

# **Sellafield Ltd Supply Chain Directorate**

**22/23**  
REVIEW

APRIL 2022 - MARCH 2023

## Contents

- 03 | Chief Supply Chain Officer
  - Susan Lussem: Opening Remarks
- 04 | Supply Chain Directorate by Numbers
- 05 | Over-Arching Acquisition Strategy Update
- 06 | Sustainability Contribution
- 07 | Sustainability Highlights
- 09 | Supplier Relationship Management (SRM)
- 08 | Cost Saving Performance
- 10 | Small and Medium-sized Enterprise (SME) Spend
- 11 | Supply Chain Directorate Capability Programme
- 12 | Commercial Continuous Improvement Assessment Framework
- 12 | Supply Chain Case Studies
- 13 | Awards
- 14 | Supply Chain Directorate FY 22/23
  - Views of Stakeholders

## Sellafield Ltd Chief Supply Chain Officer Opening Remarks

It is a pleasure to share our Annual Review for the Sellafield Ltd Supply Chain Directorate for Financial Year 22/23. The Directorate has performed with passion, pride and pace over the past year, and we have continued to work collaboratively with our stakeholders, including our supply chain.

I believe it is important to reflect on the areas that we have made a difference:

- We have delivered 9 of our key targets at the 'excellent' level, 5 were 'good', 1 'acceptable' and 1 was 'missed'
- We met our enterprise key targets and operating plan milestones on SME spend, delivery of the supply chain directorate capability programme, category strategies approval and implementation, and ongoing successful deployment of supplier relationship management
- We have a more accurate procurement pipeline with improved discipline, and we delivered reliably against this plan
- Our contract management performance continues to improve
- We have made significant progress towards key Overarching Acquisition Strategy procurements around Control Systems, Radiometrics, Infrastructure Delivery Partnership and High Integrity Stainless Steel Containers and a number of Programme and Project Partner (PPP) key delivery contracts
- We exceeded our stretch savings target and achieved cost savings and broader value benefits through joint working with our supply chain
- We have held multiple supply chain events, including supply chain forums, bidding for Sellafield events and SME forums, which included a hugely successful special edition in March in honour of International Women's Day
- We have taken part in a number of positive internal and external audits, and where we have had actions we have addressed them promptly
- We have won several national awards
- We have welcomed the Warehousing Team, where I have observed a dedicated and passionate team already delivering improvements. We are working hard to support the Team moving forward with the skills it needs and to drive further business alignment improvements
- We have launched 'Two for Twenty', which is our two-year implementation plan around how we will deliver our Enterprise Strategy. It's about ensuring we use the next 2 years to set us up for the following 2 decades.



The key themes in our manifesto have been at the forefront of the Supply Chain Directorate's decision-making across the past year. Delivery of the Sellafield mission and enterprise key targets could not have been possible without working collaboratively with our stakeholders, including our supply chain, as one team. It is positive to see that Sellafield continues to be recognised for its collaborative business relationships.

I have now been in the role for over 2 years, and continue to be inspired by the way in which our passionate and dedicated people, including our supply chain, are focussed on the site mission. I have had the pleasure of several site visits this year which have grown my appreciation of the challenges of our site. I have taken the opportunity to obtain a further understanding of our organisational sustainability approaches, where I am finding more and more that when we benchmark ourselves across highly regulated organisations, we are doing some great work. This year saw the directorate welcome the Warehousing Team, Social Value and Corporate Sustainability, who I look forward to working closely with in performing against the manifesto principle 'we care about our community and environment.' However, we must not rest on this, we have to keep developing and implementing sustainable approaches, both strategic and tactical, to keep up momentum for the benefit of everyone. Our supply chain safety statistics continue to benchmark well.

A key focus area in the past year has been our progressive implementation of a category management approach. Thirteen Category Plans and Category Strategies have been developed, which have identified opportunities in our cross-functional end to end processes, aligning business needs and external capabilities. I look forward to seeing the benefits delivered through the implementation of them in the coming year.

The Supply Chain Directorate looks forward to continue working with you all to deliver great work.

**Susan Lussem**  
Chief Supply Chain Officer  
Sellafield Ltd

## Supply Chain Directorate by Numbers

**£1.8bn**

Supply Chain Spend  
per Annum

**38%+**

SME Spend

**£10bn**

Tender opportunities  
in next 5-7 Years

**£100m**

Supply Chain Spend  
for Research and  
Development per  
Annum

**6**

National and  
International awards  
won in FY 22/23

**43,000**

Number of people  
in Supply Chain  
supporting  
Sellafield Ltd

**£1bn**

Sub-contract  
opportunities awarded  
in the first three years of Programme  
and Project Partners

**19**

Supplier Relationship  
Management  
Programmes operated  
(recognised by HM Government)

**4+**

SME Supply Chain  
Events Held per  
Annum

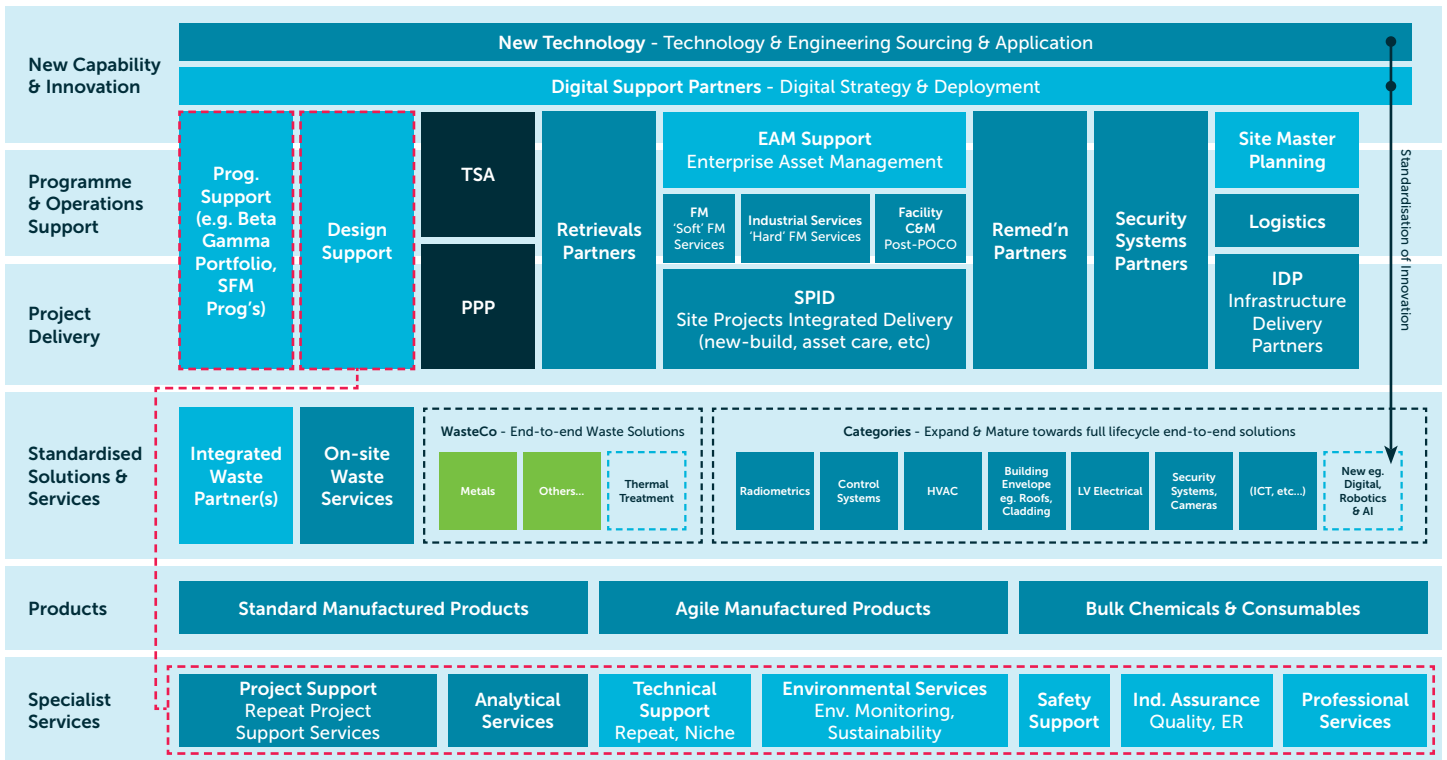
# Over-Archiving Acquisition Strategy Update

Sellafield's Overarching Acquisition Strategy 2024-2040 sets out the strategic business demand requirements that Sellafield Ltd intend to procure over the next decade.

This year Sellafield Ltd have made progress on a number of Overarching Acquisition Strategy procurements, including:

- Controls Systems competition launched
- Infrastructure Delivery Partnership (IDP) competition launched
- Radiometrics competition launched
- Decommissioning Nuclear Waste Partnership (DNWP) market engagement activities carried out through Prior Information Notices

- Significant progress has been made towards the award of the High Integrity Stainless Steel Containers (HISSC) framework.
- Programme & Project Partners (PPP) key delivery partner awards:
  - Ansaldo Nuclear have been appointed as a key delivery partner to develop the key 'tie-in' connections that will support the flow of effluent treatment streams between the Sellafield site's existing Site Ion Exchange Effluent Plant (SIXEP) facility and the new SIXEP Continuity Plant.



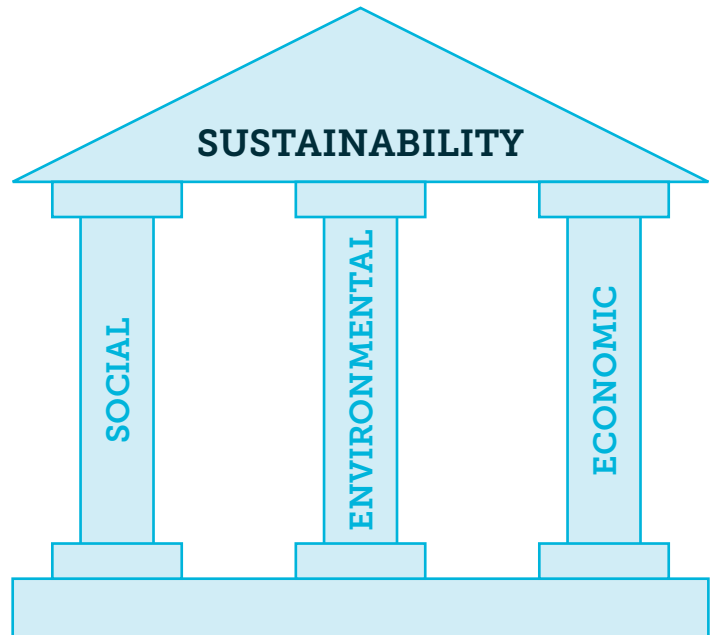
KEY: ■ Vehicles already in place ■ Client Support Vehicles ■ Delivery Vehicles ■ One NDA Vehicle ■ Potential Vehicles ■ Under Development

## Sustainability Contribution

At Sellafield we embrace a progressive approach to the delivery of sustainability across three pillars; social, environmental, and economic. This approach is clearly aligned to our manifesto principle of 'we care about our community and environment'.

Sellafield Ltd made tremendous strides this year in harnessing the collective influence and efforts of the supply chain in optimising investment and performance against the three pillars. We look to integrate this with the work being done internally, to take a more holistic, planned and coordinated approach to shaping and implementing sustainability.

We've emphasised the importance of sustainable supply chains and as a result, Corporate Sustainability was moved into to the Supply Chain Directorate.



## Sustainability Highlights

### Longlands Lake and River Keekle Project:

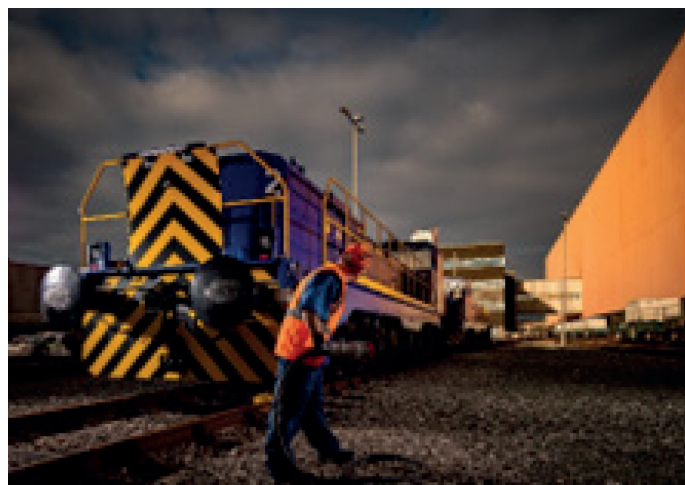
Sellafield Ltd have provided funding to West Cumbria Rivers Trust for its three-year People on the Keekle project which aims to improve habitats on the lower River Keekle by stabilising riverbanks, reducing erosion and advising on livestock management. As part of this project, improvement works at Longlands Lake will focus on working with the local community to enhance wildlife habitats around the lake.



### Sellafield Trains go Hybrid

Sellafield have added two new hybrid trains to our internal rail network at Sellafield, replacing older and less environmentally friendly engines. It's part of our plan to replace all our solely diesel locomotives with smaller all electric 40-tonne versions, making our rail operations 100% electrically powered in 2022.

The new CBD80- tonne locomotives, supplied by Clayton Equipment, are capable of being operated fully by electric and have the cleanest available diesel engines as back-up. As part of our rail fleet they will safely move nuclear materials and wastes across our internal rail network that criss-crosses the Sellafield site, helping us deliver our purpose of creating a clean and safe environment for future generations.



### SCP - PPE Recycling

The SIXEP Continuity Plant (SCP) project is piloting a new personal protective equipment (PPE) recycling service.

Programme and Project Partners has partnered with Greenham, who are also Programme and Project Partners' PPE supplier, to provide the service for the safe recycling of all types of PPE as part of a two-year pilot. All waste PPE materials are set to be collected from new bins located around the project site, they are then taken to a secure facility where they will be shredded (or granulated) and recycled into a variety of different products, including insulation, partition walls and sound boarding.

The new recycling service will ensure Programme and Project Partners is taking extra steps to limit its impact on the environment. If the pilot is successful, it is hoped that this initiative can be adopted across other project sites.



## Transforming West Cumbria:

Funded through Sellafield Ltd's social impact multiplied programme, Transforming West Cumbria developed by Cumbria Community Foundation, has continued outstanding work in the West Cumbria community across the past year, focussing on promoting thriving communities by supporting sustainable activities that create self-reliance and independence. The programme aims to create a co-ordinated and collaborative approach to community mental health provision in the boroughs of Copeland and Allerdale in West Cumbria.

Some of the specific programmes within Transforming West Cumbria:

- **Family Wellbeing** - Improving the health and wellbeing of some of the most vulnerable and disadvantaged children and families in West Cumbria. A partnership has been formed with seven third sector organisations to provide a holistic approach. Over 720 families and 1,318 children have received support through the partnership.
- **Bedrock** - Building the resilience, capabilities and financial sustainability of Third Sector organisations in West Cumbria. So far Bedrock basics has supported over 205 community organisations in areas such as business planning, funding applications, governance, and impact reporting.
- **CanDo** - Raises young people's aspirations and confidence in West Cumbria, through involvement in social and environmental action, volunteering, leading change and taking action in their local communities.
  - 22 youth led projects have received funding to date
  - 24 young people involved in the Youth Advisory panel
  - 3,172 young people have benefited from being involved
- **Financial Wellbeing** - Improving the financial capability of people on low incomes living in deprived areas of West Cumbria.
- **Mental Health Partnership** - The West Cumbria Mental Health Partnership is part of a £1.8 million investment by Sellafield Ltd, offering community support for people experiencing mental health issues. Over 3,000 people have been supported through the programme to date.

## Well Project

Sellafield have provided funding to the Western Excellence in Learning and Leadership (WELL) Project, which is an ambitious programme of targeted investments and interventions to improve educational outcomes in the region, particularly for the most disadvantaged.

Over 1000 students are taking part in the Cumbrian award this academic year. The award encompasses three strands - Adventure, Enterprise and Culture and uses the tremendous opportunities that the County has to offer to enrich the experiences and lives of the students who participate.

This academic year, the 23 targeted grant schools with over 60% of the areas disadvantaged students are due to receive a total of £363,500 in grants with the remaining 95 schools due to receive a total of £478,490 to implement evidence informed interventions in priority areas to improve outcomes for their students.

WELL has successfully trained 100 Emotional Literacy Support Assistants (ELSAs) to date in 85 west Cumbrian schools.



## Supplier Relationship Management (SRM)

Over the past 12 months, we have launched a new SRM model which aims to bring more meaningful business relationships that will be driven and based on mutual, sustainable benefits, and shared intelligence.

We have also launched our Supplier Journey document, which aims to outline supplier requirements throughout a contract's lifecycle.

Our procurement processes have been streamlined and a new market engagement strategy was launched. Multiple supplier engagement sessions were held, including Supply Chain Forums and Bidding for Sellafield events.

Sellafield Ltd will endeavour to keep building on work done previously to improve the overall supplier experience even further this year.



## Cost Savings Performance

Last year, the Supply Chain Directorate had an ambitious savings target of £75m, with a stretch target of £100m. Performance against these targets have been hugely positive, with the directorate delivering its' highest ever site-wide savings value. We believe this demonstrates excellent progress in Sellafield working closely with our supply chain to deliver value for money by providing innovative solutions and continuous improvement initiatives to the Sellafield mission. The Supply Chain Directorate will endeavour to continue the positive savings performance across the next year through our implementation of Category Management Strategies, sustainability targets and quality improvement.

## Small and Medium-sized Enterprise (SME) Spend

Sellafield have continued to work at pace against our SME agenda - working very much as 'One Team' alongside the NDA and the supply chain, to create an environment where SMEs are key suppliers for Sellafield Ltd and Tier 2 organisations and introducing new and innovative solutions to solve our complex challenges.

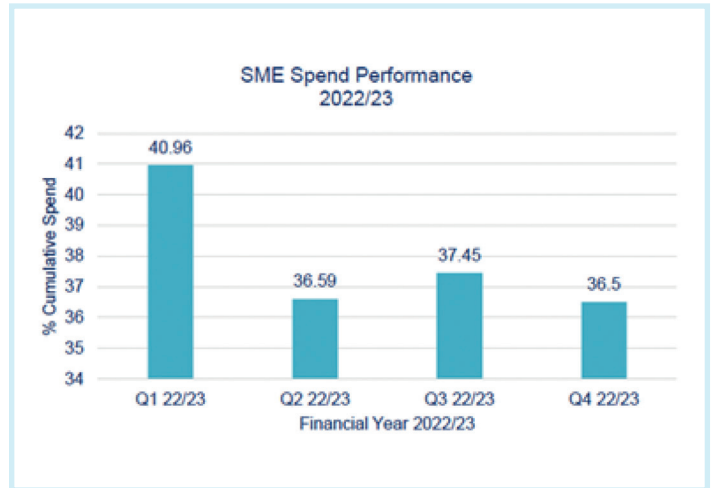
Over the past year, the Supply Chain Directorate have continued to evolve the SME Improvement Plan, with the aim of increasing our SME spend and demonstrating our commitment to our valuable SME's. Sellafield achieved a year-end SME spend position of 36.5%, exceeding the target set by the HM Government and our Operating Plan Milestone.

As part of the Improvement Plan, we have worked alongside our supply chain, delivering specific market engagement sessions, such as how to bid for work at Sellafield sessions, SME workshops and Tier 2 workshops. This has improved our network opportunities with Tier 2 suppliers as well as strengthening our dialogue with SMEs. We have sought to provide earlier visibility of our procurement pipeline, posting opportunities on LINC, and ensuring SME spend is embedded in our procurements and SRM process. We have been working with our suppliers to streamline our reporting processes to ensure SME spend data is captured accurately and consistently.

Furthermore and upon evidencing the success our Improvement Plan has delivered at Sellafield, our plan has now been rolled out to the other NDA Operating Companies, all of this has been undertaken by our Supply Chain Development and Innovation team which has been no easy task given the scale of the task.

Ian Wilson (NDA): "My thanks go out to Debbie Brewer and Stacey Campbell at Sellafield, who run the quarterly survey for us. They're great at it and perform a crucial function for the group."

Going forward we will continue to build upon our successive year on year growth in spend with SMEs, facilitated by our dedicated Supply Chain Development & Innovation team and in conjunction with NDA and our major Tier 2 supply chain partners..



## Supply Chain Directorate Capability Programme

In 2021/22, the Supply Chain Directorate introduced a new structured capability framework, which tailors to specific development needs of individuals based on formal learning, coaching, mentoring and on-the-job experience across 5 technical and 1 behavioural pathways. During the past year, the Supply Chain Directorate Capability Programme has continued to make real progress in the delivery of these learning pathways, which cover category management, supply chain & market analysis, supplier, contract & risk management, sourcing & negotiation, sustainability and behavioural capabilities.

Following the launch of the Foundation & Practitioner stages of the category management pathway, we have completed 25 workshops and clinics on this Pathway

alone, covering topics from price & cost modelling, options generation & evaluation and category strategy implementation planning which have in turn supported the creation of 13 Category Plans and Category Strategies.

In the coming year, the Supply Chain Directorate will remain focused on individual performance against the capability pathways and creating value to the business in the implementation of Category Plans and Strategies.

**4.4/5**

Rated activities  
by participants



**108**

Workshops/Clinics  
delivered



**182**

Capability reviews  
complete



**392**

Documents  
created



**105**

Insights™  
provided



**219**

Foundations  
Certificates



## Commercial Continuous Improvement Assessment Framework

Sellafield Ltd were recently assessed as part of the Commercial Continuous Improvement Assessment Framework, which is designed to help drive continuous improvement in commercial practices across the public sector by enabling organisations to benchmark their commercial operations against good practice. It enables public sector organisations to share commercial insights, common challenges and lessons learned. It is an evidence-based exercise, with Sellafield Ltd's evidence being reviewed by Nuclear Decommissioning Authority, government and the Metropolitan Police. Compiling the evidence was a cross-department effort with a mix of those in the Supply Chain Directorate involved.

Sellafield Ltd scored very well in comparison to the wider public sector, achieving an average score of 86%, 13% higher than the national public sector benchmark. We look forward to sharing our learning with broader stakeholders in the public sector.

The Supply Chain Directorate views this as a positive result which provides good visibility for Sellafield Ltd. More organisations are coming to us to benchmark as the good practice we are delivering is being recognised.

## Supply Chain Case Studies

### Thermal Treatment

The Supply Chain Directorate team worked collaboratively with the internal Technical team to develop a compliant and creative procurement solution. Sellafield Ltd used its category intelligence and a structured approach to market engagement to engage with organisations such as SMEs like Red Engineering and Tectonics to develop technological solutions at pace for a novel application. This pragmatic approach facilitated Sellafield Ltd exceeding expectations against a key business target for evidencing maturity of the technical approach for the thermal treatment of nuclear material which could provide strategic benefit for the nuclear industry.

### Manufactured Products

The Supply Chain Directorate Manufactured Products Team have adopted New Product Introduction and Advanced Product Quality Planning – a game changing approach to how Sellafield will manage volume manufacturing. The Team have held multiple engagement sessions with our supply chain and have worked closely with the Nuclear Advanced Manufacturing Resource Centre (NAMRC) to support roll out and upskilling of our supply chain. During phases of the project, suppliers will manufacture and deliver parts to support the product and process development. This approach promotes early supplier input into detailed design, aligning with Project 13 Principles, and provides clarity of progress throughout design and manufacturing set up.

### Site Ion Exchange Effluent Plant Continuity Plant (SCP) facility

Programme & Project Partners' supply chain partner, Langfields, have been producing vessels and tanks for our SCP facility.

A large diameter vessel, 3.5 meters in height and 6 meters in diameter, has been manufactured by Langfields and transported to Sellafield, where once in place will play a part in UK's green energy security for generations to come.

Once operational, the SCP facility will ensure the existing Site Ion Exchange Effluent Plant facility, which has been running since 1985, can continue its vital work for decades to come, playing a vital role in delivering Sellafield's purpose to create a clean and safe environment for future generations





## Awards

### Awards for Risk

In the past year, Sellafield have won two awards for our approach to risk management.

Sellafield Ltd won the 'Best Approach to Risk Mitigation' at the Chartered Institute of Procurement and Supply (CIPS) Excellence in Procurement Awards and a Public Procurement Go Award for our COVID-19 Response and Recovery.

The awards are respected as a benchmark for excellence. The winning entry 'supply chain risk and resilience transformation' was a risk, resilience and transformation project to continually improve our capabilities by using the latest technology and developing our workforce.



### Fast Payer Award

Sellafield Ltd was one of only 270 organisations to receive the Fast Payer Award from Good Business Pays for our payment performance over the last year. The campaign by Good Business Pays, aims to encourage the UK's biggest organisations to ensure payments to small suppliers are received quickly.

Susan Lussem, Chief Supply Chain Officer, said: "I'm proud that Sellafield Ltd has been recognised through the Fast Payer Awards. This is a testament to the commitment, diligence, and desire from teams all across the business to treat our supply chain partners fairly and with respect. It's pleasing to see another means by which Sellafield Ltd is acting as a positive corporate citizen for economies and communities."

### Institute for Collaborative Working (ICW) award for Programme & Project Partners

Programme & Project Partners picked up a prestigious prize at last year's ICW Awards. Our major infrastructure delivery partnership between Sellafield Ltd, KBR, Jacobs, Morgan Sindall Infrastructure, Altrad Babcock and a wider supply chain scooped the Supply Chain award having been shortlisted in five categories. The awards judges recognised how Sellafield Ltd's Programme & Project Partners model has brought together multiple organisations, from the four global businesses to small and medium-sized enterprises, across a vast supply chain, who are taking a 'one team' approach to deliver a long-term programme of critical national infrastructure to support Sellafield's decommissioning programme.

### British Energy Coast Business Cluster (BECBC) Supply Chain Awards

Sellafield take seriously our collaboration with external stakeholder groups like BECBC to drive mutual benefits for all parties. This year we sponsored the BECBC Supply Chain Awards, which celebrate businesses in Cumbria and the wider nuclear sector, honouring the prominent achievements of companies from our industry. We saw examples of high achievement in a range of categories at the event.



## Supply Chain Directorate FY 22/23 - Views of Stakeholders



### Frank Lee

Chief Executive Officer of the Institute for Collaborative Working (ICW)

*Frank Lee, following a visit to our Warrington Office to discuss the ongoing development of professional relationships within business, between organisations and the wider society:*

*"It was a great pleasure to be invited to meet with our member Sellafield Ltd, who have been one of the leading examples of using a collaborative approach to generate social value into the community they are part of.*

*"The visit gave me the opportunity to learn how Sellafield are using a collaborative approach with their supply chain partners to innovate and address some of the most technical challenges faced by any sector.*

*"I was also able to explore with the Sellafield Ltd team and some of their supply chain partners how we at The ICW can support them in delivering the added value they are determined to realise."*



### Dominic Doig

Managing Director, Solomon's Europe

*"Solomons are a small medium sized enterprise that strive to play a part in the bigger picture across people, planet and profit to build a more resilient future for the supply chain operating in our Northern Powerhouse regions.*

*We have been working with Sellafield Ltd and the broader supply chain and stakeholder groups to influence their supply chain strategy and delivery approaches to enable maximum collective socio-economic benefit recognising the importance of the Sellafield Ltd's mission and the opportunity it can provide.*

*We have appreciated the open engagement with Sellafield Ltd and their Tier 2 contractors and their willingness for our voices to be heard. Not only have been able to shape the overall supply chain strategy, we have been part of the team to develop its long-term major project supply chain strategy which has led to multi-billion pounds worth of competitive sub-contracts being awarded that will seek to drive sustainable benefit to all parties involved".*



**Euan Burnard**

Senior Buyer, Supply Chain Directorate

*Having joined Sellafield Ltd as a graduate in 2018, I have always been encouraged to focus on my personal development, and have been overwhelmed with the advice, support and resources available to allow me to focus on this.*

*During the graduate scheme, I enrolled on four 6-month placements in the Supply Chain Directorate. I found it hugely inspiring to see a breadth of areas across the directorate and have found it rewarding to see how all of my roles in the directorate have contributed to Sellafield's critical mission. I am also currently enrolled on the pathway to be member of the Royal Institute of Chartered Surveyors (RICS). Through Sellafield and the supply chain, I have always provided with the support through coaching, mentoring and opportunities aligned to the RICS accreditation.*

*I now have almost three years' experience post-graduate scheme in the Supply Chain Directorate. In this time, the support to allow me to focus on my personal development has continued through the directorate's Capability Programme, where I have been encouraged to focus on my technical and behavioural goals. I have been given responsibility to carry out a breadth of activities across the directorate, which has involved working in integrated cross-functional teams, building my relationships with a variety of stakeholders from the business and our supply chain. I feel a valued member of the Supply Chain Directorate, and look forward to the future exciting opportunities working at Sellafield offers.*



