



**Copeland Borough Council  
Economic Well-being Group  
Overview and Scrutiny Committee  
23 May 2005**

**Key Issues Report from Nuclear Opportunities Manager  
West Lakes Renaissance**

**1.0 NDA**

- 1.1 NDA scheduled to take up their head quarter's tenancy at Galemire Court in July. Internal fit out taking place.
- 1.2 NDA launched on 1 April 2005. There is a press/information pack available at <http://www.nda.gov.uk/>.
- 1.3 A meeting took place on the 24<sup>th</sup> March between representatives of the NDA Commercial Team and local partners. Peter Graham (Commercial Director) and Steve Dixon (Contract Manager for Region 3) met with West Lakes Renaissance, Cumbria Inward Investment Agency, West Cumbria Development Agency and West Cumbria Business Cluster to discuss a range of issues including contracting strategy, flow down, socio-economics, transfer of assets (see below) and NDA internal procurement process ( currently anticipating £24m spend) including web based portal. A number of actions were identified and the Nuclear Opportunities team is co-ordinating the response. Further meetings are planned on perhaps a bimonthly basis.
- 1.4 NDA recruitment continues with Phase 3 which began in early February. They are looking to fill key roles in the Finance & Resources, Communications and Commercial Directorates. There are a small number of regional vacancies in the Programme Directorate. In addition they have specialist and general administrative roles at the regional offices and the Head Office. To date they have had 1800 applications and have been able to fill key vacancies in the Programme Directorate and in some HQ administrative roles. Phase 3 is now well under way and they expect to be making offers throughout May

**2.0 SUPPLY CHAIN**

**2.1 Supply Chain Issues Paper Update**

A paper outlining the very significant difficulties facing the supply chain was produced in March of this year (copy available by request from [margaret@westlakesrenaissance.co.uk](mailto:margaret@westlakesrenaissance.co.uk)). This paper has now been formally endorsed by the NDA, West Cumbria Business Cluster, the NDA Steering Group and the Nuclear Opportunities Supply Chain Working Group. The actions within the paper are being taken forward through the Nuclear Opportunities Supply Chain Working Group.

The paper has been welcomed by the NDA for its overview of current issues facing the local supply chain. The discussion stimulated by the issue of this paper has resulted in the involvement of the Rt Hon Jack Cunningham, the Rt Hon Patricia Hewitt and Dr Ian Roxburgh (CEO of NDA). A number of letters have been sent to British Nuclear Group reminding them of their duty to the local supply chain and local economy and encouraging them to work closely with the NDA.

British Nuclear Group has started to respond to the pressure brought to bear upon them and David Hughes (Head of Procurement for Sellafield) was able to announce at the last Nuclear Opportunities

Supply Chain Working Group that they have reviewed their strategy on the management of contracts at each year end and are implementing changes which should bring significant benefits to suppliers.

## 2.2 **Supply Chain Mapping Project**

Due to the delays in release of the British Nuclear Group Procurement Plan it was decided to slip the programme for this project to ensure that agreed deliverables could be met. An interim report has been produced and reviewed and ERM, the consultants undertaking the work, have presented their interim findings to the Nuclear Opportunities Supply Chain Working Group.

A West Cumbria Supply Chain Project is being developed to respond to the general issues confronting the supply chain as well as taking forward actions identified in the mapping exercise. The project is being led by WCDA in conjunction with Business Link for Cumbria and WLR.

- The purpose of this project is to ensure that West Cumbrian businesses are prepared and equipped to counter the threats and maximise business opportunities arising from decommissioning. It will be followed up by a significant regional project following the approval of the NWDA's Nuclear Strategy.
- In the meantime, WLR is working very hard with partners (especially WCDA and CIIA) to provide opportunities, information, advice and support as outlined below.

## 2.3 **Share Fair – Decommissioning Opportunities in the Nuclear and Oil and Gas Industry (in UK and abroad)**

Along with Dti and One North East, WLR jointly funded a Share Fair at the Sands Centre in Carlisle on 12th April. 230 delegates attended from the oil, gas and nuclear sectors from Scotland and the NW of England. Stands were taken by some major players across the energy industry and presentations were given throughout the course of the day and delegates had the opportunity to attend up to six in total. Rosie Mathisen gave the opening address and keynote speakers at the event were Richard Mrowicki of the NDA and Tim Watson of Reverse Engineering. Very positive feedback was received both on the day and afterwards with a number of requests for information and or support received by the Nuclear Opportunities team.

## 2.4 **Meet the Buyer Event and Other Supplier Events**

West Lakes Renaissance and West Cumbria Development Agency jointly hosted this event which was held in Building B111 at Sellafield on 26th April. It provided West Cumbrian sub-contractors with the opportunity to meet both existing and potential Tier 2 suppliers. Approximately 140 delegates attended to hear presentations by five of the exhibitors, to network and to meet on a one to one basis with the Tier 2 buyers. British Nuclear Group offered their facilities for the morning and this was followed by their own Supplier Forum. The Nuclear Opportunities team is following up both events and again some very positive feedback was received. It is hoped to encourage local suppliers to attend a similar event to be run by UKTi on 22<sup>nd</sup> June in Manchester and for West Lakes Renaissance to be represented.

## 2.5 **US investment**

Work continues with CIIA to promote the opportunities in West Cumbria by way of decommissioning contracts to the US market, bringing in increased opportunities via new technologies and innovative management processes to the area. We are encouraging partnering and teaming by mapping capabilities of US companies against local specialist companies and brokering introductions.

## 2.6 Supplier Support

Our Supply Chain Consultants in conjunction with WCDA have been working with local suppliers on business support activities including giving support during tender activities, facilitating introductions to other companies and assisting local companies in development of consortia.

## 3.0 BNFL OFF-SITE ASSETS

BNFL Assets transferred to the NDA on 1 April 2005 and a number of these have been identified as being of community interest. The following notes are the latest information based on discussions with Peter Vaughan, DTI (February 2005) and Peter Graham, NDA on 24<sup>th</sup> April 2005.

- Pelham House Transferred to NDA and to be used by NDA.
- Sellapark and Sellagrange Transferred to NDA and to be used for the same purposes as now. Potential business opportunity in the future?
- Lillyhall Stores and Expansion Land Operationally required for British Nuclear Group, other leased stores in area to be rationalised and Lillyhall used as the main storage building. Transferred to NDA and leased back.
- Summergrove Transferred to NDA and will continue to be used for the same activities. Longer term opportunity?
- Sellafield Visitor Centre This now has a guarantee of two years of funding through the NDA and the NDA will be setting up a small stakeholder group to look at the options for the future of the building.
- BNFL "holding" in West Cumbria Development Fund BNFL interest in company limited by guarantee – will transfer to NDA. Still under discussion.
- BNFL Technology Centre (identified in the Nuclear Skills Project revised brochure as the hub of a potential National Laboratory) As part of Sellafield licensed site, transferred to NDA. Immediate plans are to lease back to NSTS in support of NDA R & D activities. Ian Roxburgh particularly aware of broader HE issues with regard to BTC and how this ties in with NDA's role in specialist training.  
  
Being taken forward as part of NWDA's detailed business case for Nuclear Academy – vital that plans tie in with UEC and UCLan's plans for West Cumbria and Westlakes Research Institute. The NDA Chief Executive, Dr Ian Roxburgh, has expressed strong support for the development of the Centre in collaboration with Dalton Institute and BNFL into a 5\* research establishment. This will play a key factor in the positioning of West Cumbria as the epicentre of nuclear expertise within the North West and the development is to be welcomed. It is important that it forms part of the overall offer being considered for the University of Cumbria, and it will be important to look at the business opportunities for clustering, commercialization and spin out. A stakeholder process is being developed by the Dalton Institute to ensure that wider views are considered.
- Documentation NDA offered documentation library by British Nuclear Group. Suggested that this might prove useful for research purposes and should be retained, however, there is a cost associated and proposals relating to self funding invited.

## **4.0 COMMUNICATIONS**

### **4.1 Nuclear Opportunities Bulletin**

The 5<sup>th</sup> issue of the Bulletin (attached) was issued in April which concentrated on the Launch of the NDA on 1 April and the effect this will have on the Tier 1 contractors and the supply chain and also featured the work of our Supply Chain Consultants. The Bulletin has been well received and its' distribution list continues to grow.

## **5.0 Future activities and key issues**

### **5.1 Progress with WCSF**

### **5.2 Marketing and Communications**

- Continuing promotion of awareness and better understanding in West Cumbria of the decommissioning process
- Image and perception – locally, regionally and nationally – working with NDA, Cumbria Vision and WCSF

### **5.3 Land and Buildings**

- Full capacity - further development at Westlakes Science and Technology Park and involvement of private sector
- Housing availability – rented (appropriate quality) and purchased

### **5.4 Skills, Education and R & D**

- Ensuring that the range of initiatives in this area are joined up and complementary, adding value to the centre of excellence vision for West Cumbria

### **5.5 Investment and Business Activity**

- Supporting locally based supply chain in changing competitive environment
- Analyse the British Nuclear Group Procurement plan and identify suppliers at risk and identify ongoing opportunities
- Provide support to individual companies on a one to one basis on specific issues, briefing for Business Link for Cumbria advisors and further support as required
- Seek endorsement of the Supply Chain Mapping report and the NWDA Nuclear Strategy report at local and regional level
- Work with the NWDA and Business Link for Cumbria to develop and progress funding bids/projects.
- Arrange further Meet the Buyer locally, support the UKTi Meet the Buyer event and look at running a Public Sector Workshop.
- Further work on Memorandum of Agreement, Appendix 6, key performance measures for local economic activity and seek to secure input into Tier 1 contracts with Tier 2.
- Injection of new technologies and management processes from outside area - UK and beyond
- Developing diversification opportunities.

**Rosie Mathisen: 19 May 2005**