

SME Steering Group - North

Meeting 16 – 8. 9 2016, NDA Offices, Hinton House, Warrington

MINUTES

Attendees

SMEs: Chair: Mark Taylor (MT) ITS Ltd Aidan McManus (AMc) Tenet Paul Read (PR) James Fisher Nuclear Jon Myers (JMy) Abbot Risk Consulting Andrew Home (AH) K Home Intl Stuart Feather (SF) Firma Engineering Lee Chapman (LC) Firma Engineering John Morris NSG Ltd	Tier 2s: Derek Waugh (DW) Jacobs
SLCs: Jonathan Evans (JE) SSA	Guests :
Apologies: Mark Beirne CWG, Ron Gorham NDA, Christopher Powell Atos, Martin Booth WITT UK Group	

1 Welcome and Introductions

2 NDA Update – SD

John Clarke has announced his retirement in a year from the NDA for personal reasons. The NDA are also due to have a new Chairman as Stephen Henwood will be stepping down after serving on the Board since 2008.

NDA is considering whether to appeal the judgment handed down in the litigation case between NDA and Energy Solutions following the PBO Competition process.

Following the country's referendum vote, and subsequent change in Prime Minister, the Government Departments that the NDA reports to have now changed to Department for Business, Energy and Industrial Strategy (BEIS). UKTI has also changed roles and export to become the Department for International Trade (DIT). NDA are still developing the reporting and relationships with these new departments.

The IP policy is being reviewed with Alex Smith, SL and it is expected to take 6 mths. A balance will be struck between maximising income from INS and ensuring that companies maintain their advantage in the market. Insurance is also being considered again by Kirsty Snape.

PR and JM both commented on spending £100k and £60k, respectively pa on insurance for work on the estate.

The SME Action plan has been completed but has been held up in Cabinet Office for their approval. NDA intend to publish in November.

Recruitment continues for 2 new Supply Chain Managers following Juliet Frost's departure in May. In the meantime support is being given to Key Supplier Management and other projects by Ian Caine and Rukshar Hussain until the end of the year.

Juliet Frost had worked on a number of statistics and produced a number of slides that were presented by SD for discussion. The intention is for this work to be continued once new staff have been recruited.

NDA are working on extending the use of CTM to Tier 2 companies in order to give a wider opportunity for suppliers to get involved in work on the estate.

Action : SD to confirm that the SME definition should include single person companies (ASWs)

Action : PK to circulate the slides shown (produced by JF) to the group.

The NDA Supply Chain Event Key note speakers are now confirmed as John Manzoni, Head of the Civil Service who's remit includes SMEs, Growth & Enterprise and Skills and also Rear Admiral Keith Beckett, MOD as well as John Clarke. Presentations in the afternoon will focus on procurement opportunities from the SSA and the SLCs.

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3 SLC Update – Jonathan Evans

Richard Jones is Jonathan's successor at LLWR but was unable to attend the meeting, therefore JE updated the group on LLWR current projects. The Business Service Market Place has been live for a few months and is working well as a part of CTM. As a dynamic purchasing system it falls within the Public Procurement regulations. 170 companies have applied to register in the system and the feedback has been generally very positive. The Market Place is designed for purchasing advice, training, communications, finance etc and gives an alternative for LLWR to the Crown Commercial Contacts route that often has a heavy focus on large contracts within large commercial conurbations, not remote geographical locations like Cumbria! Although this is a pilot scheme it is already likely to continue as it offers greater access for SMEs to work on the estate. Turnaround is 5 working days for response from LLWR to initial contact. Contract values are not limited.

LLWR PBO contract is due for renewal in 2018 and discussions with NDA indicate that the contract may be extended for the next 5 years but will likely include an alteration to the remit of the company.

Planning permission has been given and permits granted for 2 new vaults on the site.

SSA – JE

As mentioned at the last meeting the SSA is currently recruiting a dedicated team (16) from the SLCs to manage a larger collaborative procurement portfolio and to expand to include a larger remit of finding common practices and specifications across the estate such as standardising contracts, PQQ's etc. Currently the SSA accounts for £400m spend (via each SLC) per annum (23/24% of the Supply Chain). In the past the emphasis has been on consolidation and therefore larger contracts to single suppliers but in order to satisfy the increasing agendas such as diversification and use of SME's, the new SSA lead by the dedicated team will be looking at 3 particular areas to maximise future opportunities.

1 Category Management approach

6 categories : People (professional services or agency workers); FM, Property, Security; Technology; Corporate (payroll etc); Operations, engineering including consumables; Nuclear specific and specialist requirements.

The intention is that procurement will be more strategic and will be looking at a range of solutions that could involve a diverse supplier base and not exclude SME companies.

2 Consistency of requirements as a coordinate a unified approach across the estate including common themes and processes such as ITT, PQQ, Evaluations, contracts management, performance management; Contract standardisation,

3 Providing a common approach; systems and tools – CTM etc; Communications; Category management; security access

All this should promote a more holistic approach to the Supply Chain, relationship management, development etc.

The dedicated team will be backed by 200 procurement professionals within the Estate who will continue to support the SSA as part of their regular job.

The SSA board consists of Andrew New – Magnox, Martin Chown – Sellafield, Richard Jones – LLWR, Stephen Adamson – Dounreay and (since the meeting it was announced that Helen Perthen has left Magnox) new chair will be recruited.

4 Quality Standards – all

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JM – the previous quality standards questionnaire was circulated to a number of SME companies but only one company responded and they were unwilling to raise the issues further. This is taken as a reflection of the sensitivity felt by companies at the moment to raise concerns at a time when work is scarce.

The issue needs to be taken further with the SLCs but the SMEs in the group are the only ones prepared to discuss further. The group felt that this should be driven from within the SLCs.

Action : SD to raise the issues with Jo Telfer and Martin George at SL and see whether there is an interest in taking this further.

MT was able to give a number of examples within his company where excessive and unrealistic quality standard requirements had increased the cost dramatically but in his opinion, unnecessarily. Comparison can be made with the Pharmaceutical industry.

Action : MT to work further on the document he prepare, the group to put forward any additional comments by the end of the month and MT will discuss next steps with SD.

Group felt that there was an opportunity to review how standards are set with a back to basics (ie ISO/BS standards) plus rather than looking at the current standards and trying to rationalise. The increasing level of requirement from suppliers results in reducing the interest from new players into the market. The 'fit for purpose' theme at SL appears to be accepted at the senior level but is not followed through to some of the smaller packages of work and a fear/lack of understanding drives the desire to opt for the safest, but most costly option.

5 Use of Frameworks

Discussion amongst the group over the usage of existing or new long term frameworks. Concern that contract managers on frameworks were unable to give relatively forecasts or plans for delivery and opportunities for suppliers. JE did explain that whilst this was not the optimum situation, many of the circumstances that affected the frameworks had changed and in some cases the whole project re-evaluated and cancelled. This was not necessarily down to bad planning or forecasting but sometimes a new solution or change of priority dictated that in the best interests of the tax payer, changes would need to be made to the framework.

Improvements in planning would help Suppliers to understand how to forecast.

Action : Group would like increased transparency and updates from SL on major projects on how they are performing from year to year and the forecasts for the future. – JE to pass to SL Commercial Director

Action : The 'Opening the Doors' Event was very well received and gave much greater insight into the opportunities – can more be planned? JE to pass on to SL

6 Health of the Industry Questionnaire – all

A questionnaire has been produced by the group to take a snap shot of the current state of the industry.

Action : SD to take this back and if approved will be issued by NDA to all delegates registered on the NDA Supply Chain Event database for 2016.

7 NDA SG – North – adding value, reviewing outcomes, next steps

The group has volunteered to help with the SSA projects in particular perhaps Health Physics.

Next meeting proposed for NSG in late Nov/Dec – PK to send doodle for dates