

SME Steering Group – South

Meeting 11: 5 May 2016 – NDA Harwell

MINUTES

Attendees

SMEs: Chair: Neil Foreman (NF) – Centronic Steve Spencer (SS) – Priory Construction Dave Barker (DB) - Aquila Nuclear Engineering Mark Sharpe (MS) – Oxford Technologies Steve Jenkins (SJ) – Force One Ltd Michael McCormack – Portsmouth Aviation	Tier 2s: John Bloodworth (JB) – KDC Shaun Lees (SL) – Interserve
NDA: Pippa Kelly (PK) Ron Gorham (RG) (start only) Juliet Frost (JF)	Other/Support Organisations: Ray Chegwin (RC) – Knowledge Transfer Network Chris Squires (CS) – EDF
SLCs: Andrew New – (AN) Magnox	
Apologies, Jeremy Sneddon – Provelio, Dave Dougan – BD Nuclear, John Mason – Antech, Wes Harford – AM Sensors, Helen Perthen – Magnox, David Floyd – AWE	

1 Welcome and Introductions

2 NDA Update – RG

The new NDA Estate SME target for the next 4 years will be 31% compared to the overall Government target of 33%. The NDA target was agreed with John Manzoni, Chief Executive of the Civil Service, the only non-Dept that has it's own target. The final figures for the NDA have been completed for Q4 and are looking at 22% which given the impact of the Comprehensive Spending Review, consolidation at Magnox and the changes and reprioritisation at Sellafield, is not unsurprising. The focus on the Estate will be to change behaviours in order to reach this target. The chairs of each of the Regional SME groups have been asked to contribute to the NDA SME Action Plan, in a change to previous plans, it will be an Estate plan and each of the SLCs will be part of the overall plan with additional local specific objectives where necessary.

The SME Steering Groups have been an essential vocal lead on behalf of the SME community, raising valuable issues with the NDA and SLCs and therefore will continue to be a key part of the SME plan, with the understanding that not each group will have the same focus.

RG has been invited to participate alongside the other 17 departments in Gov at the first meeting of a new Growth and Enterprise Board which includes 3 agenda's : SME, UK Growth and Apprentices. This meeting will be supported by other groups such as the Growth and Enterprise Steering Committee and the SME Champions group. This Board will hold the departments to account and has raised the profile of the requirement to achieve our targets.

Internal changes within NDA Supply Chain dept mean that Sam Dancy will be focusing on the Growth Agenda whilst Juliet Frost will be taking responsibility for the SME Agenda. RG will continue to attend meetings where necessary/available.

Juliet Frost

Having visited all of the regional groups, most of the issues raised are common and therefore simplifies the number of tasks required. The focus moving forward will be to create an environment more friendly towards SME engagement. To reach the target set, key will be those of the SLCs and Tier 2s to make significant changes and we would like to have SME support to feedback results of any action taken.

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A new SME Expert Group has been formed amongst members of the SLCs to share best practice and drive changes of behaviour. JF has prepared benchmarks for SLC and major Tier 2's SME performance as well as across commodity groups and against Government in order to measure and compare performance trends and to challenge current behaviour.

Following a question about revealing the detail behind the benchmarking exercise, JF explained that initially the findings will be used internally with the relevant departments and Prime Contractors to improve performance where appropriate. The data will be vital to demonstrate the facts rather than anecdotal evidence.

The SSA will be moving from the previously very successful Collaborative Procurement role to additional responsibility to look at issues such as standardising and rationalising procurement requirements on CP that currently can be potential barriers to SME engagement. The SSA will have a dedicated team who to work full time on these issues. It is hoped that the SLCs follow the example of the SSA on successful changes to remove supply chain barriers. The SSA will also be subject to the SME agenda and therefore lotting strategies will have to consider how best to offer new contracts. One of the options may be to follow the Dynamic Market Place pilot that is currently being run by LLWR to engage with a wider range of suppliers (both SME and larger companies) by using a pool of companies who have already registered to tender. It allows companies who are not part of large frameworks to bid for smaller work, currently on professional services, and encourages greater use of local firms and SMEs.

Action : Circulate the SSA plan presentation - NDA

Update on Sellafield – RG

One of the reasons of the change from a PBO to become a subsidiary of NDA has been to drive better behaviour. Martin Chown has joined SL as Supply Chain Director, his history includes working for a major Tier 2 and also for Government in Crown Commercial Service at the start of the SME Agenda. In order to achieve the SME Agenda, SL and the NDA will be looking at a range of programmes to achieve different results.

3 Magnox Update – Andrew New

Lifetime plans have been completed and confirm the steps required to get the sites to Care & Maintenance. In the next year the plans for spending are around £350m, subject to funding. Work broken down into approx. £100m on ongoing site operations (utilities/FM and Health Physics etc), £100m on continuation of existing projects and £160m on new work currently being sourced. Now that the strategies have been approved, work should begin to flow through. Magnox will have an SME focus but the emphasis will be on all procurement team members being responsible for the SME Agenda therefore there will not be a single SME Champion. Whilst the SME agenda is important, Magnox will ensure they employ the best athlete position but should provide opportunities to those suppliers and not constrain the market.

Action : The comms plan has now been issued and will be distributed to the group - PK

Action : AN is keen to receive thoughts on what is relevant to be included on the Magnox external website, comments to AN - All

Magnox Supply Chain Strategy should be complete within June. Key for the future will be to reduce the number of frameworks which currently account for 74% of the spend and use single contracts and this will require better advance planning. AN plans to present at the NDA Supply Chain in November, the next 14 years spend, project by project. In future, the operation of the contract

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will be delegated to the business with a focus on performance and relationship management in the Procurement function.

To clarify there will be no individual site procurements where part of a broader Categories or programme that covers SLC wide procurement. Individual procurements will be limited to programmes that require specific supply not required elsewhere within Magnox. Group raised concerns that communications have not improved and it is unclear who to contact.

Action : Provide the group with the Key contact people and the organisation structure within the Procurement team – AN

Magnox will be holding a Supplier day 6 months from the NDA Supply chain event in November. AN is considering that each Category should hold it's own supplier day.

4 Cyber Security and Business resilience

NDA encourage companies to take part in the Cyber Essentials Programme and it is mandated on some contracts. It is less onerous than ISO9001 and costs approx. £400/500.

Action : Circulate the presentation given to the Northern SME SG by Matthew Collantine on Cyber Essentials - PK

Magnox approach will be to inform suppliers of the risks and work with them to achieve the correct level of security. A question was raised about Cloud based storage and security but it is not thought that this is likely to be secure enough at the current time. Apparently however some other significant departments (such as MOJ) have moved to the Cloud?

Action : A KTN colleague attended a workshop on critical and National security – RC to circulate details Concern that the cyber requirements may be passed down the supply chain unnecessarily.

Suggestion that this subject is revisited in approx. 6 months to see if the situation has worsened.

Action : EDF may have a presentation to share on the subject- CS

5 Case Studies

Both NDA and AN would like to hear about case studies and good practice and AN is happy to hear about all issues relating to Magnox Supply Chain.

Date of Next Meeting: Offers for venue please – PK to send out a Doodle request for Sept