

# **Sellafield Ltd Supply Chain Directorate**

**21/22**  
REVIEW

APRIL 2021 - MARCH 2022

## Contents

- 03 | Supply Chain Director
  - Susan Lussem: Opening Remarks
- 05 | Supply Chain Directorate Key Target Performance
- 05 | Over-Arching Acquisition Strategy Approval
- 06 | Small Medium Sized Enterprise Spend
- 07 | Supplier Relationship Management
- 08 | Supply Chain Directorate Capability
- 08 | Supply Chain Risk Management
- 08 | Supply Chain Social Impact & Sustainability Contribution
- 11 | Supply Chain Directorate Functional Continuous Improvement
- 12 | Supply Chain Directorate FY 21/22
  - Views of Stakeholders
- 14 | Financial Year 21/22 in Numbers
- 16 | Financial Year 22/23 Look Ahead

## Sellafield Ltd Supply Chain Director Opening Remarks

It is a pleasure to share this Annual Review for the Sellafield Ltd Supply Chain Directorate for Financial Year 21/22. I believe it is important to appreciate and celebrate our achievements.

**I am proud of the performance of the Supply Chain Directorate over a breadth of activity over the year as we have really made a difference. In summary:**

- Supply Chain Directorate Key Functional Targets have been delivered to schedule;
- Broader Supply Chain Directorate Targets have been largely met showcasing healthy general performance in our operation;
- Supply Chain Directorate Functional Improvements Plans have been implemented to schedule to demonstrate continuous improvement in our service delivery;
- We have worked with our stakeholders, particularly the Supply Chain, in a collaborative manner in realising strategic value adding opportunities to provide the highest ever return on investment from the Supply Chain Directorate to date;
- We have worked with our stakeholders, particularly the Supply Chain, in a collaborative manner in mitigating strategic risks, predominantly around the pandemic and associated impacts on supply risk.

This performance of the Supply Chain Directorate and the Supply Chain has played a significant role in safely and securely making progress of the Sellafield Ltd mission. This could not have been done if it wasn't for working in an aligned manner with a range of stakeholders to help us provide this positive impact. Notably, working together and supporting each other during the COVID-19 pandemic has been a testament to the strength of our relationships.



I joined Sellafield Ltd as Supply Chain Director 18 months ago from external industry. Over this time I have grown an appreciation of the vital role of the Sellafield Ltd mission, the complexity of the Sellafield site and the key underpinning role of our Manifesto which sets out the cultural and behavioural expectations for us as a business. It is inspiring to see this common understanding, passion and energy amongst stakeholders including the Supply Chain to collectively progress the Sellafield Ltd mission.

Key focus areas over the last year have been to drive operational improvements in the Supply Chain Directorate, re-establish the foundations for future directorate success as well as progressing strategic procurement and contract management requirements to support programmes and projects.

I look forward to taking the performance of the Supply Chain Directorate to the next level over the next 12 months. Whilst maintaining operational rigour and predictability I will now look to work with the broader Supply Chain Directorate team and stakeholders to refresh the future ambition of Sellafield Ltd engagement with the Supply Chain. This includes ever strengthening of relationships with our stakeholders and ongoing continuous improvement implementation in areas such as category management, supply chain development and innovation and working with the Supply Chain on social impact and sustainability in support of Sellafield objectives.

**Susan Lussem**  
**Supply Chain Director**  
**Sellafield Ltd**



**Sellafield Ltd**

## Supply Chain Strategy

**We are Sellafield Ltd**

We are creating a clean and safe environment for future generations

WE VALUE EACH OTHER	WE ARE ONE TEAM	WE MAKE A DIFFERENCE
WE ARE KIND AND RESPECTFUL	WE PERFORM WITH PASSION, PRIDE AND PACE	WE ARE CLEAR ON WHAT WE ARE HERE TO DO
WE CARE ABOUT OUR COMMUNITY AND ENVIRONMENT	WE TRUST AND HOLD TO ACCOUNT	WE APPRECIATE AND CELEBRATE ACHIEVEMENTS

**We are nuclear professionals in everything we do**

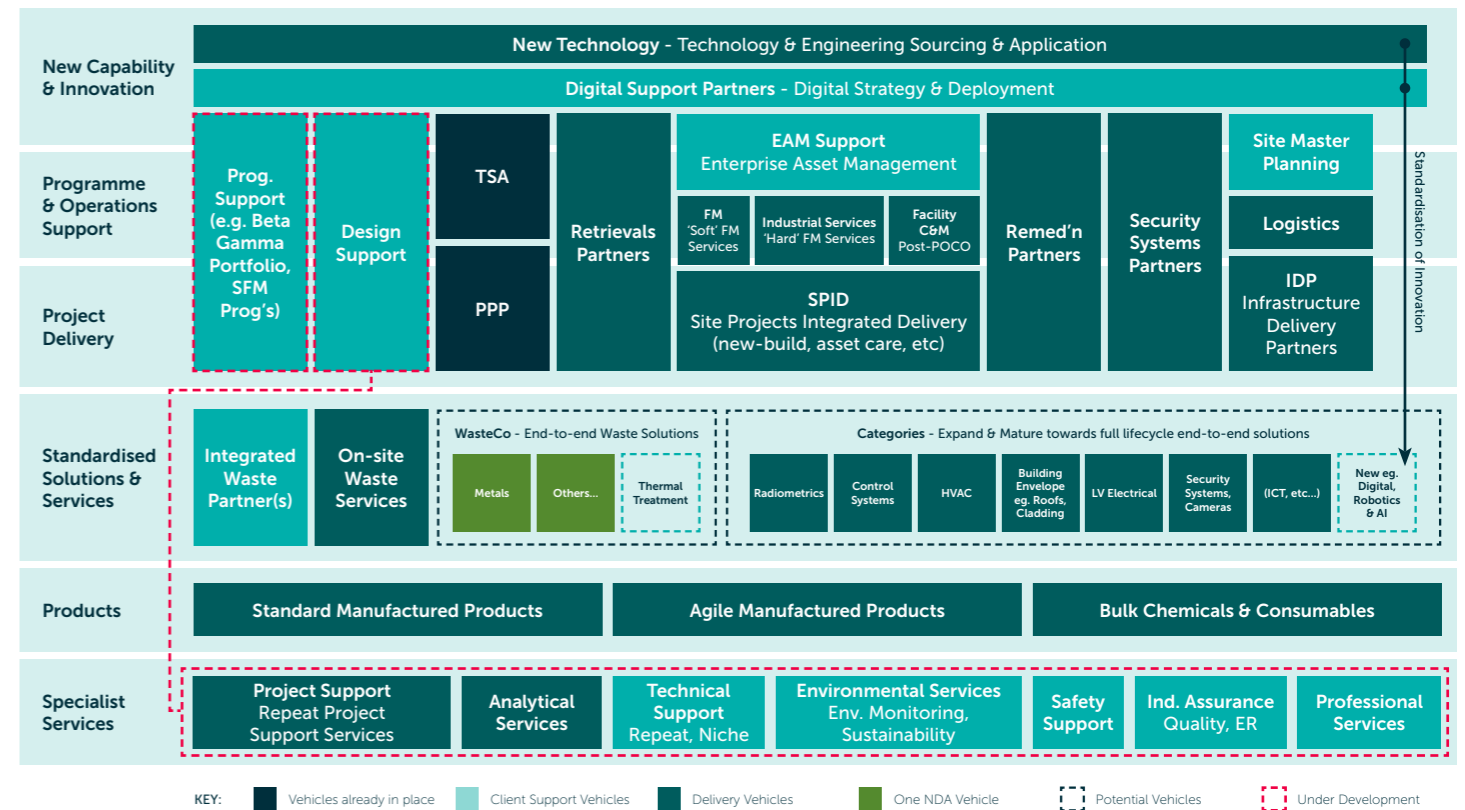
## Supply Chain Directorate Key Target Performance

Financial Year 21-22 evidenced a breadth of positive performance against key targets in the Supply Chain Directorate. These are covered in the following pages.

## Over-Arching Acquisition Strategy Approval

The approval of the Over-Arching Acquisition Strategy 2024-2040 was achieved to schedule and quality in June 2021. This sets out the strategic business demand requirements that Sellafield Ltd intend to procure over the next decade.

The approach to procuring these requirements remains fluid. Sellafield Ltd will engage with the Supply Chain in the development and progression of the procurements as the strategies for them mature.





This highlights the commitment, investment and dedication from Sellafield Ltd and its large organisation supply chain partners to work collectively to understand the Small Medium Sized Enterprise Supply Chain, derive strategies to unlock the value from it and break down barriers to progressively enable opportunities for SMEs. This also recognises the quality of work delivered and innovative value adding solutions SMEs are providing as well as SMEs pro-actively and constructively offering suggestions for improved engagement with the larger organisations. The Swimming With The Big Fish and the Matchmaker Service are great examples of this.

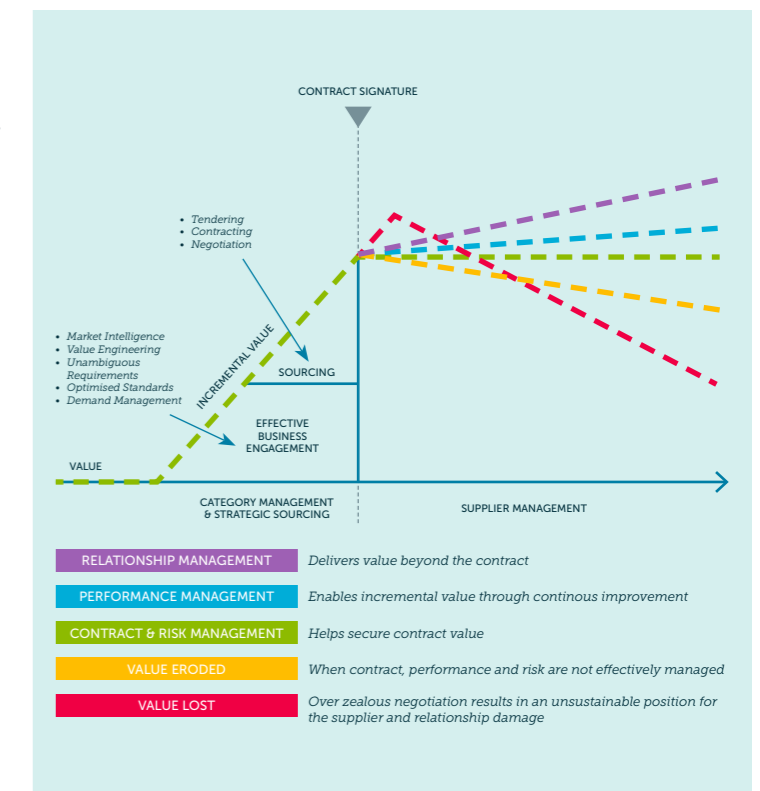


## Supplier Relationship Management

Sellafield Ltd has adopted a leading approach to supplier relationship management to provide a structured approach to win:win business to business engagement that realised mutual value.

In the last 12 months this has been recognised through:

- Sellafield Ltd being highly commended by the Chartered Institute of Purchase and Supply for the best supplier relationship management programme;
- Sellafield Ltd alongside its supply chain partners maintaining its accreditation for ISO 44001 - Collaborative business to business relationships;
- The Decommissioning Delivery Partnership comprising of Sellafield Ltd and a number of supply chain partners being awarded the Institute of Collaborative Working Supply Chain award;
- Sellafield Ltd alongside its supply chain partners being recognised by the Cabinet Office for how successful supplier relationship management execution has directly influenced positive business benefits.



## Small and Medium-sized Enterprise Spend

A key target for Sellafield Ltd, in alignment with HM Government Policy, was to achieve a target of between 31%-33% spend with Small Medium Sized Enterprises as a proportion of total influenceable external expenditure. This is formed of both Sellafield Ltd's direct spend the indirect spend sub-contracted by our main contract supply chain partners.

The below shows that an out-turn of 34.3% was achieved against the 31% - 33% spend target!. This is also a further step change increase small and medium-sized Enterprise spend compared to previous financial years.

Financial Year	SME Spend Target	SME Spend Achieved
2016/17	23.5% - 25%	21.8%
2017/18	25% - 29%	26.9%
2018/19	29% - 31%	30.9%
2019/20	31%	30.6%
2020/21	32%	28.3%
2021/22	31% - 33%	34.3%



In Financial Year 21/22, the Supply Chain Directorate with support from a variety of stakeholders:

- Delivered against its Supplier Relationship Management Programme action plan for the existing Level 1 Supply Chain;
- Established and delivered against a roadmap for the deployment of distilled version of Supplier Relationship Management to the Level 2 Supply Chain;
- Published its supplier relationship management Value Delivery Report for Financial Year 21/22.

## Supply Chain Directorate Capability

It is recognised that the current and future success of the Supply Chain Directorate is through its people. In the last year a roadmap for Supply Chain Directorate Capability has been developed and delivered against.

Like many organisations, the Supply Chain Directorate in Sellafield Ltd wishes to develop and maintain its existing teams and also be attractive to external recruits. To support this the Supply Chain Directorate has developed a structured capability framework which can be tailored to the specific development needs of individuals based on formal learning, coaching and mentoring and on-the-job experience. This has led to focus in the below capability areas:

Technical	Behavioural
CATEGORY MANAGEMENT	LEADERSHIP & DECISION MAKING
SUPPLY CHAIN & MARKET ANALYSIS	INFLUENCING & COMMUNICATIONS
SOURCING & NEGOTIATION	BUSINESS ENGAGEMENT
SUPPLIER, CONTRACT & RISK MANAGEMENT	CHANGE MANAGEMENT & COLLABORATIVE WORKING
SUSTAINABILITY & SOCIAL VALUE	INNOVATION & CREATIVITY

The Supply Chain Directorate sees this as an enduring investment over the coming years and there is a real excitement on the upcoming opportunities through it.

## Supply Chain Risk Management

The Supply Chain Directorate has enhanced its approach to risk management since the outbreak of the pandemic. This has allowed us to meet the demands of the Sellafield Site to maintain focus on programme, project and operational delivery and progress the enterprise mission.

In Financial Year 21/22 the Supply Chain Directorate has developed and implemented Supply Chain Contingency Plans and Supply Chain Maps for the top 25 identified critical contracts as identified through Supplier relationship management segmentation.

This activity has mitigated a range of supply risk ranging from obtaining access to personal protective equipment to meet legal requirements for site construction work, access to specific materials to enable safe and secure site operation and provision of microchips to allow our workforce to use their IT equipment day to day.

As we move into an era of living with COVID-19 supply chain risk management remains as important as new challenges emerge. The Supply Chain Directorate has welcomed working with stakeholders in a collaborative way in open information exchange around risk management and in some instances a collective approach to mitigating them.

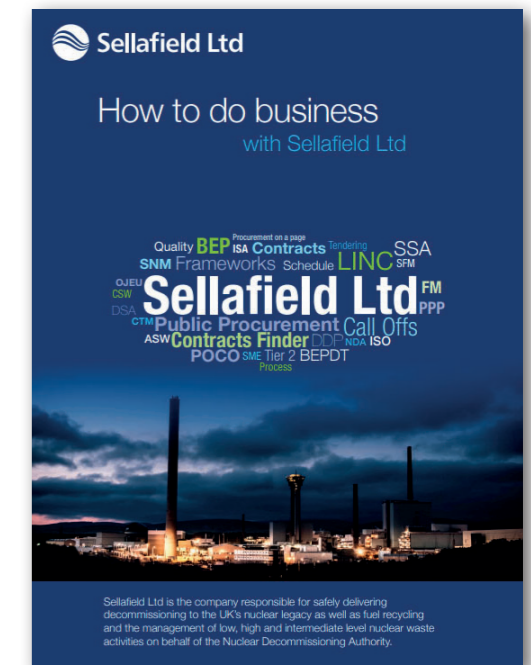
## Supply Chain Social Impact & Sustainability Contribution

It is recognised that the Supply Chain Directorate plays a key role in influencing and enabling meaningful sustainability and social impact to support the delivery of our SiX - Social Impact Multiplied strategy. We also act as a conduit with the Supply Chain in these matters. A dedicated Supply Chain Development and Innovation Team is mobilised to specifically focus in enabling this activity alongside the Social Impact Team. These activities are taken seriously and are embedded into our blueprint and operational execution. Evidence of action taken to continue to embrace social value and sustainability includes:

- Commercial Category Teams working with their Social Impact Team to identify and target positive social impact outcomes as part of Category Value Plans;
- Business Cases for strategic procurements making provision for specific social value and sustainability commitments.
- Supply Chain Directorate being represented on the Sellafield Ltd Sustainability Steering Group.

Sellafield Ltd has delivered against its SME Action Plan in the last 12 months. This is aligned to the Sellafield Ltd Supply Chain Strategy and HM Government Policy. Progress against actions to optimise our understanding and relationship with the Supply Chain includes:

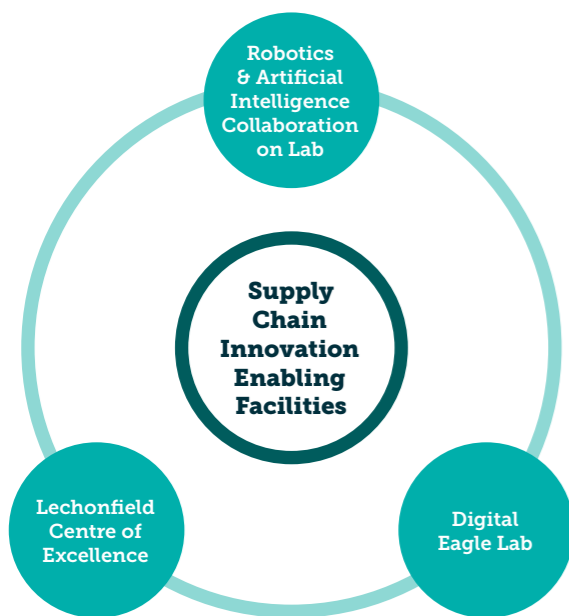
- A return to face to face SME Supplier Forums to show case procurement opportunities, work through opportunities and to facilitate networking;
- The open publication of 'Sellafield Ltd Major Contracts', 'Procurement Routes for Innovation' and 'Procurement Pipeline' documents;
- Continued to host 'Open For Business' events on an open invite basis to help work with existing and new suppliers on a range of matters.





Sellafield Ltd, alongside its strategic partners, has also launched three new collaboration labs in West Cumbria over the last 12 months to provide space and equipment and technical insights to allow our supply chain partners to work together to develop innovative solutions to aid the Sellafield Ltd mission.

Sellafield Ltd is fully committed to these facilities as a long-term investment and want to work with the Supply Chain and the West Cumbria community to not only facilitate great technical solutions but to also generate potential for upskilling and Supply Chain diversification.



The Programme and Project Partners is Sellafield Ltd's strategic long-term delivery model for major project construction. Now three years old the Programme and Project Partners has gained momentum on its social impact contribution. Specifically, from a Supply Chain perspective a series of equally strategic long-term sub-contracts have been placed, known as Multi-Project Procurements, via the main contractor organisations acting as the contract partners. These are the largest sub-sub contracts ever placed by Sellafield Ltd in terms of financial commitment and duration and seek to support certainty in skills development and certainty in sub-tiers of Supply Chain supporting the Sellafield Ltd mission.

## Supply Chain Directorate Functional Continuous Improvement

At the start of the Financial Year 21/22, six Supply Chain Directorate Strategy Pillars were identified to demonstrate continuous improvements. The below summarises the improvements made to support the longer-term value proposal for the Supply Chain Directorate.

Strategy Pillars	Progress
Supply Chain Capability and Deployment	<ul style="list-style-type: none"> <li>Government commercial operating standards assessed with improved score</li> <li>Individual capability assessments completed</li> <li>Career pathways developed and launched</li> </ul>
Data, Information and Reporting	<ul style="list-style-type: none"> <li>Removed non-value adding supply chain directorate reporting</li> <li>Improved commercial system (sap and cemar) data reliability</li> <li>Progressed readiness for commercial it system transformation (project victory)</li> </ul>
Fit for Purpose Processes	<ul style="list-style-type: none"> <li>Streamlined management system processes</li> </ul>
Procurement Pipeline	<ul style="list-style-type: none"> <li>Improved procurement plan data reliability and aligned to business planning data</li> <li>Strategic procurement plan demand supply chain delivery route sentenced</li> <li>Existing contract demand management improved</li> </ul>
Sourcing Solutions	<ul style="list-style-type: none"> <li>Fully mobilised team established</li> <li>Responsible, accountable, consulted and informed (RACI) and interfaces developed and agreed</li> <li>Delivered strategic procurements (procurement of it services and 63 element racks)</li> </ul>
Category Management	<ul style="list-style-type: none"> <li>Category trees developed</li> <li>Category spend assessments captured</li> <li>Category management process developed</li> </ul>

## Supply Chain Directorate FY 21/22 - Views of Stakeholders



**Andy White**

Vice President for Nuclear Decommissioning, Jacobs Ltd

*"Jacobs and Sellafield Ltd have a long and shared history. Over the past 12 months our relationship has continued to go from strength to strength, supported by our Supplier relationship management programme. Jacobs provides a breadth of solutions to Sellafield Ltd, from problem definition and design services to technology development to asset care and construction. I am proud of the progress Jacobs has made in an integrated way with Sellafield Ltd and broader supply chain partners to help deliver the Sellafield mission and key milestones. The line of sight between the work we undertake and the outcomes we achieve is clear and visible.*

*Working with Sellafield Ltd in a strategic manner allows Jacobs to draw upon its diverse expertise and wider supply chain relationships and deliver impactful solutions that mitigate risks to benefit the site mission. In the past year we have built momentum to advance sustainability, common data environments and application of robotic solutions. On top of this we are really proud of our collaboration with Sellafield Ltd and the supply chain to deliver social value to drive positive outcomes".*



**Dianne Richardson**

CEO of Britain's Energy Coast Business Cluster

*"Britain's Energy Coast Business Cluster was born from Sellafield's supply chain almost 20 years ago. It now represents a membership of approximately 250 organisations with an interest in the clean energy and nuclear decommissioning supply chain in the North West of England.*

*"Sellafield is, for our members, a key client managing its supply chain across those tiers as well as an anchor institution for our community in West Cumbria. Whatever level our individual members plug into that supply chain the influence Sellafield exerts sets the culture of how business is done. Having regular, clear and transparent communication of the supply chain requirements is key to building a successful team to deliver the Sellafield mission. We've been delighted to work with Sellafield's Supply Chain Team throughout those 20 years to do just that."*



**Kurt Canfield**

Managing Director of Delkia Ltd

*"As a specialist systems integrator operating across highly regulated industries we find that Sellafield Ltd and Delkia have a great fit to add value to each other.*

*Our approach is to build long lasting and trusting relationships with our clients. We find that Sellafield Ltd and its main contract Supply Chain seek to embrace these open and collaborative approaches. As evidence for this we have recently been successful for a multi million contract as part of the Programme and Project Partners supply chain engagement. This deployed the matchmaker principles to partner SMEs to work alongside larger organisations. This is something we are seeing more and more of which gives us the confidence to continue with our expansion plans.*

*As a West Cumbrian SME it is pleasing to see the investment that Sellafield Ltd and its larger key Supply Chain organisations put into social impact, including the SME agenda and supply chain innovation and diversification. Like any other industry there are occasions when there are challenges. In these circumstances it is a real positive that organisations like Delkia are taken seriously and action is taken to progress these in a collaborative manner".*



**Rhyannon Harding**

Senior Buyer, Supply Chain Directorate

*Having joined Sellafield Ltd just over two years ago I have been overwhelmed by the opportunities provided to me as part of the Supply Chain Directorate Capability Framework". A major factor of my choice to work for Sellafield Ltd was the clear investment I would get as an individual to aid my development for the benefit of myself and the organisation. I have had fantastic on the job opportunities working in integrated teams with client and suppliers tackling complex challenges and really trying to challenge the norm. This has been augmented with targeted formal training and mentoring. I am really excited about the future and progressing the Sellafield Ltd mission!"*



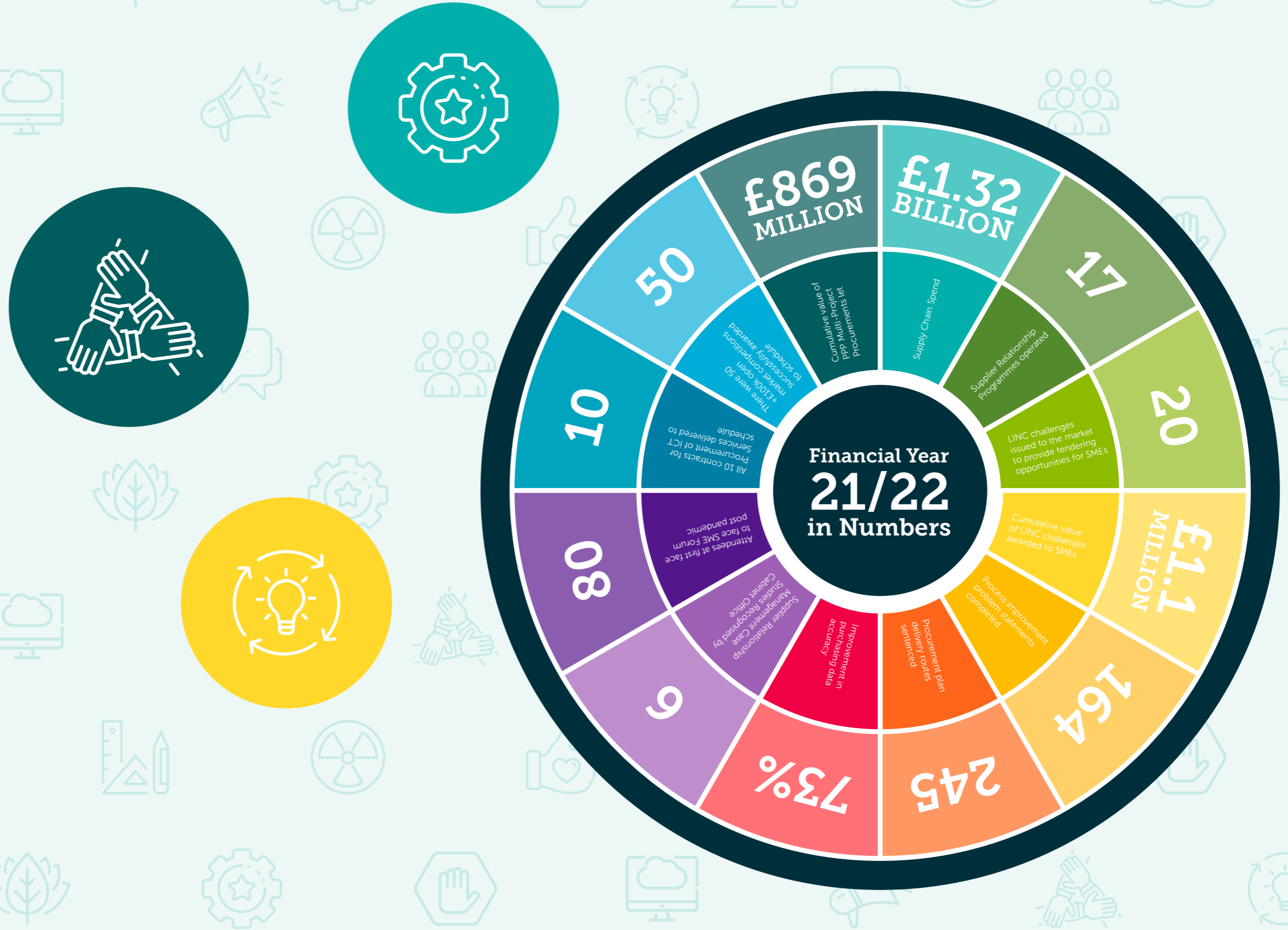
**Andy Sharples**

Project Director, Sellafield Ltd

*“Significant contributors to positive project delivery are a trusted, reliable and performing Supply Chain function and Supply Chain. Project execution requires a co-ordinated, collaborative and innovative Supply Chain.*

*The Supply Chain Directorate in Sellafield Ltd has worked with projects to integrate and improve our planning data in the last 12 months to act as an enabler for projects being set up for success. I have found the Supplier relationship management programmes as invaluable in driving strategic clarity and alignment in our business to business relationships which also helps us understand the drivers and value proposition from the Supply Chain as well as helping to overcome challenges that arise.*

*I am proud of project teams working in seamless manner with the Supply Chain Directorate and the Supply Chain in delivering to commitments, bringing innovative approaches and challenging the norm to lead to project certainty and value realisation”.*





## Financial Year 22/23 Look Ahead

The diagram below captures the Supply Chain Directorate strategic objectives for Financial Year 22/23. These targets demonstrate an ongoing focus on operational excellence, safety performance, operational risk and value delivery.

Supply Chain Operational Excellence	Safety & Operational Risk	Value Delivery
<ul style="list-style-type: none"> <li>Existing category strategies implemented</li> <li>Individual capability plans deployed</li> <li>Deployment of SME agenda/ supplier relationship management (SRM)/social value/ sustainability action plans</li> </ul>	<ul style="list-style-type: none"> <li>Individual safety peer to peer conservation capture</li> <li>Supply chain directorate safety forum re-established</li> <li>Contingency plans for top 25 suppliers maintained</li> <li>Scenario testing for sample of contingency plans</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of supply chain value realisation opportunities</li> <li>New category strategies developed</li> </ul>

The Supply Chain Directorate looks forward to working with all of our stakeholders to enable win:win outcomes in the delivery of these targets and beyond.



