



Interview with Mike Hawe, Group MD of NES Limited, May 2011

Have you heard of the YGN and all the activities we do?

I've heard of the YGN and I've been impressed by the good publicity that you get obviously through the NI and NiA and the various award ceremonies and so forth. So I hear about it at various times but I'm not familiar with all your activities.



So you don't know that we run seminars?

I do know you run seminars and that your promotional posters are on our notice boards at NES and that our people attend. In fact NES co-sponsored a recent YGN networking event in the North West. It certainly appears to be a very vibrant network of people, which is great.

I love enthusiasm in people, and I do know that when I go to the NI/NiA dinner for example the enthusiasm and passion comes through loud and clear.

Did you know that YGN have their own annual dinner now?

I'm impressed, I didn't know that. I'll have to bring NES Limited to the 2011 event.

How did you get involved in the nuclear industry?

I was approached by BNFL to become Commercial Director for Magnox in 2004. Previously I was Commercial Director with Carillion in the rail & civil construction industry, rail principally. I'd been in rail for the period of privatisation, the introduction of new contracts, new employers and new contractors. So I joined in order to apply that knowledge and experience to the formation of the NDA and new site licence companies under contract. So I hadn't worked in nuclear before that time.

Whilst it was a completely different industry there were many parallels. The NDA had been formed in the same way that Network Rail had been previously formed. New M&O contracts had been set up between Sellafield, Magnox, UKAEA and the NDA. The industry needed people who would help to carefully manage that contractual interface, to make sure that good work would continue under contract. Within Magnox, I was responsible for management of the M&O contract with the NDA, and for the Magnox supply chain contracts. Magnox place £250 million worth of work with the supply chain in a given year. We were looking to transfer and replicate contract and supply chain management skills and experience from different sectors into the nuclear sector.

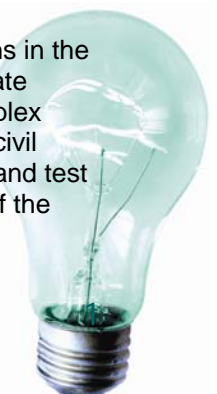
My joining the nuclear industry was driven entirely by chance and political circumstance. If the NDA had not been formed or BNFL had not gone the way it had gone, this opportunity would never have arisen. I'm forever grateful as it's been great introduction to the business.

What is your current role and how does it make an impact on industry?

I'm now the Group Managing Director of NES Limited. I wanted to stay in the nuclear sector and this again was a great opportunity to take overall responsibility and to lead a company with over 300 people that had been established for over 50 years in the nuclear sector.

What sort of activities is the company engaged with?

NES manufactured equipment and supported the building of the first phase of power stations in the UK in the 1960s and 70s. It has evolved through NEI Thompson and Rolls-Royce, into private ownership. The business is now principally engaged in the design and manufacture of complex mechanical equipment in support of the NDA nuclear decommissioning mission and to the civil nuclear defence sector. One of our key contracts is for the design, manufacture, assembly and test of the Silo Emptying Plant Machines for the B38 Storage Facility at Sellafield. This is one of the





highest risk assets in the NDA estate. We're responsible for building the machines that are going to remove highly hazardous waste, so it's a really exciting and demanding world to be operating in. The project has a chequered history; it's been going on for a long time before I arrived, lots of design changes and safety case changes but we're finally starting to rebuild these machines and hopefully we'll be sending them to site and using them in anger in the not too distant future. It's a really exciting place, a lot of focus and a lot of interest.

A year ago, LDC a venture capitalist company invested in NES. The investment supported and required a new management team, hence my appointment and that of one of my colleagues George Andrews from Sellafield. George was previously the Programme Manager for Legacy Ponds & Silo's projects at Sellafield. Alongside a new management team we're working together to try to build up NES using the experience and expertise gained from previous roles.

In terms of impact on the industry, the equipment we are manufacturing is critical in many respects. It's right at the forefront of manufacturing equipment that the NDA, Sellafield and Nuclear Management Partners wake up every day and want to make sure that it is on track and is going to work when it gets there. There's a real buzz in making something that so many people are really concerned about and really interested in.

How do you see the nuclear industry changing over the next 10 years and where do you see the biggest growth area for new recruits?

Well over the next 10 years we hope and pray that the huge change will be the introduction of new build into the UK. That's going to have massive and positive benefit to us all. In terms of the biggest growth area, for new recruits, clearly anything associated with new build e.g. engineering, design, manufacture, safety case, construction. There are just so many opportunities for people in the nuclear sector now if it all comes off. There are lots of opportunities for new recruits and that's in addition to the challenge that already exists in the decommissioning programme. In the next 10 years we'll still be building and operating plants to decommission the NDA's assets, so it's set to be a very busy time.

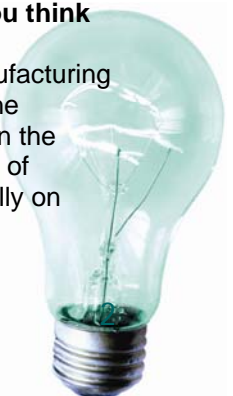
The new build market will draw upon and need the same/similar skill sets and resources that are currently principally engaged in decommissioning. There'll be a healthy tension in the supply chain for both people and product I would imagine in the next 10 years.

What impact, if any, do you see the new build programme having on the decommissioning programme?

I think it will help to accelerate the focus on the need for a long term plan for the skills and resources that are required. I think it will by definition promote the development of the skills needed for both decommissioning and new build. As I said earlier, of course the impact is managing that dynamic, for the skill set and resources in the UK to be able to support effectively both decommissioning and new build programme. My concern is that if we don't as a country and industry recognise the scale of the new build challenge and opportunity and if we wait for this opportunity to come along, then we're going to lose out as we won't be ready when it comes along. We won't have the people when it comes along. The companies taking the risk of building these power stations without any government funding, without any commitment on tariffs or supply contracts, are going to be very conservative when it comes to selecting suppliers and people. They're going to want to use people who've done it before and not necessarily the people who would like to do it from the existing UK supply chain. We've got to step up to the mark and be ready for that in the next 2 years.

The UK is now increasing the programme for research and development- how do you think we can develop to become an international centre for excellence in this area?

There's a key initiative that's going on at the moment which is the Nuclear Advanced Manufacturing Research Centre (NAMRC). NES Limited, as a company, is actively helping to promote the NAMRC. We believe that the model that they use which is based on creating excellence in the aerospace industry is one that's proven to work and it will definitely help to create a centre of excellence for the UK in nuclear design and manufacture. I realise that's focused principally on





manufacture and that there are other areas of development and investment that will require support.

Selfishly as a design and manufacturing company I'm particularly interested in how we can develop those skills and resources. So the NAMRC I think is a really key development. Anything that we can do as business and say the YGN can do to promote awareness of the NAMRC, of what's going to be available and of what's going to be required, has got to be a good thing.

NES Limited has been accepted as one of the Tier 1 members for the NAMRC that will help provide guidance and support with regards to policy and development. We're really proud of the fact that we've been brought in and asked to support this. We're really pleased that we've been invited in to help contribute to the cause.

What does your company do to encourage an educational programme in schools?

We certainly encourage individuals to come for their own personal work experience. So A-level students who want to come along and see if engineering is for them can. We have quite a well developed work experience programme for the individual to come in and spend a day in manufacturing, a day in design, a day in finance, so they get the opportunity to see what happens in a business over a week or for a few days.

How would you convince a student or graduate to join your area of expertise?

I think first and foremost in terms of the industry, I don't think I have to work very hard to sell the opportunities that exist for anybody in any discipline who wants to work in the nuclear sector now. It's got to be a place where people would naturally look.

More importantly, however, it's not just because it's busy, and it's not just because the number of opportunities might be good for people. My experience over the last 7 or 8 years that I've been in nuclear is that the sector itself is really good in terms of its diligent approach to training of people, it's got a very generous attitude towards passing skills on, wanting to make sure people learn and making sure people are trained properly and carefully. This isn't necessarily true of all the sectors I've worked in. The other thing is in the nuclear sector people think longer term; this is good for individuals and their careers. This promotes a more benign approach to development and treatment of people.

So if I was promoting the industry, I'd be promoting: the combination of inherent potential and growth that's in the sector, the professionalism and expertise that's already there and the long-term mature approach as to how we make sure it maintains its safety and integrity.

What does your company do to attract and retain younger staff?

We've done a couple of things. We've got apprenticeship schemes for mechanical and electrical trades, so we have trainees on the shop floor. This is something we have traditionally done and plan to add to. Adding to this is really important when looking at the skills gap and skills agenda. We are also looking to add skills and capability with further NVQ Training for craftsmen.

In terms of graduates, I'm really proud that the NES graduate training scheme is working towards formal accreditation by the IMechE. This demonstrates to graduates that as well as the variety of experience they'll get with NES Limited they also get the recognised training which helps with their career progression.

Good training and good opportunities and we also really focus on personal development. Also the exposure NES Limited can give via our work in nuclear and defence is a great opportunity for younger staff.

What do you think is the best advice you can give a younger member of the industry?

My advice would be to make sure that the people they're working with and for, truly understand what it is that they're capable of doing. In so far as I think we're a little bit slow and too conservative in the way that we move people from the work that they're doing at the moment into jobs or roles that their experience and capabilities would allow them to do. Our conservatism in so many areas





is a very very good thing, but sometimes our conservatism in the way we give opportunities to people sometimes is a little bit too cautious I think. So my view would be to make sure you're challenging the organisation you work for and to make sure that they understand how good you are and that you are interested in doing something different. Make sure you're working for an organisation that is giving you the opportunity to try and do those different and varied things. I've seen too many people in the nuclear sector who're very good at one thing but I don't see as many people as I'd like who are more balanced with a broader skill set. The industry in the phase that it's at is looking for broader based individuals. Find an organisation who'll give you that exposure. Also find a mentor, I'd not be where I am without the support I had from senior people during my career.

Are all your younger staff members of the YGN?

I don't think they all are but I think they could or should be. I won't discourage anyone joining.

How can YGN support NES Limited and how can NES Limited support YGN in the future?

YGN are very welcome to come and visit our facilities and see what we do, so for example see machines progress from concept, through detail design, manufacture and build.

