

## SME Steering Group - Wales

Meeting 10: 11am 21 January 2016, Coleg Menai, Llangefni, Anglesey

### MINUTES

#### Attendees

<p><b>SMEs:</b>  <b>Chair:</b> Matt Tuck (MT), Chair Matom          Andrew Samuel (AS) Mon          Maintenance          Sara Lodge (SL) Beehive Coaching          Gwyndaf Williams (GW), Advent PM          Chris Gilliard (CG) NI Batteries</p>	<p><b>Tier 2s:</b>          Graeme Wright (GW) Doosan Babcock          Lee McLaughlin (LMc) Costain</p>
<p><b>SLCs:</b>          Andrew New (AN) Magnox</p>	<p><b>Support Organisations:</b>          Cheryl Whitaker (CW) Welsh Government          Damian Woodford (DW) Coleg Menai</p> <p><b>NDA:</b> Sam Dancy (SD)          Juliet Frost (JF)          Pippa Kelly (PK)</p>
<p><b>Apologies:</b> Ian Williams - Advent PM, Ron Gorham - NDA          NDA, Wyn Roberts - Welsh Gov, John Jones - Beaumaris Instruments Company, Catherine Grindlay - Campbell Grindlay Engineering, Peter A McNaughton Doosan Babcock</p>	

#### 1 Introductions and Apologies

Damian Woodford, Head of Engineering at Coleg Menai introduced himself and gave detail about the changes being made to address the requirements suppliers in the area and particularly Horizon. Horizon will be sponsoring an initial 12 apprenticeships through the Coleg, 12 in 2017 and increasing to 24 for following years. Focus is also being given to matching the skills required by suppliers to the STEM skills offered at the Coleg and consideration being made to move from the traditional 'school' year to create a more dynamic training schedule. Coleg recognises there is a lack of interest in STEM from students and is looking at how to address the image issue and also working with local companies to include placements and involvement in their studies to highlight the relevance of their learning.

An Apprentice fair is being held on 9<sup>th</sup> Feb in Bangor to give companies the opportunity to present to potential students and encourage uptake of STEM apprenticeships, local companies are invited to attend/present.

Juliet Frost, NDA was introduced to the group as one of the new Supply Chain Managers for the NDA.

#### 2 Update from NDA – Sam Dancy

The final outcome of the Government Spending Review has been issued and the NDA feel the outcome was better than might have been expected with a final figure of £11bn over the next parliament but included a promise to make £1bn of savings across the Estate. These will be predominantly be made by efficiencies within the NDA and SLCs. Each of the SLCs will now have their final figures and will be making adjustments to their plans accordingly.

The SME target has continued to be key to this Government and a revised target has been set for this parliamentary term of 33% across the piece. NDA have negotiated a target of 31% to be implemented across the next 4 years in stages :

2015-16	21.5% - 23%
2016-17	23.5% - 25%
2017-18	25.5% - 29%
2018-19	29% - 31%

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The NDA are also in the final stages of consultation on the new Strategy Plan. All are encouraged to check the NDA website for the details and video outlines of the highlights. Key elements of the Supply Chain Strategy have remained the same but will continue to be developed. Final comments should be made to the NDA by 15<sup>th</sup> Feb.

Also being updated is the SME Action Plan which will this time cover both the SLCs and NDA with local variations on the core subjects.

**Action** : All to read the current Action Plan and make comments or suggestions to the NDA for the new Plan by end of Feb. PK to send link to the Action Plan by email

Elements included in the last action plan that are still current are Transparency, CTM and Contracts Finder, flow downs and PQQ's, IP etc. In response to a question from MT, SD clarified that both Insurance and IP are still being actively worked on in the NDA and SLCs to simplify and harmonise across the Estate.

### 3 Update from Welsh Government – Cheryl Whitaker

Following the restructure of the Welsh Energy Unit reported on at the last meeting, Wyn Roberts has been confirmed as Head of Nuclear Supply Chain with Robin Beckman leading the Nuclear Programme Board. This crosses departments within the Welsh Gov and will include both Nuclear Decommissioning and New Build. The new department are focusing on gaps in provision for the Supply Chain and will be looking at further funding for SMEs. The group were asked if they could feedback on any areas they felt could benefit from this. Mention was made of support for the preparing for the Structural Steel accreditation as this is not currently available. Previously Welsh Gov held an event in conjunction with Magnox and 8 leading Tier 2 contractors and the Gov introduced local companies and in one case involved supporting a company to gain their ISO 9000 and therefore be eligible for one of these contracts.

CW is focusing on supporting local SMEs with IT to recognise the need to be correctly focused with Websites/ecommerce. Mention was made of a programme 'TenderWise' offered by Bangor University. The aim was to support SMEs through the tender process, giving feedback on previous tenders and other elements relating to the procurement process.

**Action** : CW to confirm if TenderWise is still available and send link to the group

The new Welsh Business Directory is being developed as a subsection of the Sell to Wales portal and will include any company wishing to be registered and will allow for searching based on key words (such as Nuclear). The information will be provided by each company registering and will be their responsibility to maintain.

### 4 Update from Magnox – Andrew New

Work continues to change the Magnox structure from a site to a programme based organisation. Almost all sites will now have been reviewed and through February and March common plans will be developed to maximise use of time and resources.

The restructuring of the internal Magnox staff should be completed by 1<sup>st</sup> April with some major changes to the organisation. Training for staff will be starting in February.

Now that the result of the CSR (Comprehensive Spending Review) has been completed, budgets for the category and programmes can be finalised. The 5 core category strategies for IT, construction, engineering, HR & corporate services and professional

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services and 3 programme led strategies waste, decommissioning and asset management.

Each category will have their own team and will cross multiple programmes and sites but should report to the Head of Procurement (AN). Historically Magnox worked with framework teams and enabling contracts and local sites would call off work within these frameworks. Now this will come from a central supply contract and be managed by the category team. Competition will be completed together as one process – for example there is a current competition for the Encapsulation plants for all sites however this does not necessarily mean that there is only one supplier – it could be packaged into different bids.

A new Supply Chain Strategic plan will be announced soon, the new team structures and a single key contact for each category and programmes will be available.

MT asked whether there will be increased interest/receptiveness for innovation and new ideas from the Supply Chain in Magnox going forward – historically this has not been evident.

AN responded that to achieve the necessary budget cuts and meet the new targets this a requirement. The new KPI for the Category management teams and the stakeholder groups will include innovation as well as cost reduction and they should be very open to new solutions, part of a significant behavioural changes. 75% of all work done by Magnox goes through the supply chain.

SME direct spend for Magnox is currently 12% and should be a resultant change due to the category management/programme changes by ensuring optimal use of the supply chain rather than dictating values and targets.

At the Southern SME SG AN asked for support with the new Supply Chain communications plan and intends to have this formulated before the next Southern group meeting, covering supplier days, internal and external communications, opportunities for innovation/R&D.

Part of this will be to have a revised Procurement Policy – this should be a simplified document with supplementary documents on ‘how to...’ to give more detailed information to the Category teams on communication with the supply chain etc.

**Action** : Invitation for Horizon to attend the next meeting – PK/MT

#### 5 Round table update on the NDA SME Action Plan

This was postponed to the next meeting

**Action** : suggestions for the new NDA SME Action Plan for future (link to current) by mid Feb- PK

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#### 6 Britain's Energy Coast (BEC) – a model for Wales?

The group discussed the current situation with the Energy Island group – lack of external communication.

Concern that Energy Island appears to have lost focus since achieving its initial target to attract new business and marketing the region. The group agree it is a 'brand' worth keeping. CW recognised that whilst Energy Island has the bulk of the opportunities, there are many more for the rest of North Wales and beyond. The North Wales Ambition Board covers most of these region but concerns are that this is Government only and doesn't have the extended members or representatives of Energy Island.

Potential to learn from the Cumbrian BEC group and look for synergies.

**Action** : MT/PK/SD to consider inviting a member of BEC or BEC BC to present at the next meeting

**Action** : CW/MT to ask for an update on the future of the Energy Island and report back to the group

**Action** : Wyn Roberts to attend to present the business case for support to industry and how it could be shaped.

#### 7 AOB

Costain have an additional contract now signed off at Wylfa and have an SME included in the contract as well as Doosan.

**Action** : Agenda point for next meeting – FAQ's update/refresh, look to electronic media

**Action** : AN to present the new Magnox communications Plan at the next meeting

Next meeting proposed for end of April – PK to send doodle – CW to propose availability for Llandudno Junction.