

## SME Steering Group - Cumbria

Meeting 17 - 30.11.17, NDA Herdus House, Westlakes Science & Tech Park, Moor Row

### MINUTES

#### Attendees

<b>SMEs:</b> <b>Chair:</b> Bob Allison - IBSL Mike Nichols – Pactec Graham McAvoy – Rovtech, guest Ian Park - Parkgate	<b>Tier 2s:</b> John Welch – Cavendish Nuclear (for Neil Proud)  <b>Support Organisations:</b> Sarah Mitchell – Copeland Council
<b>SLCs:</b> Robert Astall – Sellafield Michael Moore – Sellafield	<b>NDA:</b> Pippa Kelly Caroline Wood Philip Caldwell
<b>Apologies:</b> Andy Hooper – Westlakes Engineering, Pete Woolaghan – React, Jacqui Kipling – Westlakes Recruit (for Claire Wilcock), Mark Watters - Carillion	

#### 1. Minutes and outstanding Actions

Outstanding actions were reviewed and updated – see list at the end of the minutes

#### 2. Update on Shared Services Board Actions

Following the meeting held in March 2017, 3 action points were agreed to be priority for work by the Shared Services Board (SSB) in order to reduce the difficulties encountered by SMEs working on the NDA Estate. A further meeting is being arranged for April 2018 at which the Chairs will represent their groups with any feedback on the action points and any new issues for discussion.

Following is the current situation on each point.

- a. Standardise the Pre-qualification questionnaires raised by the SLCs. The government has issued a revised set of questions (known as Standard Questions) that should be used by all public procurements. The SSA (Shared Service Alliance) have worked with the SLCs, NDA and suppliers (including SMEs) to create a new set of core questions to be used in addition to the Government requirements. For open procedures there is a standard list to be used and these are being added to the CTM system. Whilst these questions will not remove the need for any input, they should self-populate and require only review or amendments on further applications. Immediate feedback was given that the improvement in the requirement only for self-certification will be well received.

**Action :** Feedback on the changes within CTM from the group to CW before the next meeting  
SMEs very encouraged by the changes and hoping to work with the Tier 2 community where possible to include similar modifications/standardisation.

- b. Standardised Terms and Conditions. NEC 3 is the preferred contract form for the NDA Estate however multiple different 'z' clauses have been introduced. These have now been rationalised and in particular issues with liability and audit processes have been standardised and will be updated in the flowdowns. SLC members and departments will be challenged to reduce unnecessary liability requests and the current Health Physics competition is being used as a pilot for the process, results should be in by the end of the year.

This raised the issue of whether the NDA will move to NEC4 – in time however work must be done internally to review the benefits and would not affect procurements that are already in progress. It appears that many SMEs and SLC members could benefit from a general training in NEC3 and perhaps 4.

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**Action** : Any members to put forward any contacts that could provide or are considering providing any training whether through Tier 2, SLC, Chambers of commerce, BEC BC etc.

SME Steering Group – north also considering an ‘SME’ focused training and SL volunteered to possibly combine SME and Employee training.

- c. Transparency of opportunities. Encouraging initiatives such as Linc at both SL and Dounreay have been launched. Further to the announcement last year that Tier 2s will be encouraged to advertise their opportunities through CTM there have been a number of issues resulting in only 3 of the 29 companies who originally promised up to £250m planned spend, actually taking part with a projected spend of £19m. The causes vary from technical difficulties, time constraints, pipelines changing from the SLC to already having an established supply chain. CW will be working with the Tier2s to better understand the issues and possible ways to mitigate them, possibly focusing on using PIN (prior information notices) rather than actual work. In addition those who did use CTM have encountered issues with large numbers of contacts that are unfocused and often not meeting the requirements of the contracts on offer. The emphasis from Government will continue to be to advertise as much of the public procurement on the central portal (contract finder).

**Action** : CW to meet and discuss possible solutions with Les Turner, Morgan Sindall and Jim Rooney of SL. Cavendish also have issues with advertising as this duplicates work they are mandated internally to advertise within their own e-tendering system.

GMC raised that DSM has no means of advertising since BIP vault was cancelled to be replaced by CTM but is also not being used.

### 3. NDA Update

NDA have recently appointed a new Commercial Director, Kate Ellis. Ms Ellis’ background is originally BP but was most recently working for the Ministry of Justice. David Peattie, NDA CEO, has a vision to bring together a number of the NDA subsidiaries and it is likely that the commercial departments of both INS and DRS will reside under the new Commercial Director. It is assumed that the Supply Chain Department will move to the new function but this has to be clarified.

Continued evolution of the reporting structures from the Government Commercial function and Crown Commercial Service have resulted in a new set of Commercial Standards. Each Department (and SLC) is required to self-assess against these targets using the ‘good/better/best’ scoring and these are combined and sent to Government. It is likely that the reporting will continue to evolve. Additionally pipelines of procurement activity will now need to be published 18 months ahead.

Supplier relationship management has traditionally been left to each Site Licence Company but NDA are working to bring a more co-ordinated approach to the efforts.

The increased reporting means that the Estate is under greater scrutiny.

NDA are working on refreshing the Health of the Supply Chain report which was last completed in 2012. The report is conducted by an external company and all contributions are kept anonymous. The SME Steering group members will be one of the lists of contacts that will be supplied to the company for possible questions and interviews.

A revised SME Action plan should be published shortly following some additional changes relating to information new requirements from Crown Commercial Services, on the NDA and SLC websites.

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Magnox contract with CFP will cease in 2019, however it is not confirmed yet what will take its place however there should be no great changes in the work and the intention is to ensure there is no 'cliff edge' for the Supply chain.

The NAO enquiry has been presented to Government and NDA and the Halliday enquiry is continuing with an interim report produced in October with the final output due in 2018. A recent PAC (Public Accounts Committee) hearing focused on the Magnox competition, resulting litigation and decision to terminate the CFP contract.

NDA is working to improve the strategic level Supplier Relationship Management (SRM) and is currently running a pilot. Companies are selected where the spend qualifies them within top 10 suppliers to the Estate, are also on the Cabinet Office Strategic Suppliers list or cover more than one Site Licence company (individual sites will maintain their own SRM process for companies working on one site only). Also in process is the next iteration of the NDA Health of the Supply Chain report last run in 2012. This will be run by an external company and will take the form of a number of questionnaires and more in-depth interviews with the Supply Chain, randomly selected from the list of suppliers, or potential suppliers to the Estate. Philip Caldwell is working with Bath University to create a set of relevant KPI's to measure the supply chain. Any companies wishing to take part to contact Philip.

#### 4. Sellafield Update

SL will be undertaking some major reorganisation next year following the end of reprocessing at Thorpe and the magnox plant. The core of the site mission will become fully Decommissioning. The site will be re-oriented around value streams. No redundancies are planned and staff will be redeployed and trained within the site. Site management teams will be reorganised and details are intended to be announced to staff before Christmas.

Supply Chain management is being restructured as part of the Commercial Department changes. The new organisational structure has been announced internally and will be headed by Martin Chown. Departments included will be Strategy and Planning, Supply Chain Innovation and Development, Capability and Assurance, Transformation (limited duration) and Procurement and Supply Chain. Some department heads have been announced, others to follow. A greater emphasis will be placed on relationships and behaviours within the procurement teams, and the new structure should be in place by April 2018. Procurement will be focused into categories broadly along the same structure as the SSA and will become a dedicated process overseeing the whole process from the initial requests from Contract Managers through to the Category managers .

**Action** : RA to supply the list of SL categories to PK

The group would like to acknowledge the great work done by the position of Sellafield Supply Chain Ombudsman (the role to be incorporated into the Supply Chain innovation & Development dept) and in particular thanks to Stuart Wilson for the impartial advice and support given to the Supply Chain in the past.

The group asked if the quality documentation and information be given particular focus within the changes to ensure it is not fragmented further and use the opportunity to ensure consistent levels across the procurement process.

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Figures update SL had spend by end of Period 7 (Oct) £42m in the supply chain. The target SME spend (combined direct and indirect) is currently running at 25%, the NDA percentage is between 25.5% and 29% for this financial year.

Question raised : what change in policy is being considered to enable Sellafield to reach the required 30% by the end of 2020? RA : no one change in policy or systems will achieve the required result but many improvements across the board, however there will be no 'positive discrimination' in favour of SMEs – work will still only be awarded to the best athlete.

A comment was made that SMEs often finding working for SL direct much easier than through Tier 2 companies due to the different (often Shareholder led) drivers. This is not true of all Tier 2s as pointed out by the Cavendish representative!

**Action :** A further question was raised by an SME on one of the DDP partners – discussion to be taken up directly with RA rather than in the meeting.

Major procurements in the pipeline currently include a new consortium 1A combining Wood (formerly Amec FW) and Interserve and 3 further procurements on Gloveboxes, PPP (Programme & Projects Partner) and 3m<sup>3</sup> box contract due for industry day in 2018.

SL launched its LINC programme to enable greater involvement with SME supplier. There are differences between the Sellafield system which is SME only and that of Dounreay which combines both Tier 2 and SME collaborations.

#### 5. Other Cumbrian Supply Chain Groups

The Chair updated the group on the status of some of the other groups in the region. The Socio Economic Group will be rebranded as the Supply Chain Group and will continue to work in the region, BA will attend on behalf of this group unless any other volunteers come forward. The Supply Chain Coalition has been disbanded due to the duplication with other groups, it is feared that the Toolkit developed by the group may be lost and it was hoped another sponsor could be found.

**Action :** BA to send the link to the SCC Toolkit CW for consideration of other applications/groups who could support the system to keep the value available.

#### 6. Changes to TORs and group communications

PK has been working on how to improve the communication between the SME Steering Groups and other SMEs either working in decommissioning or hoping to win work. A new 'closed' LinkedIn Group has been set up for SMEs only where the members can receive details of the next meetings of the groups, links to the SLC, NDA and other relevant body updates (currently only available within the minutes) and any other relevant information for SMEs in particular. To join the group, email [Supplychain@nda.gov.uk](mailto:Supplychain@nda.gov.uk) The Terms of Reference are also being proposed updates to include a greater number of SME companies on the committee (from 5 to 8/9) in order to ensure a quorum of 5 attend each meeting. In addition, it is proposed that there will be 3 meetings

This proposal will be brought before the Chairs and SLC members by the NDA at a meeting in February.

#### 7. AOB

MM – All major procurements coming from SL now include Social Impact requirements and are producing some positive successes based on the emphasis on use of SMEs, skills, growth and community.

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**Action** : GMC – finding a number of SL tenders are avoiding the overuse of Quality Grade 2 by using CE marking as an alternative, in many cases misunderstanding its use. Request to SL to ask for a single point of contact, similar to that of the Quality Manager to give greater understanding to SL staff on how and when to apply the CE marking requirements. RA/MM

SM – LEP will be updating the Strategic Economic Plan shortly and opportunities to contribute will be available in May 2018. The Council will be looking at the Growth Strategy and how towns work with business and what improvements can be made to ensure best practice is adopted. It is recognised too that there is a gap in the business support available to companies in the West Cumbria where BEC has changed focus. Support available from Chambers of Commerce and other bodies needs to be co-ordinated and promoted within the region. CW – The NDA awards were presented at the NDA Supply Chain Event on 2<sup>nd</sup> November. Please can interested companies focus on the outputs for the next year's event – this was the key difference between companies who won and lost!

Thanks was given by the group to Robert Astall who will be standing down from the group in favour of Alan Hartley, Head of Procurement at Sellafield.

Also thanks was given to Sarah Purdham, PrimaUno for her contributions in the past meetings who has stood down from the group due to work commitments.

#### 8. Next Meeting – new schedule to be announced for 2018

##### Action Points :

**17-01** SME figures now to include single employee companies – resulting figures did not provide a great difference with changes in the tax laws (IR35) the figures are expected to resolve to previous levels. - **closed**

**17-02** Confirm next date of Commercial Directors/SME Chairs meeting – **closed**

**17-03** List of all groups to be circulated to members for volunteers **closed**

**17-04** Proposal to increase awareness of the group and its function by using Social Media (Linkedin Group?) – details of proposals given to group on 30.17

**17-05** Any input required to the New Nuclear Build event to be passed to JA who will be attending - **closed**

##### Outstanding actions for closure :

**Action** : Review the guides produced by the Northern and Welsh groups for updates and possible modification to make more 'online' friendly – BA to discuss with the other chairs

**Action** : SME data collection – changes being made flow chart may be published following

**Action** : Local SME spend to be published – RA by end of May 2017 - **closed**

**Action** : Invite NuGen to join the group – BA

**Action** : IP position clarified by NDA – each SLC to publish their own – updates required by SL/Magnox **closed**

**Action** : invite Helen Fisher, SL Socio Economics to attend – Michael Moore attending for SL – **closed – changes to organisation at SL, new SL representative will be Alan Hartley and on occasion Emma-Jayne Gooch**