

## SME Steering Group - Cumbria

**Meeting 9 – 11.00am 14 October 2014, NDA, Herdus House, Moor Row**

### MINUTES

#### Attendees

<b>SMEs:</b> <b>Chair:</b> Kurt Canfield (KC), Safety Critical Peter Woolaghan (PW), React Engineering Ian Park (IP), Park Gate Tom Anderson (TA), Blue Stream Consulting Mike Nichols (MN), PacTec Andy Hooper (AH) Westlakes Engineering	<b>Tier 2s:</b> Kevin Thompson (KT), Carillion Graeme Mackenzie-Netherwood (GMN), MITIE William Moulton (WM), Cavendish Nuclear - Guest <b>Support Organisations:</b> John Porter (JP) BEC Sarah Mitchell (SM), Copeland BC Simon Roberts (SR), EPI Consulting - Guest
<b>SLCs:</b> Robert Astall (RA), Sellafield Limited Tom Crowe (TC), LLWR – guest	<b>NDA:</b> Ron Gorham (RG) – by phone Chris Jennings (CJ) Pippa Kelly (PK)
<b>Apologies:</b> Sam Dancy (SD), NDA	

#### 1) Apologies, Introductions and Minutes from previous meeting

Graeme MacKenzie-Netherwood is the new representative from Mitie and was introduced to the committee along with two guest speakers William Moulton from Cavendish Nuclear and Simon Roberts from EPI Consulting.

#### 2) Outstanding Actions Points from previous meetings

See updated log.

Item 2.4 added to Agenda for next meeting – discussion took place over Government intention to remove PQQ's following Lord Young's report. Continuing concern from SME's that the PQQ's are directed towards larger (Tier 2) companies and dissuade SME's from competing.

**Action :** Not many companies on the committee are members of the Cumbria Chamber of Commerce and this is the basis for the LEP's communication to the region. JP and SM to review and report back to next meeting.

**Action :** All to report inappropriate uses of Professional Indemnity requests being flowed down through the Tier 2's to SMEs

#### 3) Focus areas for Committee (Training, Commercial Barriers, Identifying Cumbrian SME's in the supply chain, Export )

No further update at this time.

#### 4) New Challenges/Barriers/LFE/Contract Structures

Concern was expressed over recent increases in wage/contract prices causing SME's who are required to employ staff for bidding work incurring additional costs that if the contract is not won can cause serious financial problems. One major Tier 2 has already capped the employment rates for contractors. The issue is being felt by all levels of the industry but particularly could exclude SME's from bidding for work. Discussion over how the rapid increases could be stemmed did not come to any single conclusion. Would have to be a series of different solutions working together to ensure that staff were not driven from the industry into alternative work to maintain wage levels.

Terms and Conditions imposed on contracts causing some issues with one particular Tier 2 only pulling from a contract bid 2 days prior to the closure leaving the SME's who were involved in the

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bid with no opportunity to look at alternative routes into the contract. Discussion over whether the T & C's could be standardised or issued in advance of the bid?

LLWR larger contracts are now being awarded using NEC3, and this should make T & C's more visible earlier in the bidding process.

- 5) **Feedback from National Committee/Chairs** – next meeting being held on 15/16<sup>th</sup> October
- 6) **Feedback from other Committees : CoNE (Centre of Nuclear Excellence) , CEC (Cumbria Excellence Committee) and SSCFG (SME Supply Chain Focus Group)**

CoNE (consisting of SLC's, Cumbrian Local Authorities, BAe, Nugen, LEP's etc) have produced the 1<sup>st</sup> Business Plans and is working on the communication plan. Focus of the group is to drive Cumbria towards being recognised as a Centre for Nuclear Excellence. Initial plan is to find the gaps between the organisations, plan and enact changes required.

SSCFG – presented a new logistics provider will be awarded a contract shortly to create a centralised logistics 'control tower' to rationalise deliveries on to site. Supply Chain Development contract is close to being placed for educating the supply chain on Sellafield standards and specifications and to feedback on any improvements.

**Action :** RA to feedback to committee on the DSA/KPMG report and other recent independent reviews, Andy Burrows to be invited to give an update at the next meeting.

- 7) **Guest Speaker – Simon Roberts, epi Consulting**  
Epi Consulting have been commissioned to review SME engagement with SL. A copy of the redacted presentation will be available online.
- 8) **Guest Speaker – William Moul, Cavendish Nuclear**
- 9) **Reflection on progress and NDA & SL SME Action Plans**  
The Chair asked the question 'are we bringing value?' General response was good that the profile of SME's has been raised and issues brought to the fore. Some were not sure that behaviour had yet changed, however it was recognised that this will be a slow process and progress was being made. A tier 2 representative felt that they were getting a better understanding of how SME's work and including them more in initiatives, however they are concerned that not all Tier 2's were as active. RA felt that SL has a better understanding of the drive and enthusiasm of SME's but also wants to ensure that poor performance issues from SLC's should be fed back. PW felt that it was a good forum for articulating concerns and issues and is happy that the SME Action plans provide a good basis for improvement as long as they are enacted.  
To summarise, the Steering Group has made progress and is seen as valuable by the members, the next focus should be on changing behaviours at the Tier 2 level.
- 10) **AOB**  
National Grid will be holding a number of Exhibitions around the county, when questioned they were not aware of any SME involvement.
- 11) **Dates for next meetings**  
Next meeting scheduled for December at Safety Critical offices, Cleator moor



## **NDA SME Steering Group – Cumbria**

### **Sellafield Ltd SME Engagement Project Update**

**14th October 2014**

- Who are epi Consulting?
- Objectives & Methodology of the Project
- Timelines
- Who we are engaging
- Contributions / Suggestions
- AOB

# WHO ARE EPI CONSULTING?

- **epi Consulting's team has worked on projects in the Nuclear Sector for over fifteen years and has been appointed as the independent consultant for this SME engagement project. Previous roles include:**
  - Best practice procurement
  - Major Projects review
  - Early Client Engagement
  - Development of best practice category management
  - Review of critical shortages in the nuclear supply chain
- **epi Consulting also offers consultancy advice in the area of supply chain sustainability and CR development in the ICT supply chain both in the UK and Asia**



[www.epiconsulting.co.uk](http://www.epiconsulting.co.uk)

### **Retrospective Review**

To review the 2013 Sellafield Ltd. SME Action Plan - including analysis of the results so far in order to build on the successes achieved.

### **Feedback and Best Practice**

To meet and obtain feedback directly from selected Tier 2 companies and engage SMEs at small regional workshops/focus groups to learn their views. Options to engage via phone, in Cumbria or Warrington.

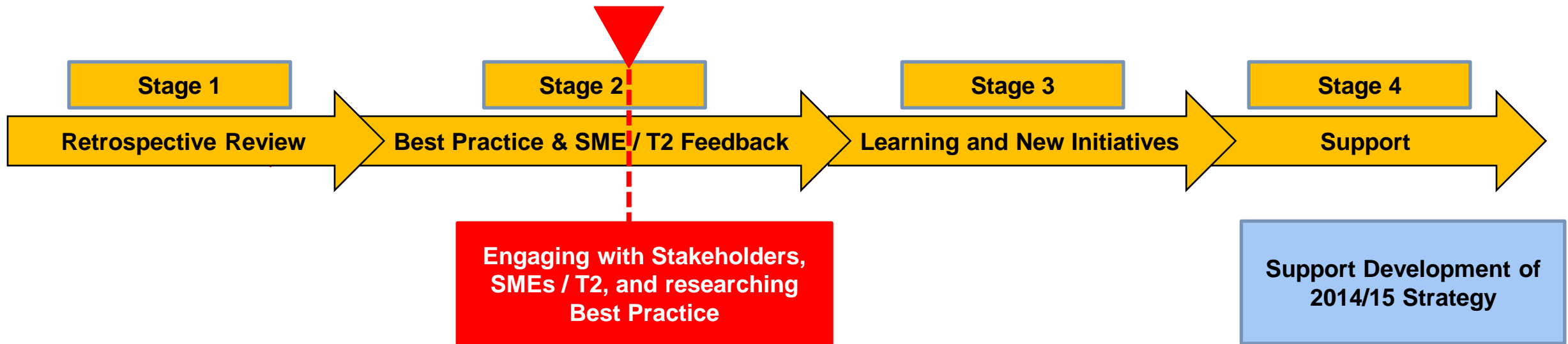
### **Learning and New Initiatives**

To analyse current best-practice approaches in SME engagement and measurement in other public and private sectors.

### **Support**

To incorporate all this knowledge, data and experience to inform the Sellafield Ltd. SME strategy and support the development of the 2014/5 Sellafield Ltd. SME Growth Plan.

## SME Engagement Programme of work – Where are we?



## Engaging with stakeholders and companies – for example....

Stakeholders from organisations including...



Examples of some of the SMEs...

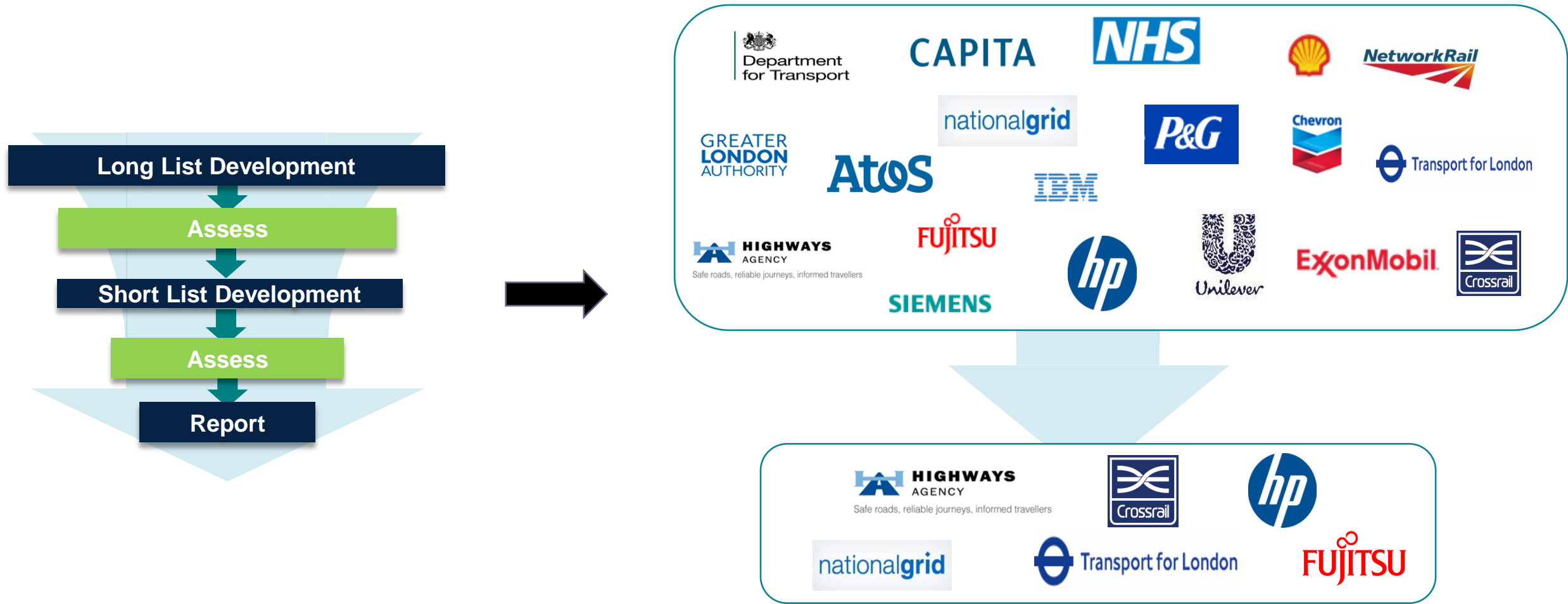


Examples of some of the Tier 2 suppliers...





# Best Practice Benchmarking – Long List vs Short List



## Opinions on...

- Direct engagement with Sellafield Ltd - as an SME / Contractor
- Engagement through a Tier 2 or other supplier - as an SME / Contractor
- Engagement with SMEs as a Tier 2 company
- Positive or negative experiences encountered – areas to improve and how

**We welcome any recommendations and comments**

# SME Engagement Project Contacts

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cavendish  
nuclear

**NDA SME Cumbria Meeting**  
**14<sup>th</sup> October 2014**

- Overview of Cavendish's current approach
- What Cavendish are doing
- Category Management Approach
- Where Category Management Fits

- Cavendish are committed to driving up SME usage where appropriate
  - Additionally, keen to access non-nuclear SME expertise
- Babcock as a whole are committed to increasing SME involvement across all areas of the Group
  - Utilisation data being reported to NDA and Cabinet Office
- Historically our business processes have not aided the selection and utilisation of SMEs
  - Rigorous expectations clearly required, but is fit for purpose good enough?

## | SME Strategy – What we are doing

- Revisiting the supplier accreditation/approval process
  - Standardised process across Babcock with additional requirements for Cavendish contracts
  - A database that provides clear visibility of suppliers capability across Cavendish
  - Suppliers potentially pre-approved for non-Cavendish opportunities elsewhere within Babcock
- Suppliers approved to a level that matches the process
  - Is full accreditation required for early stage involvement?
- Further development of make versus buy decisions
- SME workshops/meet the supplier events
- Revisiting contracting processes

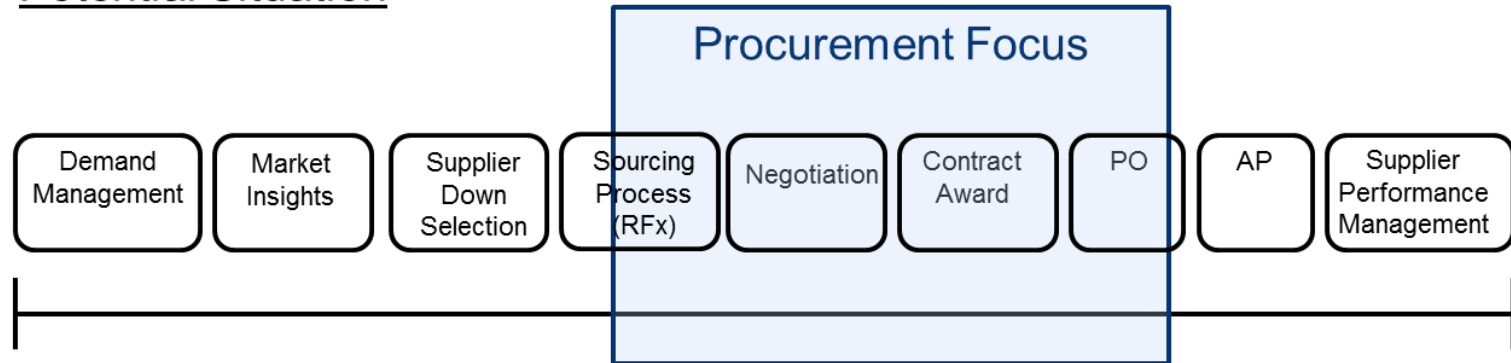
# | SME Strategy – Category Management

- Category Management defines appropriate groupings of spend/suppliers to a level of granularity which aids sourcing decisions
  - Clarity on capability of suppliers across Cavendish rather than just within projects
- Suppliers, Stakeholders and Procurement working together through sourcing process
  - Early involvement of procurement with clear roles and responsibilities
  - Procurement adding strategic, rather than transactional support
- Active management of suppliers beyond contract award
  - Collaborative approach

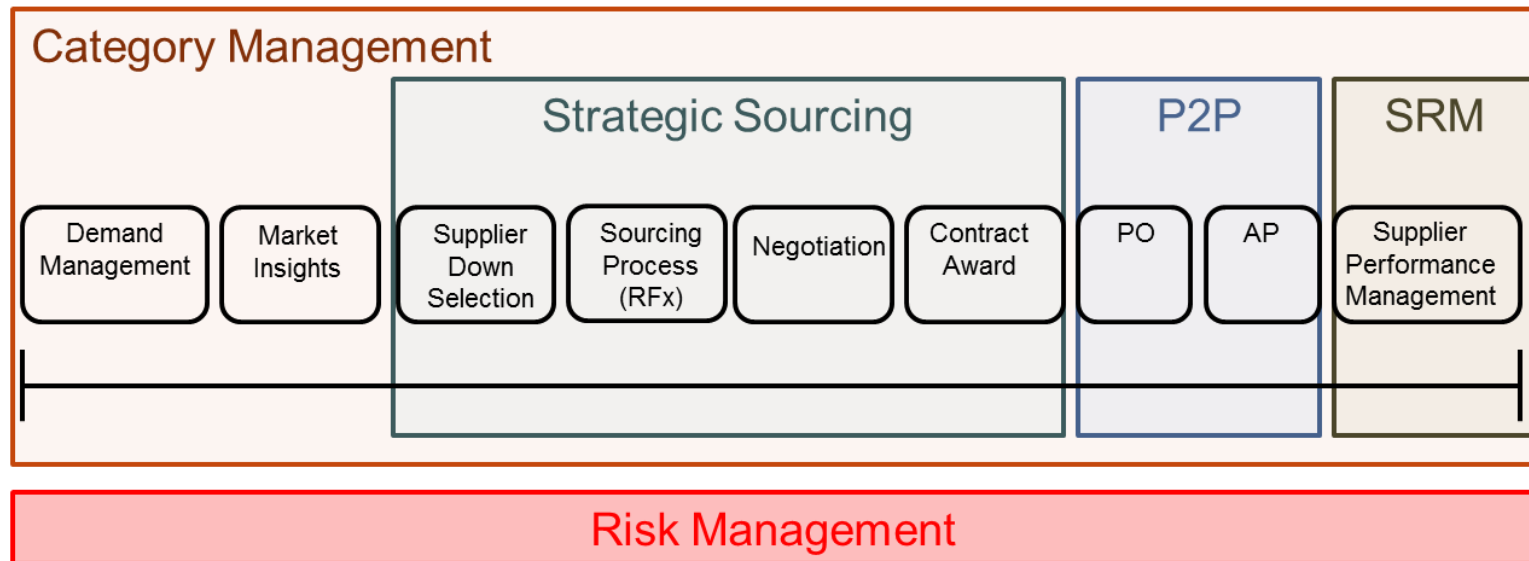


# Where Category Management Fits into Procurement Strategy

## Potential Situation



## Desired Situation





| cavendish  
| nuclear