via a single portal for advertising opportunities – Government's Contracts Finder – and aim to make this the portal of choice for Tier 2's but are currently working with Costain - making sure it works first.

Additionally the NDA are looking at generic pre-qualification requirements and simplifying – getting site licence companies to ask for the same generic information from tenderers: also looking at terms and conditions through the tiers – can this be made easier/less onerous?

RG thanked everyone for coming along. He noted that last year the NDA had a number of interactions with the supply chain which identified positives and issues. Government's SME agenda then came along – set target to achieve 25% spend with SMEs by end of current parliament.

Just before Christmas (2012) there was a request from the government for the NDA to set up an action plan and set their own target. After Christmas, the Government confirmed the NDA's proposed 20% by value and action plan as accepted. They will need support of Tier 2 organisations to meet these targets.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Currently across whole estate the spend with SMEs is 10-11% – need to raise this to meet the target. It is not just government target, also to drive value. Get solutions more quickly, more innovation and more value for money.

This is why this committee is so important to NDA. NDA need help in establishing what is needed in advising Magnox and other SLCs. The aim is to make SMEs competitive and drive NDA objectives forward.

They would like local companies to take responsibility and accountability for solutions that affect them. The Tier 2 organisations are involved to support this and drive right behaviours.

RG stated that it is the SMEs committee: NDA happy to support but it is for SMEs to drive.

This is the very first of these groups and the NDA hope that in 12 months this will emerge as a good idea. The aim is that eventually each of the 5 regions will have similar committees who will come together at national level, with government present also.

The agenda is regional with a view towards the national agenda. Central government is not aware of any other groups that meet at this level to support these aims. The NDA want to raise the profile of the groups with government and Ron is meeting with a government representative next week to promote this. The conversation next week will also aim to develop on from the recent NDA Chinese delegation event which established significant links between SMEs and the international nuclear community.

The chair asked if everyone was clear on NDA introduction of their position.

CS asked if the NDA figured referred to direct or indirect spend. RG answered that both would be included but at the moment the reported figures were direct only.

There was further discussion on the parameters used in generating the figures and Costain indicated that they had figures which differed to those of the NDA. RG said NDA need to align the Tier 2 data.

RG noted that the government would be particularly happy if they were able to demonstrate meeting the 20% target earlier than the deadline of March 2015 however, regardless of the differences in measurement, there is a long way to go from current position. They don't want it to become an administrative burden so will collect nominative data and look at strategies for growth.

By June the SLCs need to provide business plans and targets that sit within main plan. The SME meetings are therefore not just about the region per se but apply into south west and further afield; will be used to meet international agenda.

There were further discussions relating to the regional/international nature and impact of the groups.

PW indicated Magnox have 10 sites across country in difficult locations. This provides constraints on operating the business so there is a natural requirement to develop services to satisfy needs. They must develop a strategy to accelerate decommissioning of Trawsfynydd and other sites. Need to make the programme workable as well as viable for as long as possible in terms of using SMEs.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

It bothers Peter that 80% of spend is within 20% of supply chain. If he is giving SMEs visibility as supplier and SMEs are responding then he can develop the strategies. If SMEs have visibility on spending then they can decide where to invest. To assist with visibility, if SMEs look on the Magnox website, they can see their supply chain map for major programmes.

There is the potential to look into tier 3 and tier 4 also. Regarding the current spend (adding individual orders or work on to basic), 14% of spend is with SMEs. PW noted Magnox also spend on employees of their own and there is incentive to promote SMEs with the longer view of access to opportunities by employees as individuals once the requirement for their roles within Magnox has come to an end (as is the nature of the decommissioning agenda).

The question was raised as to the benefit of getting definite figures from Costain and general figures from other companies on spend/potential spend with SMEs. PW replied that he would rather not see an arbitrary target but views the position as if there is cash to spend, which areas would be best for investing this. This SME group and the considerations here have accelerated things Magnox are working on anyway.

SG asked questions on the incentive for Tier 2 involvement in the group. The reply was that to develop a new company as an SME increases the risk to the tier 2 company and engaging with/developing current SMEs has reduced risk.

PW noted that expansion areas are on the Magnox website - government has committed money in these areas.

SG enquired about how Tier 2 approach each expansion to make it a more valuable area (20 or 40%) then clarified that the question was not about percentage values but barriers to expansion. His company deal with Costain and have worked at Sellafield but struggle to get transferred to other sites/areas.

RG noted the NDA have 19 sites that they want to take away as quickly and safely as possible and that the NDA fulfilling its role naturally takes NDA out of a job, however there is a very long progression due to different timelines on site. There are opportunities to create long term links over numerous areas but they want to do this generally, not with a chosen few.

RG gave the example of the recent Chinese delegation event. The nine SMEs who attended brought a breadth of skills that would not have been seen if Tier 2 suppliers had given presentations. The NDA would like companies to be successful in Wales, Scotland and Cumbria and to break the issues, not on favouritism but in terms of genuine value.

SG noted that the risk profile increases if there is extension outside larger suppliers and RG indicated that the NDA acknowledged this. It was noted that the worrying conclusion from recent reports was that there is the perception that it is difficult to break into the supply chain.

MT noted that there is need elsewhere in the UK, where an appetite exists for at least listening to and also engaging new suppliers. He asked for statistics on SMEs operating as Tier 2 suppliers (for new business who are not familiar with SLC work) and observed that at Dounreay for example, $\frac{3}{4}$ of Matom's competition is with SMEs at Tier 2 levels.

In response the NDA noted that out of the top 20 Tier 2's, not yet half are SMEs but there is a significant proportion. RG said that use of group was to get early sight of data and to enable groups to get view of opportunities with and for SMEs.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Conversation followed about spending locally on Welsh SMEs versus bringing in SMEs from wider area. Magnox felt that this was a good focus for the meeting but that there are opportunities which will arise if the meeting is not solely focussed on this.

RG observed that if SMEs came into Wales from other areas then it would say a lot about capacity of local SMEs: therefore there is scope for looking at improving SME capability and capacity to become more successful. The aim is to get SMEs to expand to larger capability and then other SMEs to come in behind to continue a positive cycle.

Terms of Reference

The chair circulated draft terms of reference for consideration.

AS P wanted to know what the instep was for the meeting and it was observed that this was the aim of the current meeting.

AS P also observed that SMEs are covered by Federation for Small Businesses. He suggested that the meeting invite a representative of the Federation to attend.

AS P went on to note figures from the Federation's website relating to the impact of SMEs. It was quoted that 63% are one person only and possibly only 28% are actually capable of developing sufficiently i.e. capable and with capacity.

It was further noted that SME covers all sectors from one person to a small company. The group need to consider if looking at true businesses that can offer succession rather than just individual lifestyle improvement.

Nature of the nuclear industry seems to have developed towards an increase in the number of individuals working with SMEs (self-employed health physicists for example as part of Matom). There is a change here and this is how it works at the moment: may return over next few years.

The chair then asked PW for clarification on his mention of value.

PW replied that there are several things going on:

1. Getting all power stations into state of care and maintenance.
2. Reduction/retrieval of ILW (intermediate level waste) is an issue.
3. De-plant is an issue.

Value in this issue is establishing a route – work out how to deal with an issue and if a chosen method can be reproduced across the estate. Once a route has been established the question is asked; can you do it better, faster, cheaper but still safely?

There are also some significant drivers:

1. Hitting milestone targets incentivises Magnox to maintain or meet targets
2. Budget with NDA incentivises to come in at less than target.

These incentives align with publishing the budget.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

A 4th incentive is that they have a workforce and need to maintain capability whilst reducing numbers. They are trying really hard to make sure that the workforce stays in industry if it wants to and want to get true knowledge and learning out of this project.

AS P observed that one man bands want to keep specialities in a particular area and MT noted that Costain use SMEs because the individuals prefer one man status.

AS P then asked for clarification about using one man bands versus using SMEs who employ SMEs or those who employ staff (with incentives for employing local people)

Discussion followed relating to the fact that the downside of one man band is no loyalty and continuity. This also says nothing about the work that the individual is going to do, the SLC would rather put the scope of work on the supply chain. The current approach is influenced by history of Magnox.

RH recapped what the Read organisation does for persons not previously present during the introductions. He then noted that if you look at target spend increase, if this is going to be impacted on the SME sector and the SME sector provides people skills, there will be some highly skilled businesses but predominantly this will be local specialised people. The benefit will come to SMEs because the input is into local skills (not necessarily the other way around).

One of the issues his company has is who they should be engaging with, what are the key things they need to put into place, especially re new build? What do the people want out of SMEs. What skills are needed in that sector? He said that if the people involved in tendering do not understand what is required there could be delays.

Magnox noted that they have the same problem with regard to establishing what is needed. MT said that this was appropriate to the scope of the meeting.

GD thought that some interesting issues had been raised and asked if the group had a shared vision re why we are here – this was the idea of the Terms of Reference, to narrow down ideas and aim to achieve key aims. He thought the meeting should be like a Cabinet to drive agenda, not a government to discuss. It was observed that a good point had been raised by RH and it is that kind of point that the meeting needs to address.

MT finished on the point of LLW by sharing that he has just returned from the Waste Management conference in Phoenix where there was a lot of UK presence. The interesting thing was that there is a real appetite for engagement with proprietary technology. At UK sites however, there is less of an appetite, so SMEs need to be positive about approaching via Tier 2 suppliers if necessary.

RG had promoted SMEs to America on the back of positive work carried out at sites in UK. He said that Costain and Amec will be interested in these technologies as they are looking at the value technology: SMEs have something that improves the likes of Costain's business. They need to look at how this can work regionally, nationally and internationally to improve.

The NDA has a 20 year business plan in nuclear sector and some interesting opportunities re individual nature of this industry and the potential offerings.

The chair suggested a break for lunch and encouraged all to raise points of relevance in discussion with the NDA whilst they were present.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Modus Operandi

The chair reconvened the meeting and noted the initial discussion on the terms of reference.

Copies of the Modus Operandi were then circulated.

GD overviewed the MO and started by noting that as the group had discussed what it wants to achieve they can now discuss how the representatives present can facilitate this. There is a big agenda to deliver. There are specific issues in Wales to be addressed and benefits that this confers.

RG thanked the Welsh government on behalf of the NDA for the opportunity of making this the first of the regional SME meetings.

It was observed that the NIA nuclear jobs map gives concentrations of employment across the sector and is a good point of reference. The question was also raised as to where the regional line is drawn as there are other areas such as South West that could feed in skills.

GD said that this was a good idea and that there were opportunities to work in South Wales but also to link with companies in a certain radius of this area due to the specialisms available.

Similarly, the primary focus of the group's work is from the NDA but we should not ignore opportunities if they arise outside the NDA (e.g. with new build).

The first paragraph of the MO is membership. The NDA are down as an observer but this was thrown open to debate.

The NDA said they would like to be involved; they do not want to set the committee up and then walk away. The NDA want to be part of the Group but do not want to dominate the debate: SMEs need to take ownership of the group and to drive it. The NDA are happy to have whatever status the Group assign but would like to be involved to help.

It was suggested that the Group is made of SME and Tier 2 members with the NDA as observers and the option of bringing in appropriate persons for advice by prior agreement.

MT is chairing the group and is looking at meeting quarterly, with possibility of smaller groups meeting in between: this model can be refined.

Over the next 3 or 4 meetings the Group need to come up with a clear achievable agenda and clear achievable objectives that can be delivered and, as this is the first Regional SME Group meeting, that it must deliver.

Discussion began on accepting 4 members as a quorum.

It was agreed that people who make up the group have the vote, not persons brought in to advise.

Currently, there are 6 SMEs and two Tier 2 suppliers. It was thought that 4 may be proportionate.

The NDA noted it was intended that each SME present represent the SME community as a whole and not attend as an individual SME (i.e. leave the company badge at the door).

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

The question was asked: is the company the member or is the person in the room the member?

SD said she had tried to get a mix across the sectors to represent different skill sets but also with a local focus/passion. She had also looked for companies who are relatively successful in the sector, or with high experience in related sectors.

It was agreed that the members be the named people present and able to vote, with the chairman to have discretion on possible replacements (in case of leave etc.).

The decision was then confirmed to have 6 members as quorate.

Terms of Reference (ToR) Continued

The NDA noted that they would like to use these terms to inform terms for meetings in other regions.

The Regions were noted as: Wales, Scotland Cumbria, the North and Central/Southern England. This depends on if the regions want to engage, it is not to be enforced.

In relation to the ToR Introductory Paragraph:

The Group may go beyond decommissioning in the longer term but, in the main, at present is decommissioning focussed.

Focus: Bringing SMEs to the NDA estate faster, fitter but still safely.

The members observed that to enter the sector it is the same as any sector in that an investment is required. Can have aspirations of achieving this but also need capability. The Group need to encourage SMEs in the sector already to go for a bigger slice of the estate.

NDA asked if opening paragraph needs to be tempered to reflect safety and competence. MT noted that quality etc. is pretty uniform across the sectors now.

RH wondered if opening paragraph should include reference to enabling local colleges to provide for capabilities and core competencies. If Tier 2 require particular training of SMEs individuals is there possibility of local provision? The NDA noted there are possibilities at national level. The Chair observed there is an awareness locally.

RH asked if the meeting were happy re the situation at present or if it was part of the terms of reference to assess support provision. GD noted that he would like to keep the opening paragraph general especially as training was one of many elements that could be listed.

Discussion was held to effect that safety and training could/should be mentioned specifically in the ToR.

MB thought that one specific mission could be how we address the NDA target increases. MT responded that this may be too close to the NDA's commitment to central government. Magnox commented that this was in terms of visibility and trending, not that 'if we push in certain areas what will the response be'.

Discussion was held on measuring the health of the market.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

RG said the NDA have a definition of healthy which the group could decide to use or not. There are two sides to the debate: Magnox point of view and SME point of view. Today seems to indicate that this is not currently as healthy as a supply chain of £1.6 billion should be to enable engagement. The NDA understand what healthy means in terms of their action plan and the group can use it as they see fit.

SD provided the Group with the NDA's definition of healthy:

"In our Health of the Supply Chain survey Suppliers considered the health of the Supply Chain from the point of view of what was good for them and what was good for the NDA Estate. Both Tier 2 and Tier 3/ 4 commonly referred to the following key characteristics:

- **Sufficient level of opportunities** for suppliers and **good access** to these opportunities
- **Having a large enough pool of competent suppliers** (who, by working in competition, can offer the client value) for the Estate to select from
- **Consistency of supply** (continuity of demand/ work orders)
- **Right resources and quality management systems**
- **Where the 'best' bidder wins** (as opposed to cheapest bidder)
- **Recognition** of work done"

Magnox noted that if this meeting is successful then that is an improvement in health.

GD said all points had been taken on board.

Meeting agreed that GD was to take the ToR opening paragraph forward and 'tweak' it.

Discussion on Aims:

Phrase: Act as....

PW noted he wanted to use the group as an opportunity to see what this looks like and GD asked Peter to share what the areas currently look like and what Magnox would like them to look like, with suggestions on improvement.

GD gave an example of where better information on an SME would have provided an informed decision on how to progress re a balance of plant issue. Magnox noted that the benefit to them from more information would be in enabling them to get more funding into the site.

The NDA noted that there were opportunities for NDA and the Tier 2 suppliers to share their data and advise the SMEs throughout the meeting. This initiative was to assist the SME in helping SMEs to get together and prepare for packages of work (in the same way that the NDA encourage Tier 2 suppliers to assist each other).

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

A question was asked about the data being released to other companies. The discussion noted that messages would come out of the meeting and the SMEs would act as advocates in this respect. There is a need for transparency. Also, the group needs to be seen as representing SMEs not the government or the NDA.

GD asked for top 5 priorities of the group and said that his priority was communication. He asked others to consider theirs.

Phrase: Act as focus.... Can narrow this down to organising events etc.

Phrase: Focus on areas.... e.g. Promote and communicate the benefits of good training.

Discussion was held on needing to use the meeting to focus; there are a number of related groups and there is a need to get value out of this one. Must bring together other bodies to help advise the group.

IM suggested the group review recommendations and actions arising from the Energy Island Regional Supply Development Report, 2013.

Phrase: Coordinating role... This has come up in conversation with many of the nuclear organisations in the area and is a key point.

Discussion confirmed there are 4 meetings in which to meet the aims.

It was confirmed that the definition of SME for the purposes of this group is the same as the European definition.

Clarification of 20% - this is 20% of spend in the market. 20% of 1.6billion.

Discussion was on targets within the 20% - need to do things which are measurable, not to have smaller targets but achieve to tasks towards the aim: Shared list of 4-6 objectives to achieve over the next few months.

Overview of paragraphs beneath aims:

No particular comments on these.

GD clarified with MB if he was ok with the general aims, and he agreed.

PW said he was fine also re ToR but with the priority being the 4-6 aims.

RG asked if those who had agreed to the meeting were happy with and aligned to the terms and noted that some persons at the meeting had not commented on the document.

CS confirmed that as Tier 2 he was happy with the terms but keen to see what will come out of this.

Frequency of Meetings

See above

Roles/Responsibilities

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

See above

Commitment

See above

A five minute break was taken. After the break the group aimed to agree the first cut of priorities: everyone was to suggest their 4 or 5 top priorities which must be achievable and deliverable. Individuals were asked to consider how the priorities will be delivered given the capability of the group; they were to hold the idea that the group will share the workload in delivering.

The group reconvened.

GD suggested going around table for each individual to suggest 4 or 5 key objectives for the next 12 months.

GD

1. Write plan for SG
2. Comms plan – communicate our work
3. Respond to SME action plan to decide deliverables (as supplied by NDA)
4. Respond to SME SCC plans/targets (when available)
5. SME engagement/network

He commented that these were large priorities, not sure if achievable within timescale but possibly could be achieved.

AS P

1. For a larger tier 2 supplier – why engage in an SME? What is in it for them?
2. Payment – rate for sub-contractor of subcontractor and consequences – speed and rates.

The NDA commented that this is identified and being addressed and it was noted that this is deliverable.

CS

Requested that the 'Tier 2 commitment' needs to be clarified – NDA mentioned this may be to use the portal for example to advertise opportunities.

1. NDA 'Supply Chain Charter for Nuclear Decommissioning Sites': analyse how useful the charter is as a tool for SMEs in the region.
2. Measure among Tier 2s if they are considering making a commitment with other suppliers – get figures and deeper analysis.

IM

1. Identify linkages between supply chain and education and skills, confirming areas for SME development to improve competitiveness

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

2. Development of SMEs within the supply chain, clarify business support required by SMEs. This is a complex area that requires clarification.
3. Provide feedback on recommendations within the EIP Regional Supply Chain Development Report (supplied by IM)

Action 001 IM to send copy of 10 recommendations to MT for comment/circulation.

SG

1. SLC PQQ to Tier 2s and Tier 2s to comment to see if it can be adopted to streamline completion of information by SMEs for any tier 2 application.
2. Some SMEs are not large enough or skilled enough to take on nuclear contracts. Educational aspect of understanding contracts and the process. Also barriers in training staff.
3. Documentation Huge amounts of documentation and compliance which are onerous for an SME. NDA need to be challenged as to why information is required.

Notes: Would need Tier 2 to sign up for point 1. Costain commented that they have come up with this idea previously. NDA are working on a generic pre-qualification going live in April. SD noted that this was for SLCs re PQQ so is not exactly the same. RG suggested finding out if we can take PQQ and apply to Tier 2. GD suggested we do this as a pilot/research; the issue is resourcing that research. IM noted that this was a good idea but there was need to ensure it is bought into by buyers.

RH noted that same issue has come about with local authorities and they have created a database/area called 'the squid' where the information is uploaded then this can be accessed and individual companies can update it: Tier 2s then access the information and ask additional questions. There is a model here to review.

NDA observed that it can only use government portal: contracts finder.

RH mentioned this does not need to be a nuclear database, could just be a database of competencies accessed by the nuclear sector.

PM said Tier 2s would be looking at ways to differentiate between SMEs.

Re Point 3, the NDA noted this would be an issue for some sites and some projects but it should not be a barrier to working in the industry. NDA need to be challenged as to why information is required.

Discussion ensued relating to the barriers to accessibility and the feasibility of drawing up a procurement plan for SMEs. IM noted that Bangor/Glamorgan University had produced a report on barriers to procurement and the group agreed that there was a need to look at report and issue surrounding this. It was observed that there is a lot of information on the barriers – the real issue is on what can be done about them.

AR

1. Barriers again - discussion on role of tier 2s in this (tier 2s as procurers of SMEs). Need for executive summary of barrier reports and SMEs to assess validity of these then way through.
2. SME Procurement route

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

It was further noted that there was a need to set measurements for this group's success. This would be in the action plan.

RH

1. What and when for the supply chain to deliver – what are opportunities
2. Family tree of who is the customer - what is duration of contract? NDA noted Magnox has an overview of the contracts breakdown. Qn: is this coming down low enough for the SMEs to purchase into?
3. Contractual terms, payment terms – information on this so can make informed decision on whether to make a pitch (awarding bodies contract terms if different). SLC/Tier 2 differences.
4. Hardgate competencies for all awards

The NDA said that their terms have been simplified – now about 10 pages – but still need to meet data protection and FOI obligations. They have also tiered them – some for all contracts, some for Tier 2 and they need to get this rolled out.

It was observed that the NDA seem to have issues where they think they have solved the problem but this is not reaching the SMEs.

PW observed that Magnox may be able to apply a version of their terms but it would be specific to Magnox and not across the other SLCs. This may be an issue that needs to be transparent beyond the forum.

Point 3 on hardgating was observed to be difficult as contracts are programme specific whereas Hardgate is engineering based.

AS M

1. Value – opportunity to establish, highlight and communicate where SMEs are able to provide. NDA noted outcome of recent workshops – these are on website. Therefore a communication issue.
2. Try to establish that an SME is providing a service that Tier 2 and nuclear sector want. Where you are deficient and what SMEs do you need?
3. SLCs to review if they are putting unreasonable burden on SMEs for insurance and SMEs to review what they feel about whether insurance is a barrier.

Discussion followed Point 1 on how SMEs demonstrate the added value to Magnox – via criteria which varies according to contract. MT noted that at the moment it is difficult to win a contract based on value added.

NDA noted that is the SME has a unique product or service then value is less of an issue however if you are a local engineering firm value becomes more relevant. He mentioned there is no simple answer. It is up to the SMEs to recognise their value and where their strengths are.

PW noted that it is often about knocking out things that are not really needed.

In relation to Point 2, MB asked if we are clear on where we are right now; this needs to inform the measuring progress. PW noted he could say how much is being spent, how much is spent on SMEs and general percentages and areas – can paint a picture of skills that are lacking and skills in excess however there are exceptions to the rule in that new suppliers

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

can still be chosen or changes in areas of excess and can deliver in these areas. Further discussion followed relating to this.

Under Point 3 the NDA confirmed it is impossible to insure for a nuclear event. Insurance should be around a professional indemnity event. PW suggested the group look at it on a larger level (not just insurance) – 5 items with cost implications/requirements.

P McN –

1. Need information pack on things required for a tender e.g. security clearance. And for working with Tier 2.
2. Trawl existing guides and make an SME guide. Noted one available at Magnox.

PW –

1. Look at if supplier is working on a Welsh site, what is needed to get them to work on a nuclear site or on a nuclear site outside Wales. SME mobility in the UK.

At the end of the discussion NDA asked what is coming out of the meeting re communications.

The chair note that the minutes would be put together over next 2 days and he and the vice chair will reflect on the priority points raised and see if any can be grouped.

GD observed that a Master List would follow and members would be asked to vote for their top 4.

SD is happy to put together a communications list for the group re methods of communication.

An article will be prepared for publishing in Nuclear Connect which will detail points of discussion. GD asked that he is approached if there is anything that anyone does not wish to be published – this related to individuals details or specific information divulged during the meeting.

The NDA suggested a formal report from the meeting to be backed up by the article and that the report be entered on NDA website.

Action 002 GD to arrange preparation of article for Nuclear Connect re launch of group.

[NOTE: Final list of Action Points for consideration has been circulated separately.]

Any Other Business

Venue of next meeting to be disclosed via circulation with minutes. (Daresbury was suggested.)

Date of next meeting to be confirmed with the note that June is first national event committee meeting.

Volunteers were requested for action on deliverables as well as voting on preparation of the list of decided deliverables.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Action 003 MT to arrange compilation and distribution of list of Group priorities for members to vote on preferred options and volunteer for tasks.

The chair thanked MB for hosting the meeting.

SME Steering Group Wales

Inaugural Meeting 4 March 2013 - Minutes

Action Summary

<u>Action No</u>	<u>For</u>	<u>Description/Status</u>	<u>Due By</u>
001	IM	Send copy of 10 recommendations to MT for comment/circulation. ISSUED 04/03/13	Next Meeting
002	GD	To arrange preparation of article for current Nuclear Connect re launch of this group.	08/03/13
003	MT	Arrange compilation and distribution of list of Group priorities for members to vote on preferred options and volunteer for tasks.	Next Meeting