

## SME Steering Group - Scotland

### Meeting 9 – 14.3.16 Scottish Enterprise Offices, Glasgow, Scotland

#### MINUTES

##### Attendees

<b>SMEs:</b> <b>Chair:</b> Bob McKee (BMCK), McKillop Engineering & Projects Peter Murphy (PM) Turnbull & Scott David Cairney (DC) Fluidic Phil Durrant (PD) PDA Consultants Ray Gold (RG) RDG Engineering Gary McGuire (GM) RDG Engineering	<b>Tier 2s:</b> Adrian Peckitt (AP) Nuvia Laura McCusker (LMc) Doosan Babcock
<b>SLCs:</b> Kenneth Linn (KL) DSRL	<b>Support Organisations:</b> Jane Gallagher(JG) Scottish Enterprise Louisa MacDonell (LMac) Scottish Enterprise  <b>NDA:</b> Pippa Kelly (PK) Juliet Frost (JF)
<b>Apologies:</b> Keith Muir (KM) Highlands & Island Enterprise Shaun McLaughlin (SM) McLaughlin Construction Wendy Pring (WP) KCP Ltd Andrew Boddice (AB) Imenco Ltd Ron Gorham (RG) NDA Sam Dancy (SD) NDA Stephen Sutherland (SS) JGC Engineering John Curran (JC) Soilutions Angela Ramsay (AR) Nuclear Project Associates	

#### 1. Welcome and Introductions

RDG Engineering were welcomed to the meeting as guest SMEs. Juliet Frost was introduced as a new NDA Supply Chain Manager joining the team in January this year, based in the Harwell Office.

Apologies were received from the above members. AB forwarded a request from North Sea Decommissioning to attend a future meeting. It was pointed out that a previous CEO (Brian Nixon) had presented to the group in 2014 but as there is a new Interim CEO this may be a good opportunity to revisit any future opportunities.

#### 2. Introduction by RDG Engineering

RDG Engineering are a well-established Design Engineering company who have had experience in the past working in Nuclear Decommissioning. Currently the focus has been on Civil structural works such as Network Rail. They feel they would be able to bring a fresh approach to SLCs such as Sellafield and always wish to add value to any work they produce for a client. They are keen to work jointly with other companies in order to provide a wider breadth of capability and are currently working with on construction and steel fabrication companies on projects in London. The company employs 34 members of staff, 7 based in Scotland. RDG are always keen to look for highly motivated engineers with an indepth knowledge and also work with Graduate trainees.

It was proposed that RDG contact other SLCs such as Magnox and DSRL through BK and KL was keen to discuss possible opportunities with the company.

#### 3. Doosan Babcock – Laura McCusker

Alastair Laird moved into a new post at Doosan Babcock 11 months ago and Doosan Babcock are in the process of combining two departments – Nuclear MRO and Large Nuclear Projects into one Division. AL recognised that Doosan Babcock had no formal strategy on how to engage with Tier3 or SME companies and best utilise their expertise. A pilot scheme has been devised to

## SME Steering Group - Scotland

### Meeting 9 – 14.3.16 Scottish Enterprise Offices, Glasgow, Scotland

look at the Scottish supply chain and DB are working with Scottish Enterprise, TWI and Evan Wright and held an Awareness Day where companies were invited to attend and present their company's capability to members of Doosan Babcock at the site in Renfrew. Five companies had follow up meetings and a conference call is planned with quarterly update meetings. Further similar events are being planned. The focus for now is on Nuclear Decommissioning for these events but may be extended to New Build at the appropriate time.

AL will be working with companies who would like to move from the Oil & Gas industry and has also volunteered to be a mentor on the NDA SME Mentor scheme.

#### 4. Scottish Enterprise – Louisa MacDonnell

The Nuclear Supply Chain (NSC) has continued to grow and is now oversubscribed. Many of the companies who are applying for support have come from the Oil and Gas industry and Scottish Enterprise are considering extending the project and are looking for additional funding. The programme has continued to be very well received. Currently there is no intention to pursue the Fit 4 Nuclear programme whilst the NSC is giving the support required to companies. The SE are now looking at a new project in development with the Sharing in Growth programme to support larger Nuclear Decommissioning projects.

The measurable objectives of the NSC 2 are similar to those of the previous programme : jobs safeguarded and jobs created.

LMac has been in contact with Ron Gorham to ensure SE and NDA work together and support each other's objectives regarding the Scottish Nuclear supply chain. Scottish Enterprise are keen to receive feedback from SMEs in Scotland and where possible try to resolve issues. Scottish Enterprise will be supporting a potential trade mission to Japan and other foreign opportunities with funding available for companies wishing to pursue this further.

An issue with an SME placing a tender at DSRL was raised to LMac, however KL had not been approached and this is a concern felt across the SLCs that issues are not being taken direct to the SLC for resolution but via various other community members. It is not clear whether this is down to lack of knowledge of who to contact or fear of tarnishing future prospects.

The group raised the continuing issue of lack of portability of Security clearances across sites.

**Action :** NDA to raise this issue again with NDA Head of Security – JF/PK

#### 5. NDA Update – Juliet Frost

In RG's absence, JF gave an update on the key issues facing the NDA since the last meeting. The Comprehensive Spending Review (CSR) was completed with the NDA receiving a total of £11bn over the next parliament to continue its mission. This was recognised as being a better result than could have been expected but was teamed with the challenge to reduce costs by £1bn in the same time frame. Each of the SLCs now have their respective budgets and have looked at their Strategic Plans and made changes to the work priorities for the next 4 years.

Magneox have continued with the process initiated by the change in Parent Body Organisation (PBO) to Cavendish Fluor Partners to restructure the Procurement Division which is now headed by Andrew New, the Head of Procurement and Supply Chain. There will be major changes to

## SME Steering Group - Scotland

### Meeting 9 – 14.3.16 Scottish Enterprise Offices, Glasgow, Scotland

the way work will be procured, from individual sites based procurement to company wide Category Management.

The change in model for Sellafield ownership is still on target for a handover from it's current PBO, Nuclear management Partners to NDA as a wholly owned subsidiary on 1<sup>st</sup> April. Changes have been made to the structure within SL and NDA to reflect the different nature of the relationship and will also be in place from 1<sup>st</sup> April.

The Government have confirmed their SME target for the next 4 years will be 33% across all Government Departments. NDA have negotiated for a 31% spend target with incremental targets of :

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

In order to achieve these targets, NDA are looking for input from the SME Steering Groups to the previous SME Action Plan (2014) that would help us to achieve these challenging figures.

#### SME Mentor Scheme – Pippa Kelly

NDA have launched the third SME Mentor Scheme following 2 previously successful programmes. This year the scheme will be available for up to 2 years and will continue to be available to mentees from any SME interested in working, or already working in the Nuclear Decommissioning industry. We are continuing to look for Mentors from across the Industry, not necessarily directly related to Nuclear but with transferrable skills to support a small company. Any one interested in being a Mentor (does not have to be from a large company!) or a Mentee, please apply via the NDA website – now and look under Procurement for Supply Chain opportunities.

The NDA Supply Chain Event has been booked for Thursday 3<sup>rd</sup> November, at EventCity Manchester. Please make a note in your diary and look for more information on the NDA website or LinkedIn pages.

#### 6. Nuclear Supply Chain 2 – Jane Gallagher

The NSC is already ahead of it's targets and as previously mentioned, is looking to extend to accommodate more companies. There is a Meet the Buyer event planned at Dunblane Hydro on 22<sup>nd</sup> June being organised with TWI, details via NIA website or contact 01223 899 000  
E-mail: [nick.elbourn@twi.co.uk](mailto:nick.elbourn@twi.co.uk).

#### 7. Discussion on increasing the SME spend - all

The group discussed various causes it considered as barriers to achieving the NDA target SME spend.

- PM highlighted the Lotting strategies at SLCs as particularly detrimental to SME involvement and gave the example of Public Contracts Scotland where larger projects were being split into their constituent parts to give greater opportunities for SMEs to bid for work.
- B McK suggested the NDA mandate a modification of contracts.
- PK gave the group an overview of the LLWR Dynamic Market Place project and explained that this is hoped to give greater access for SME and local companies to bid for work at

## SME Steering Group - Scotland

### Meeting 9 – 14.3.16 Scottish Enterprise Offices, Glasgow, Scotland

LLWR on Business Services contracts. The system is recognised by the Government as an option within the Public Procurement regulations and will be incorporated in the CTM system used by LLWR. If successful, and suitable, this option may be extended to other sites.

**Action** : PK to clarify whether there is a maximum tender size for the DMP.

- KL explained that the SSA will be looking at contract terms, ITTs etc across the NDA Estate
- LMac asked if there is a possibility of financially (or otherwise) incentivising SLCs /Tier2 companies to meet SME targets. Concern whether this becomes positive discrimination.

#### 8. DSRL Update – Ken Linn

The Annual DSRL supplier day was held this month to which 180 people and 120 companies attended. The day was a mixture of presentations, networking and 1 to 1 meetings with DSRL's Commercial Directors in a form of 'speed dating'! The key messages were the changes to the National priorities resulting in the focus on removing the 'exotics' from Dounreay. This has led to timescales for other work being moved back. This year £139m will have been spent by DSRL in the supply chain and there are £184m worth of contract opportunities coming in the next 12 months.

DSLRL are working on changing the assumption (internally) that once a framework has been awarded all work must be channelled through the framework and alternative routes cannot be sought.

The site is taking advantage of guaranteed funding over the longer term to work with key suppliers as part of a revised Commercial Strategy.

Currently DSRL have been reducing their supplier list from 4000 to 1000, mainly through redundant contracts and 50% of the suppliers are now SMEs. Local SME spend has increased from £9m to £11m and the SME spend is 27% of the contracted total.

A copy of the presentations made on the day is available on the DSRL website.

As a representative of the SSA (Shared Services Alliance), KL will be attending a meeting to finalise plans to create a new model for Collaborative Procurement across the NDA Estate. It is the intention, subject to approval, to have a core team of SSA procurement experts working full time on contracts that cover the Estate, rather than the part time structure at present.

Ken announced that his 2 year secondment from Cavendish will be finishing in April and will be unlikely to be joining the next meeting. His replacement has not been announced. The group wished him well in his next (as yet undefined) post.

BMcK asked how DSLRL and KL had managed to increase the SME spend over the last year. KL put this down to promoting direct contact with himself and keeping involved with new and SME companies and introducing them to the DSLRL relevant workforce, sometimes as a trial that could lead to future work. However it must be recognised when it is appropriate to use SMEs direct and when it would be more suitable to use them as a Tier3 company.

## SME Steering Group - Scotland

### Meeting 9 – 14.3.16 Scottish Enterprise Offices, Glasgow, Scotland

#### 9. SME Steering Group – Scotland Objectives

During a telecom between BMcK and Ron Gorham the previous week, RG asked that the group consider its objectives and purpose.

BMcK explained that the group has a close relationship with Scottish Enterprise and a joint mission to supporting SMEs working in Nuclear Decommissioning. The Scottish group have given significant input to Scottish Enterprise on the role of SMEs in Nuclear Decommissioning and as a consequence, the group look towards working with Scottish Enterprise as local source of information/support for work within Scotland but to NDA for support with work in Sellafield and the rest of the Estate.

LMac confirmed that they are happy to continue to support and work with the group. BMcK also felt that the main object of the group was to look towards improving access to work at SL as DSRL was already a more accessible site for SMEs. It was suggested that Hunterston and Chapel Cross were also opportunities that should not be overlooked. It was agreed that Andrew New should be invited to come and present to the group.

**Action :** BMcK to invite Andrew New, Magnox to present to the group with a focus on work at Hunterston and Chapel Cross.

PK gave an overview of the focus of the other regional groups and BMcK and PM felt they would be able to contribute to the Quality Standards piece being prepared by the Northern Group.

PK asked if the group would be prepared to consider how it could support the NDA SME Action Plan and BMcK suggested that the group identify and feedback their 5 major commercial barriers to the NDA.

#### 10. AOB

A thank you was offered to Andrew Boddice (in his absence) for his input into the NDA Strategy piece on behalf of the group.

Andrew had also forwarded two opportunities involving Innovus and Innovate for Game Changer funding. For more information please search online.

National SME Steering Group meeting planned to be held on 24<sup>th</sup> May in London. Chairs from each regional group have been invited to attend along with representatives from the Scottish, Welsh and British Government and the SSA.

Next meeting dates to be confirmed by Doodle - PK