

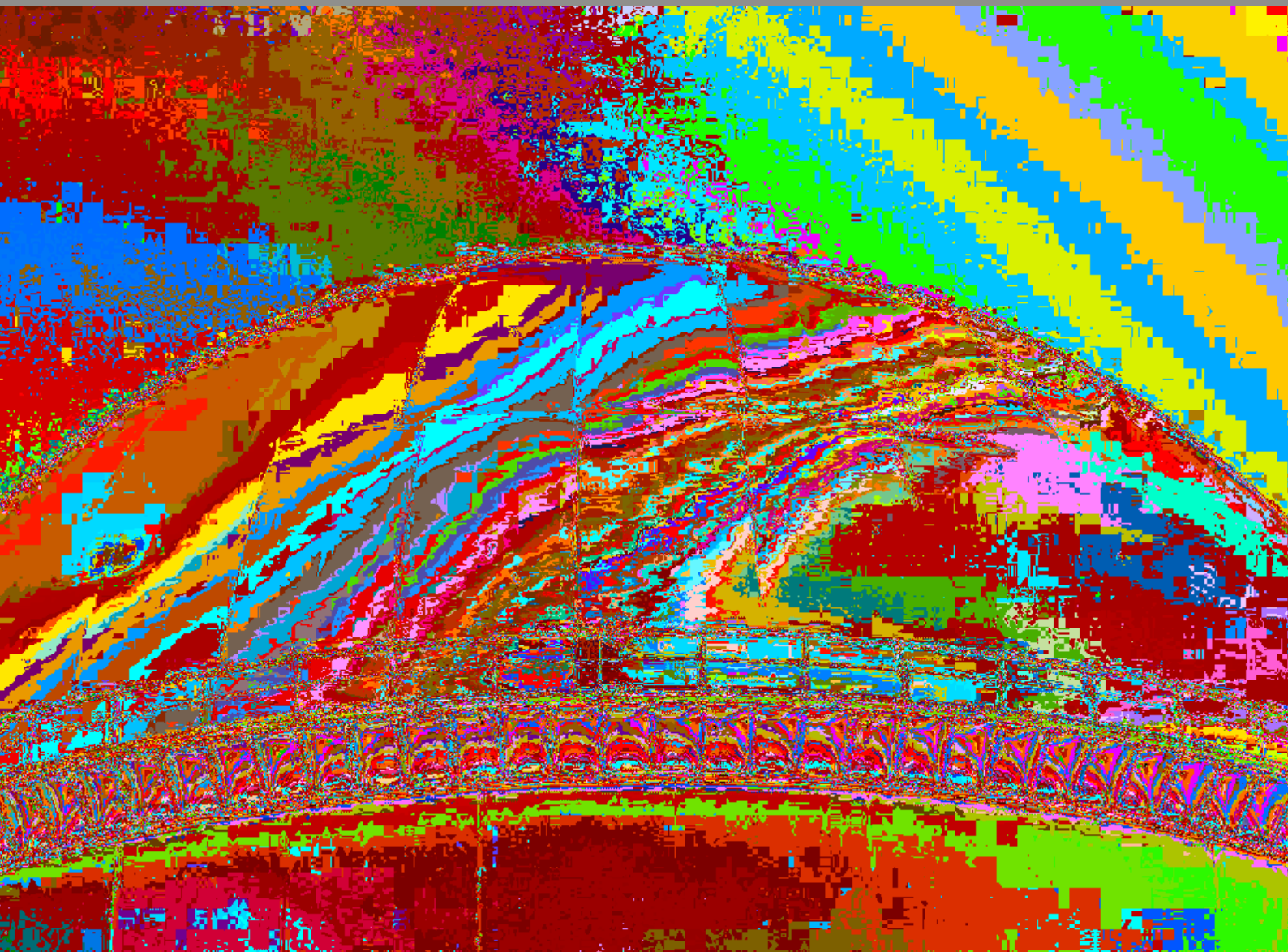


Dounreay Site
Restoration Ltd

DSG(2009)C079

Dounreay Socio-Economic Development Plan

2009 - 2010



1 INTRODUCTION

Dounreay

Dounreay is located in Caithness, in the far north of Scotland. It was the UK centre for fast reactor research and development from 1955 to 1994. Since 2000, the Dounreay site has been fully focussed on decommissioning.

Since April 2005, the Nuclear Decommissioning Authority (NDA) has had the strategic responsibility for the decommissioning and clean-up of the Dounreay site.

Dounreay Site Restoration Ltd (DSRL) is the Site Licence Company (SLC) contracted with the delivery of the site programme and day to day operations. DSRL, is wholly owned by the Parent Body Organisation (BPO), UKAEA Ltd¹.

Dounreay is the NDA's second largest site, and is a complex decommissioning site containing three research reactors, a range of fuel cycle facilities and historic waste management plants.

During the decommissioning programme there is a need to construct new facilities in order to treat and store both the existing wastes and those generated during decommissioning.

UKAEA Ltd, who owes DSRL, with their Alliance Partners², AMEC and CH2MHill are fully focussed on the safe delivery of an optimised decommissioning programme at Dounreay. Current plans are that Dounreay will have reached its interim end point, by 2025 subject to funding.

At the interim end point, all facilities on site will have been decommissioned, except the waste stores. The Scottish Government's policy for radioactive waste is to support long term 'near surface near site' storage facilities.

Dounreay – the impact for Caithness and North Sutherland

Dounreay has been at the heart of the Caithness and North Sutherland economy for more than 50 years.

One in every five jobs in Caithness is located at Dounreay and a baseline study undertaken in 2006 estimated that Dounreay supports one in every four jobs in Caithness. However, including all indirect employment, it is estimated that as many as one in three jobs in Caithness and North Sutherland depends on the decommissioning activities at Dounreay.

It is estimated that currently £80 million is injected each year into the local economy as a result of the decommissioning programme. Therefore the closure of Dounreay will result in major social and economic challenges for Caithness and North Sutherland.



¹UKAEA Ltd is currently being sold

²The management contract for DSRL will be competed for during 2009/10 and it is envisaged that the selected parent body organisation will be in place by spring 2011.

Aerial view of Dounreay

2 NDA SOCIO-ECONOMIC POLICY

In January 2008, the Nuclear Decommissioning Authority (NDA) published its' Socio-Economic Policy which sets out the NDA's approach to deliver their Socio-Economic obligations.

The NDA supports the agencies responsible for economic development through partnership working, where appropriate, in developing proposals that will bring long-term Socio-Economic benefits and minimise the impact of the cessation of decommissioning and clean-up.

The NDA's Socio-Economic obligations are supplemental to its' core remit of decommissioning and clean-up.

Their vision is:

'to support the creation of dynamic, sustainable local economies for communities living near their sites'.

The NDA has three main drivers to their Socio-Economic policy:

- Enhancing the opportunity for local people to be involved in decommissioning work through education, retraining and skills development.

- Supporting the diversification of the local economy into other sectors, and
- Increasing the attractiveness of areas near NDA sites as places to live, work and invest.

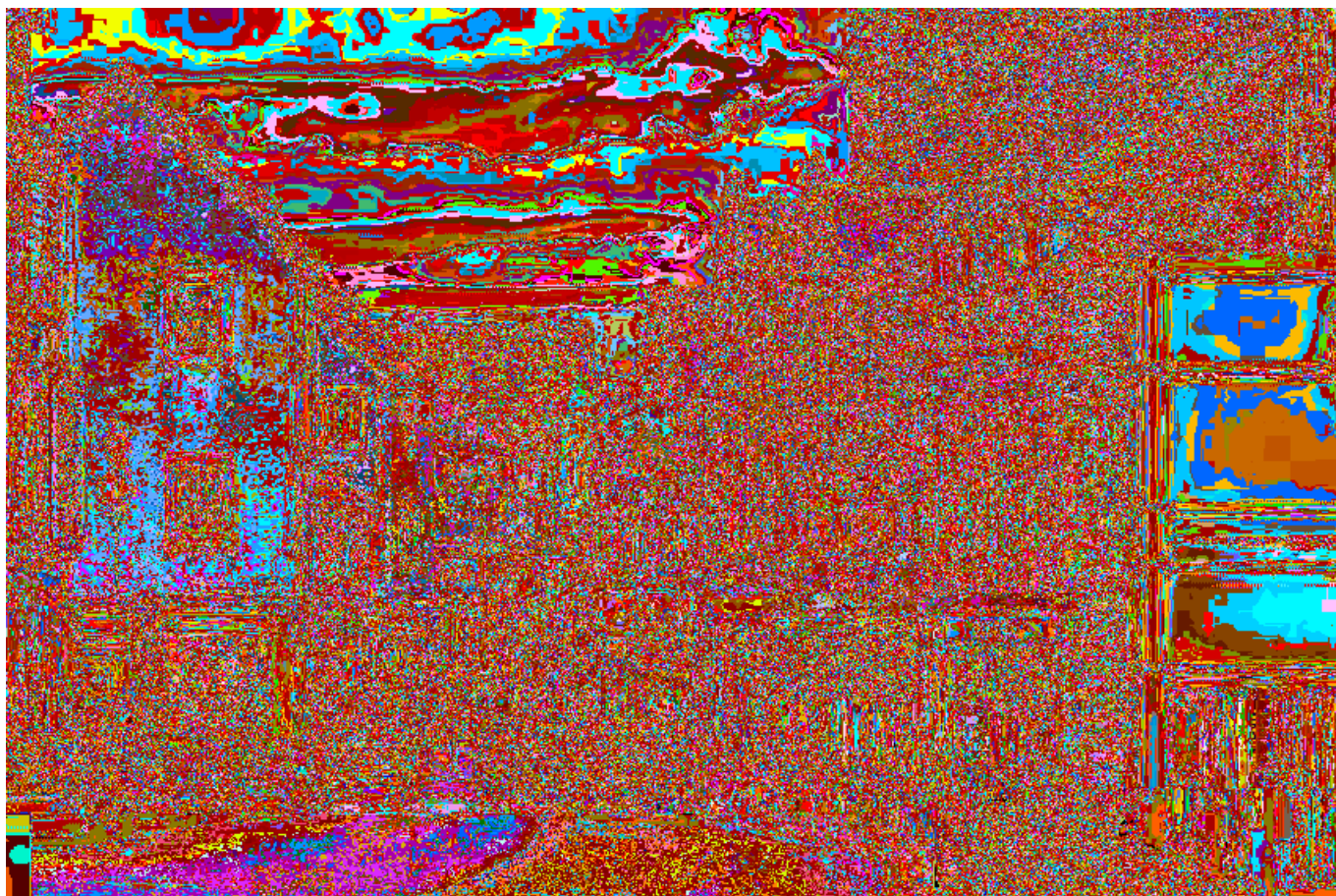
The NDA has set out three methods which they will deliver their Socio-Economic support:

- Direct NDA funding
- Support through NDA operations, and
- Funding SLCs to deliver local Socio-Economic support

NDA Socio-Economic support will address the priorities of creating higher value employment in decommissioning, clean-up, education and skills, economic and social infrastructure, and economic diversification into other industries and sectors.

The NDA has identified Caithness and North Sutherland as one of the four priority geographical areas for Socio-Economic support.

The local NDA team based at Forss are members of the Caithness and North Sutherland Regeneration Partnership supporting Highlands and Islands Enterprise, The Highland Council and Scottish Government.



View of Thurso town centre

3

's group, which comprises a team Highland Council and DSRL, meet on s and can commit resources on organisations to deliver actions and e appropriate other agencies or re invited to attend.

resources, from each of the key ghten local resources and expertise e development and delivery of the strategy.

NSRP is the Action Plan which was cember 2007 as a 50 point plan. continued to establish which est priorities and these are now tion Plan which continues to

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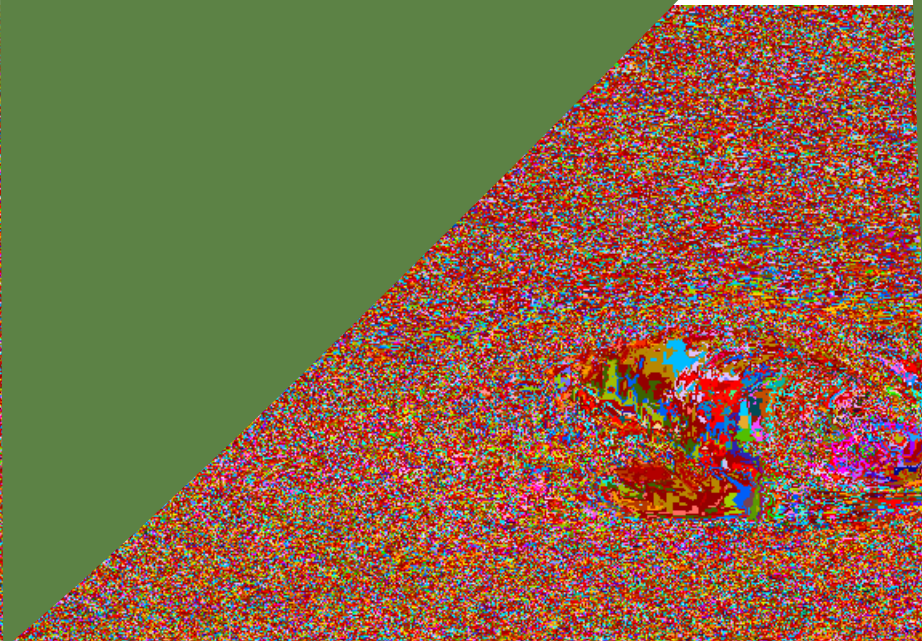
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4 DSRL'S APPROACH TO SOCIO-ECONOMICS

DSRL's management is committed to supporting the agencies and organisations which are looking to ensure the area's transition into a successful future, with a prosperous, strong and diversified economy beyond Dounreay.

The priority for DSRL is the safe and cost-effective decommissioning and closure of the Dounreay site but doing it in such a way that it is sensitive to the local economy and will continue to support the vision, objectives and priorities of both the NDA Socio-Economic policy and the CNSRP.

By accelerating the interim end state (to 2025) results in fewer job reductions in the early years of the programme, with a gradual decrease of jobs. However this, in turn, results in a greater reduction of jobs in the future years of the programme.

The DSRL Socio-Economic vision is:

By the Interim End Point, DSRL will have prepared and supported our workforce to transition into sustainable alternative employment whilst completing the delivery of the site decommissioning programme.

The vision is associated with workforce transition and as a result there is an integrated approach between the DSRL Human Resource Strategy and its Socio-Economic strategy. See figure 1.

The priority objectives for Socio-Economic activities, include:

- Transition of employees into alternative sustainable employment to support the diversification of the local economy into other sectors,
- Use of skills and infrastructure to create new growth opportunities, and
- Nuclear industry skills development through education, retraining and skills development,

In support of these objectives, DSRL will:

- Support and influence national and local regeneration agencies.
- Communicate with employees and Trade Unions to develop workforce transition plans.
- Develop individual transition plans and transition training/support programmes.
- Work with our supply chain to inform and support them in developing their own workforce transition plans.

DSRL's Socio-Economic activity covers a number of different areas, and aligns with the NDA's expectations of a site licence company. These activities are described in more detail overleaf.



Figure 1 details the integrated approach to the Human Resource and Socio-Economic strategy.

5 DSRL SOCIO-ECONOMIC ACTIVITIES

Overview

DSRL is currently owned by UKAEA Ltd who in turn are supported by their Alliance Partners, AMEC and CH2MHill and together work continues to optimise the decommissioning programme for Dounreay. Current plans are that Dounreay will have reached the interim end state by 2025, subject to funding from the NDA.

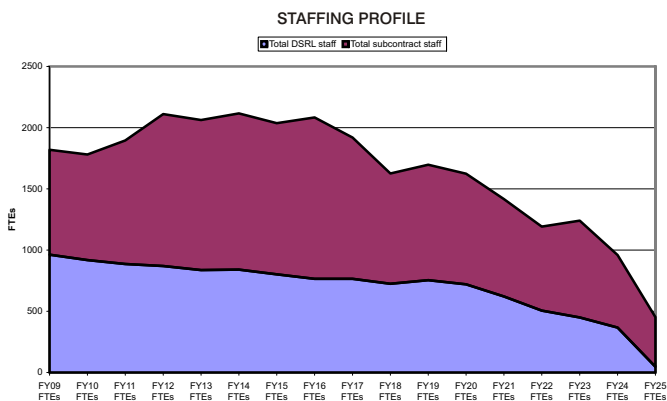
By accelerating the interim end state results in fewer job reductions in the early years of the programme, with a gradual decrease of jobs. This in turn results in a greater reduction of jobs in the future years of the programme. It is believed that a gradual reduction in employment is better for the economic regeneration of the area and allows time for the CNSRP action plan to be implemented.

Decommissioning programme

The life time plan for the site outlines the activities required to safely and successfully deliver the decommissioning programme. The plan also details the staffing resource which inevitably declines from the present day to the Interim End Point of 2025. By that time, when all the redundant facilities have been cleared, all that will remain are those radioactive wastes and other nuclear materials for which no disposal route or alternative storage is available.

Using the Lifetime Plan as a tool, the site can better communicate the programme of decommissioning and the impacts on employment numbers to key agencies.

The site recognises the importance of managing the decommissioning programme in a sustainable manner that maximises employment prospects for DSRL employees now and into the future.

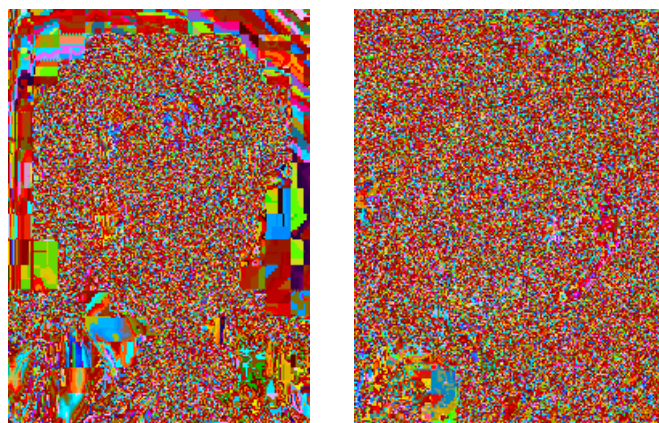


DSRL Socio-Economic project team

There is a small, dedicated Socio-Economic project team at Dounreay, who are the main contact for all Socio-Economic issues with regard to DSRL.

The priority of the project team is to maximise the benefits of the skilled workforce which will become available as the decommissioning progresses.

The project team works in partnership with the CNSRP, local businesses, stakeholders and other local bodies to stimulate, support and develop projects, proposals and initiatives for economic regeneration and development.



Use skills to develop opportunities for growth

Within DSRL, our staff has a wide range of skills and capabilities including, but not limited to:

- Accounts
- Business Administration
- Commercial, Programme and contract staff
- Emergency Planning Consultants
- Engineering design (all disciplines)
- Engineering maintenance
- Environmental Specialists
- Instrumentation Calibration
- Pay services
- PR Consultancy
- Project Managers
- Safety Specialists (radiological and non radiological)
- Staff Learning and Development

In addition, a number of staff has qualifications in other trades (in non-nuclear sectors) which could be utilised beyond Dounreay.

In order to transition these staff, at the appropriate time, DSRL will consider a number of options including:

- Establishment of New Businesses from current DSRL Activities (“spin outs”)
- Partnership working
- Outsourcing
- Shared services
- Secondments

In considering these options, the main priority for the site is to deliver the decommissioning programme for the NDA. Therefore some of the options may not be possible until later stages of the programme.

As potential business opportunities are identified we will call upon external support as appropriate.

New businesses from current DSRL activities

DSRL undertakes a number of varied functions to support the decommissioning programme at Dounreay. Some of these functions may have the potential to become successful commercial businesses in Caithness, not only by supporting the decommissioning activities at Dounreay but by diversifying into other non-nuclear sectors. This can be done by “spinning” out a service into the local supply chain as a stand-alone business venture. Potential opportunities could include:

- Laboratories
- Training and Development
- Occupational Health Services
- Decommissioning
- Environmental Services
- Engineering
- Nuclear consultancy
- Remote Services (HR/Payroll/Finance)
- Programme/Project Management

Consideration will be given to:

- External (local, regional, national and international) market conditions.
- The decommissioning programme
- The potential primary customer contracts with NDA.

Each potential business development will be considered by the DSRL Senior Management Team and will follow the site's due process for internal and external approval.



Partnership working

DSRL undertakes the decommissioning programme with support from the supply chain to provide a wide range of resources and skills. It is important that there is a healthy, competitive supply chain to ensure that DSRL can undertake the decommissioning programme in a safe, efficient and cost effective manner.

The Dounreay supply chain includes a number of locally based companies. Beyond Dounreay these companies will need to diversify away from Dounreay either into new markets or to work on other nuclear sites.

In diversifying their business into these new markets, companies may require additional skills and resources to allow them to develop. DSRL will consider working with local companies on a case by case business basis. In considering the approaches from the supply chain, it is imperative that the site's decommissioning programme is not compromised.

DSRL will:

- Work with the supply chain to consider opportunities for partnership working.
- Explore opportunities to partner with companies who may move into the Caithness & North Sutherland area as part of the regeneration process.
- Work with the appropriate sector skills councils (eg Cogent, Energy & Utility Skills) where staff could be transitioned into other sectors with appropriate training and development to meet their future needs.

Outsourcing

As part of the overall business strategy for DSRL, there may be opportunities when outsourcing a particular service is considered and seen as being beneficial to the business. When an outsourcing option is considered, the Socio-Economic impact will be taken into account.

As part of the process, DSRL will encourage the

companies to support the Caithness Chamber of Commerce in developing working/collaborative relationships with the local supply chain, and thereby support the creation of sustainable employment in the region.

Local companies will be encouraged, where appropriate, to take part in the outsourcing procurement process.

Shared Services

There may be opportunities to bring support services from across the NDA estate (and potentially in new build operations) together to become a shared service. This may result in a key service being located in the area and sustainable beyond Dounreay.

Secondments

DSRL will consider releasing staff to support off-site business, projects and initiatives that are in the early stages of development, which has the potential to offer sustainable employment in the area. Additionally, these opportunities will help staff to develop and enhance their core skills. Requests for secondments will be considered on a case by case business basis.

Market our skills base in support of CNSRP

An important element will be to communicate our workforce transition and skills plan which identifies when certain skills will no longer be required at site and the number of people that this could release into the employment market. This will help to inform the CNSRP of the skills which will become available over the coming years and we will work with the CNSRP and Inward Investment Manager to ensure that potential inward investors are aware of the skills available.

In addition, DSRL working with the NDA, may consider redefining the decommissioning programme to allow the early release of staff if new opportunities arise for sustainable major employment in the shorter term.



Future of Caithness and North Sutherland



Caithness and North Sutherland Regeneration Partnership

Key to the future economy of Caithness and North Sutherland is the CNSRP. The site Socio-Economic team will work in partnership with the key organisations to support progress on the action plan.

Caithness Chamber of Commerce

The Caithness Chamber of Commerce is a key organisation and DSRL recognises the Chamber as the independent voice for Caithness businesses. As a premier member of the Chamber, we will continue to support and work with the Chamber as appropriate.



Local Supply Chain

It is important to maintain a healthy and competitive local supply chain. The Procurement Plan produced is a key document for the supply chain and extracts of this will be made available on a quarterly basis.

National Skills Academy for Nuclear

The employer-led National Skills Academy for Nuclear was formally launched in January 2008. It was established by employers to address the key skills, training and recruitment challenges facing the nuclear industry to ensure it has a skilled workforce that can operate safely and effectively to address the current challenges of operations, fuel cycle, waste management, defence and decommissioning.



DSRL will work with the Skills Academy to develop its role in Scotland.

The Skills Academy is currently developing a nuclear skills passport for the industry which is aimed at improving the mobility of staff working in the nuclear sector. Key Nuclear employers are looking to make this a requirement for contractors working on nuclear sites. Through the Skills Academy, supply chain companies will be encouraged to ensure that their staff have passports to allow them to access work on nuclear sites throughout the UK.

The Skills Academy also provides funding to encourage supply chain companies to grow the number of apprentices. Through the Skills Academy, the Socio-Economic team will work with other skills academies as appropriate.



Employability

Educational Support

DSRL staff are released to support the UHI Millennium Institute and North Highland College for user forums and employee-led meetings.

In addition, DSRL is one of the many companies in Caithness who actively support the Science and Engineering Ambassadors initiative. There are now around 90 ambassadors based in Science and Engineering companies in and around Dounreay who are enthusing school pupils of all ages through a range of projects.

Individuals working on the site, have a variety of academic backgrounds from basic school education to PhDs. During their work on the site, these individuals have developed a number of skills (through training and experience) for the work they undertake. However they may not have a formal qualification associated with this skills development and they will be encouraged to gain the appropriate qualifications for the future.

Engineering Apprentices Programme

DSRL continues to recruit apprentices to its engineering apprentice programme. The recruitment of apprentices not only provides benefits to DSRL by providing trained engineering staff for the decommissioning programme but also provides an opportunity for local, young people to obtain transferable and highly valued skills.



Matching skills with future needs

DSRL will work closely with appropriate sector skills councils (eg Cogent and Energy & Utility Skills) to understand future regional and national skills needs. This will allow DSRL to provide the opportunity of retraining staff with skills and qualifications appropriate to these sectors resulting in an increased employability for Dounreay and beyond.

Workforce transition planning & communications

The Socio-Economic team will support the Human Resources Department in this function. This includes liaison with the trade unions and other stakeholders.

Workforce & Individual Transition Planning

DSRL produces an annual Workforce Transition and Skills Plan which details the strategy to ensure that the skills of the existing workforce and those required in future years are effectively developed and resourced in order to maintain delivery of the site programme.

The Workforce Transition and Skills Plan allows an understanding of when certain skills will no longer be required on site and the number of people this will then release into the employment market. This will be communicated to all employees and external regeneration agencies.

Forward Look – Plan It Training

DSRL will work with its staff to support them in transitioning to an alternative role internally and, as appropriate, externally to Dounreay. Supported by Highlands and Islands Enterprise (HIE), DSRL launched the Plan-It programme in 2007, using the Windmill Workshop, developed by Liverpool University, as the foundation for the programme.

Plan-it allows staff to take ownership, explore and plan opportunities for future life and career development. Included in the Plan-it programme is a full range of career and personal development services.

Entrepreneurialship and business start up support

During 2008/09 HIE took an office on the site to allow staff full access to their services. Recent changes in responsibilities means that Highland Council, through Highland Opportunities Ltd, now provide advice and support for staff to participate in business start-up workshops, and other courses to gain business and

commercial skills.

Advice/business support to staff

The Socio-Economic team will work with staff to provide external business advice to them in starting new business ventures where appropriate.

Support to Entrepreneurial Mentoring

In developing entrepreneurship and business skills within the workforce, the Socio-Economic team will provide staff with access to entrepreneurial support and mentoring.

These will be integrated with the Human Resources training programmes.

Secondments

See page 7.

Dounreay Communities Fund

The Dounreay Communities Fund was set up to support community based organisations and charities that improve the quality of life for people living in the Dounreay travel to work area.

The Dounreay Communities Fund is funded by NDA, through DSRL and is supplemented by UKAEA Ltd through a workforce safety dividend. The Community Fund is administered by DSRL in association with the DSG.



In addition to the Community Fund, DSRL is able to provide limited financial support and release staff to support community projects and initiatives. These projects are those which will provide long lasting benefit to the community, will contribute to the social infrastructure and increase the attractiveness of Caithness & North Sutherland as a place to live.

Caithness Horizons

Caithness Horizons is a partnership formed between UKAEA, the Highland Council, NDA and Thurso Heritage Society and has created an outstanding facility in the Thurso Town Hall for the benefit of both the local community and visitors to Caithness.

The Town Hall and adjacent Carnegie Library has now been fully refurbished to provide modern facilities for community use and a high quality museum.



Local Emergency Services

DSRL staff are released when required to support volunteer emergency services such as HM Coastguard and Assynt Mountain Rescue.

Asset Transfer

As Dounreay is decommissioned, assets will become available that may be of use to community groups, schools, volunteer groups or local businesses. This may include office furniture, PCs, inactive plant and equipment and portable buildings.

Funding for Socio-Economic activities

The funding for DSRL Socio-Economic activities is part of DSRL's annual site funding approved by the NDA. (see Appendix A).

Direct NDA Socio-Economic funding is also available and the Socio-Economic team will work with CNSRP and other stakeholders to provide support in drawing up applications for submission to the NDA Socio-Economic panel.

6 REVIEW OF DSRL'S ACTIVITIES IN 2008/09

Overview

During the year support was provided as outlined below.

Decommissioning programme

Work continued to further improve the planning of decommissioning activities for the closure of the site. This continues to provide a clearer picture of the resource requirements needed to complete the programme of decommissioning.

As a result of understanding DSRL's resource predictions into the future, discussions have started with other agencies, which have identified skills shortages in other industries in future years.

DSRL socio economic project team

During 2008/09 the Socio-Economic team comprised of an AMEC secondee with DSRL support. Following completion of the AMEC secondment the Socio-Economic project team was replaced by two DSRL employees who also retained existing responsibilities for skills and community relations, respectively, both of which complements the Socio-Economic work.

Use skills to develop opportunities for growth

Throughout the year, the Socio-Economic team started to work with a number of teams exploring if certain activities had the potential to become commercial entities, developing business plans and investigating the process for the activities to move from being a DSRL function to a commercial business.

The initial services identified as potential opportunities were:

- Analytical laboratories
- Training department
- Occupational health services

The analytical laboratories is the most advanced with meetings held, throughout the year, with HIE and other stakeholders including North Highland College and ERI. The primary aim is to provide significant Socio-Economic benefit for the local community, beyond Dounreay's interim end state.

The training department has re-located into premises in Thurso and have been rebranded Training at Naver. The primary function of the training department remains to service DSRL's requirements for the foreseeable future.



The Occupational Health Service department is at a very early stage and has taken the opportunity to do some initial market research.

In the last quarter of 2008/09 a meeting was established between the project teams so that lessons could be learnt from each other and to identify generic issues.

In addition a Committee was established, chaired by the DSRL managing director, to ensure DSRL support on the way forward for each project. The project board has held meetings in February and March and a number of actions will be taken forward into the next financial year.

Partnership working

During the latter part of 2008/09 it was recognised that business spin outs was not the only option to consider when looking at potential transition. Partnership working has been identified as an option and will be considered further during the next financial year.

Outsourcing

During the last quarter of this financial year outsourcing was identified as another potential for workforce transition at the appropriate time.

During 2008/09 UKAEA Ltd considered the options for the in-house IT service and after consideration this was out-sourced to Computer Sciences Corporation Ltd.

Future of Caithness and North Sutherland

Caithness and North Sutherland Regeneration Partnership

DSRL, on behalf of NDA, has provided the following, in support to the CNSRP:

- 50% funding for CNSRP Programme Manager
- 50% funding for CNSRP Pentland Firth Tidal Energy Project Manager
- released staff to attend, on behalf of DSRL, transport infrastructure meetings.
- Support with the CNSRP newsletter launch.
- Part funded, with HIE, a study into Wick airport.
- Part funded attendance at the All Energy conference in Aberdeen.

DSRL is committed to supporting the CNSRP and are members of the CNSRP Senior Officer Team and Advisory Board. The Socio-Economic project team meet with the CNSRP Programme Manager and other key agencies on a regular basis.

The Pentland Firth has attracted a lot of interest over the past year and support to the Pentland Firth Tidal Energy Project Board was provided in attendance at meetings on behalf of the NDA.

In March 2008 staff and union representations visited Idaho and Hanford and were given a first hand account of the issues faced by both plants in planning the rundown of their programme and the economic issues surrounding it. The visit was hosted by CH2MHill as part of the Alliance partnership with UKAEA Ltd.

Caithness Chamber of Commerce

In June 2008, DSRL organised a workshop to consider the options for the Caithness Chamber of Commerce. Over 40 businesses took part and the outcome was that the Chamber should continue with a more enhanced role as the voice of business in the Caithness area. DSRL part funded, with HIE, the study undertaken to explore the role of the Chamber and the workshop. Throughout the rest of the year DSRL continued to provide support through ad-hoc admin and professional services and advice.

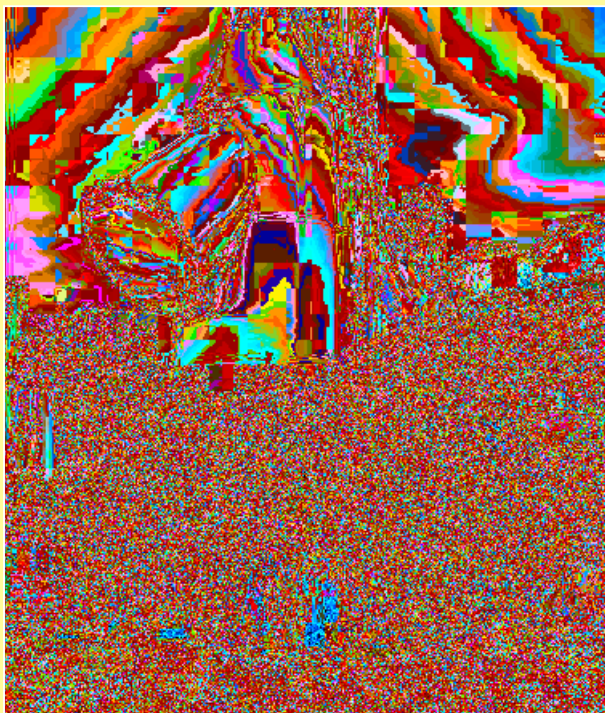


Supply chain

Work continued to improve the Procurement Strategy and Plan over this financial year to increase the understanding and dialogue with the supply chain.

In June, DSRL hosted the UK's trade show for engineering equipment and services to the nuclear decommissioning industry. Fifty-five companies took part in the Technology & Innovation Exhibition which was visited by members of the supply chain as well as DSRL staff. Nine locally based companies took part in the exhibition.





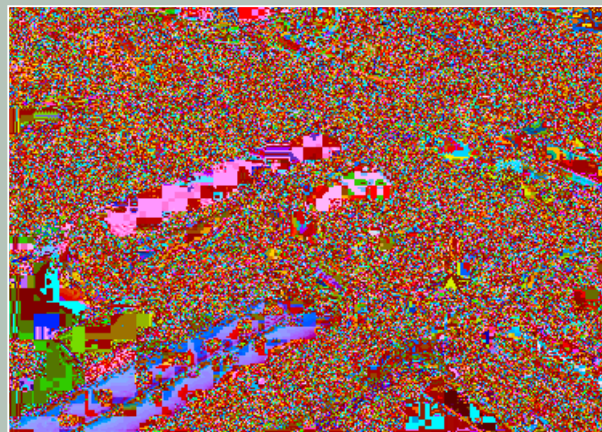
It was the biggest manufacturing contract ever undertaken in the Highlands for Dounreay. The £7.4 million contract secured 100 jobs in the local supply chain.

More than 300 tonnes of steel was shaped and welded into tubes and chambers at JGC sites in Harpsdale and Janetstown. MM Miller and Budge Framework were involved with the foundation work.

In August 2008, a supplier's day was organised and more than 100 delegates attended the event held in Thurso which was intended to give sub-contractors greater visibility of potential opportunities and improve communication between DSRL and the supply chain. During the event the supply chain were encouraged to challenge established ways of working and come up with more innovative ways to decommission the site for less cost.

In March 2009, more than 190 delegates representing 99 companies attended a one-day business event hosted by DSRL at the Weigh Inn Hotel, Thurso. The purpose of the event was to outline the scope of work involved in the construction projects and bring together companies capable of delivering them.

The three "new build" facilities scheduled for construction between 2010 and 2017 are a disposal facility for low level radioactive waste, a plant for treating solid and liquid intermediate-level waste and facilities to empty the underground shaft and silo.



The Head of New Construction Projects described the event as very worthwhile. "The three projects on the agenda will be among the largest ever undertaken in support of nuclear decommissioning in the UK and are key to completing the clean-up and closure of the site.

"The successful delivery of these projects for the Nuclear Decommissioning Authority is an opportunity for the industry to demonstrate performance that is world-class and for DSRL to fulfil its ambition of becoming the most successful site licence company in the UK."

National Skills Academy for Nuclear

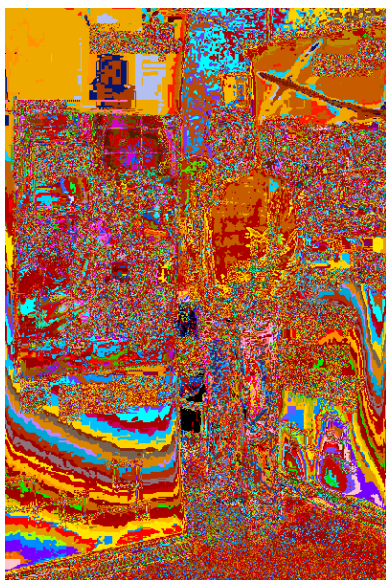
DSRL seconded a staff member to the National Skills Academy for Nuclear to undertake the position of Regional Manager for Scotland. The post was funded jointly by DSRL and HIE.

The aim is to support the vision of the Skills Academy in Scotland "to create, develop and promote world-class skills and career pathways in the nuclear industry which benefit communities across Scotland, and where appropriate support the Socio-Economic regeneration of areas following the decommissioning of nuclear facilities".

This included:

- Supporting the development of the Skills Academy work in Scotland through undertaking the role and responsibilities of the Regional Manager.
- Supporting the employer led Scottish Regional Steering Group and Local Steering Groups in the North of Scotland and the Central & South West Scotland.
- Working with key stakeholders in Caithness and North Sutherland to develop the resources required to ensure that there is a suitably skilled workforce which can be transferred into other sectors.

- Assisting companies and individuals to access funding, including:
 - increasing the number of apprentices they take on. In 2008, funding was secured which resulted in an additional 6 apprentices employed by local companies.
 - The award of bursaries to individuals to progress academic qualifications. In total 9 bursaries were awarded to students from Caithness
- The Skills Academy National Awards resulted in the following successes
 - Scottish Regional Nuclear Apprentice of the Year (Sponsored by Highlands & Islands Enterprise) – Mathew Mackay (Rolls Royce)



Pictured above - National Foundation / HND Student – Michael Miller (DSRL)

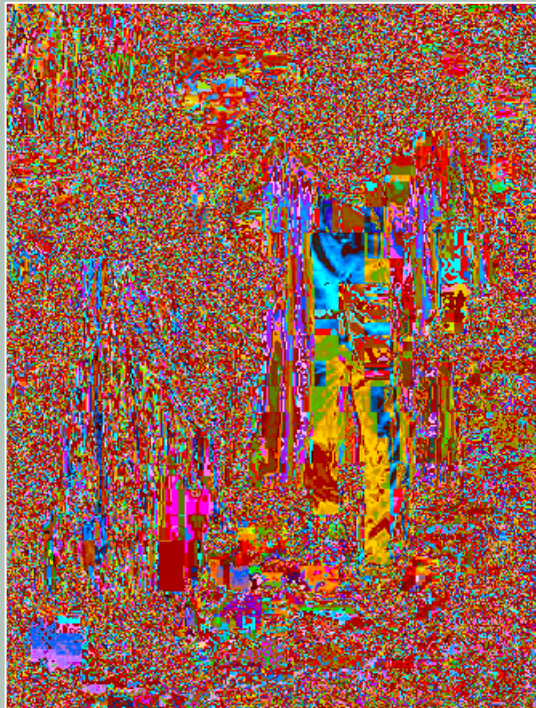
- Outstanding Leadership in Skills (sponsored by Cogent) – Jillian Bundy

The Skills Academy is developing an Award for Nuclear Industry Awareness. As part of this, North Highland College has been awarded a contract to develop e-learning material.

Employability

Educational support

DSRL staff are released to support the UHI Millennium Institute and the North Highland College.



No one could accuse Nicky Doherty of lack of motivation. He has recently completed a Bachelor of Science (Honours) in Environmental Studies, in his own time, through the Open University.

Nicky is aware that his degree opens up his career prospects significantly. “There is about three years work left where I work just now and I would like to see it through. After that I'll consider my career options.”

During 2008/09 union representatives, college lecturers and training staff came together to promote opportunities for workers to learn new skills and develop different careers through the National Learning at Work Day which is a UK-wide initiative to promote new skills and qualifications in the workplace.

Eighteen workers successfully completed a computing course through their local trade union learning network. The certificates were presented by Catherine Stihler, MEP.



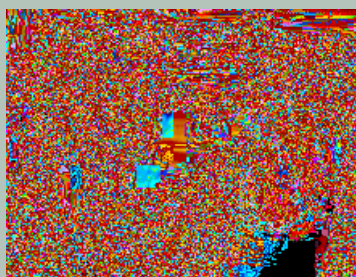
Catherine Stihler, MEP presents certificates for courses completed through local trade union learning network. "It's great to see money from the European Social Fund being used through the workplace to help people get qualifications." said Catherine, a member of the Unite union. "You can be proud of what you have achieved and I hope your success encourages others to take up similar opportunities."

During this financial year, as well as other companies in the local supply chain, DSRL has provided support to the Science and Engineering Ambassadors initiative.

- Steve Foster (DSRL) works with a group of engineers and enthusiastic parents to help Thurso High School pupils to design and build four electric cars to enter the GreenPower Challenge Scottish Final at Alford in June 2009.
- Alan Scott (Nuvia) has taken his ambassadors out to Bettyhill School to give them a flavour of what is involved in decommissioning a nuclear facility.
- Gordon Mackie, Mike Lunan and a team of 6 Dounreay ambassadors, delivered a range of public and school Astronomy lectures and activities in Caithness and Sutherland, as part of the International Year of Astronomy 2009.

For the 2nd year, DSRL sponsored eight full-time engineering students at the North Highland College. The sponsorship has assisted the students with their living and travel expenses, while they continue their advance level engineering studies. All eight students were offered placements at Dounreay over the summer period.

One student said "I found the site visit interesting and also shows how far things have come in a few years. It also lets you see the problems that have to be faced and how they are solved."



Engineering Apprentice Programme

As well as doing academic and practical work to obtain their qualifications, apprentices are also encouraged to get involved in activities which benefit the community. Of note throughout the year:

- Two apprentices attended the marine energy conference in Edinburgh.
- As Science and Engineering Ambassadors, 24 apprentices helped out at the Science 03 event in the local primary schools which included science challenges and environmental awareness sessions.
- Assisted with a beach clean at Thurso East before the international O'Neil Highland Open surfing competition began.
- Participated in the Thurso Bay raft race to raise money for local charities.
- Took part in the annual sponsored walk which raised £1,350 for various charities.



- Built a bridge in Dunnet forest as part of their regular programme of practical work and supplied an electronic visitor counter.
- Took part in the Caithness Youth Conference which was aligned to the Caithness Conference.
- First year apprentices took part in the annual week-long outward bound course at Loch Eil.
- Undertook refurbishment of models of DFR and PFR for exhibiting in Caithness Horizons.



Workforce transition planning & communications

Workforce & Individual Transition Planning

During the year work continued to update the workforce transition and skills plan to ensure a better understanding of the skills required to complete the site decommissioning and understand the potential gaps in skills which will be required for the long term.

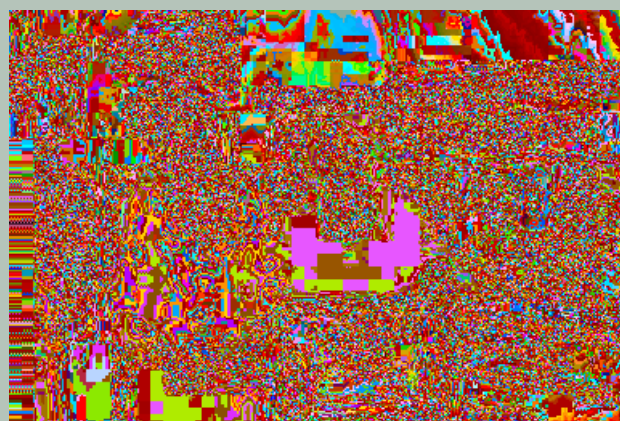
Forward Look – Plan-it Training

The Plan-it programme continued throughout 2008/09. Fifty-nine people took advantage of the three-day Windmills training course. As a result of the Windmills programme 14 training courses for individuals were funded by DSRL and included:

- Starting with psychology
- NEBOSH Occupational Safety & Health
- Health Fitness & Exercise
- Basic Proof reading
- Understanding systems
- Garden design
- Computing (2 off)
- Canon Digital EOS Training
- Understanding photoshop 1 & 2
- Site Inspection NVQ Level 4
- Health Safety and Environmental management
- Business Administration (Executive)



To ensure staff were encouraged to sign up to the Windmill champions held roadshows to spread the word about Plan-it and the windmills workshop packages. Trade union representatives on the site have actively promoted taking advantage of training for the future to their members.



In December 2008, two of the Trainers who run the Plan-it and Windmills projects were awarded the top award in the business partnership category at the Careers Scotland Excellence Awards.

Advice/Business support to staff

A business start up advice column was also featured regularly throughout the year in Dounreay News. In addition advice was given on a one-to-one basis with members of staff keen to explore the concepts of a business start-up idea.

Support to Entrepreneurial mentoring

In September 2008, an entrepreneurial training course was organised and 21 members of staff attended. The training course was provided by Strathclyde University and consisted of a 'dragons den' module as well as practical advice.

Secondments

A project manager was seconded part-time to support the North Highland College in preparing concept designs for a new engineering training facility to be based at the college.

Community activities

DSRL has supported a number of community events over the year which included:

- Sponsorship of a marquee, in association with Pentland Alliance, at the Halkirk Games in July 2008.
- Support to the publication of a book based on the 50 years of Dounreay which captures the site from its inception through construction and operation and into closure.



- Various school competitions, including safety poster competitions, Safe Highlander and facilitating the visit of Oscar the robot to primary schools throughout the county.
- Provision of funding and staff support for the organisation of the Caithness Conference in September 2008 where Alex Salmond was the keynote speaker.
- Provision of funding and staff support for Thurso High School's Young Engineers Club by helping at the Launchpad hosted event to inspire youngsters about making things, raising awareness and support for the club and launching a new and exciting project for the year – the F24 electric car racing.



Worthy of note, is the support to the Science Festival which is held annually. The Science Festival promotes science and engineering amongst school pupils and this year, in association with Nuvia and Rolls Royce, DSRL provided 24 man-days of apprentice support and a further 22 man-days of support from engineers and scientists.

Site end state and use

Technical studies continued to ensure that the recommended site end state was fully incorporated into the lifetime plan.

A Heritage Officer was appointed to produce, in association with external consultants, a strategy for the heritage of the Dounreay site. During the year work has been ongoing and discussions with Historic Scotland and other key agencies have taken place to help inform the strategy.

Dounreay Communities fund

Requests continued for funding from local community organisations and charities. A total of £43,817 was donated to over 140 different groups.

This year the community fund was boosted by the publication of a new book marking the 50th anniversary of the Dounreay site. Proceeds from the sale of "Fifty

Years of Dounreay' boosted the communities fund by £1382.00.



DSRL employees also take part in charity donations – employees who wish to contribute a small sum of money straight from their wages to the charity fund. During the year £5,000 had been donated to good causes in the community including:

- Scottish Casualties network
- Maggie's cancer care centres
- North Highland Cancer information and support centre
- Highland Hospice
- Wick Youth Club
- Girlguiding, Caithness



Caithness Horizons

DSRL continued to contribute to the operating costs of Caithness Horizons and also to provide staff support on an ad hoc basis. The new facility was officially opened in December 2008.



Ormlie Renewables

In this financial year DSRL contributed towards the funding of a renewable energy project manager and administrative assistant for Ormlie Renewables. This is the final year of a three year funding commitment.

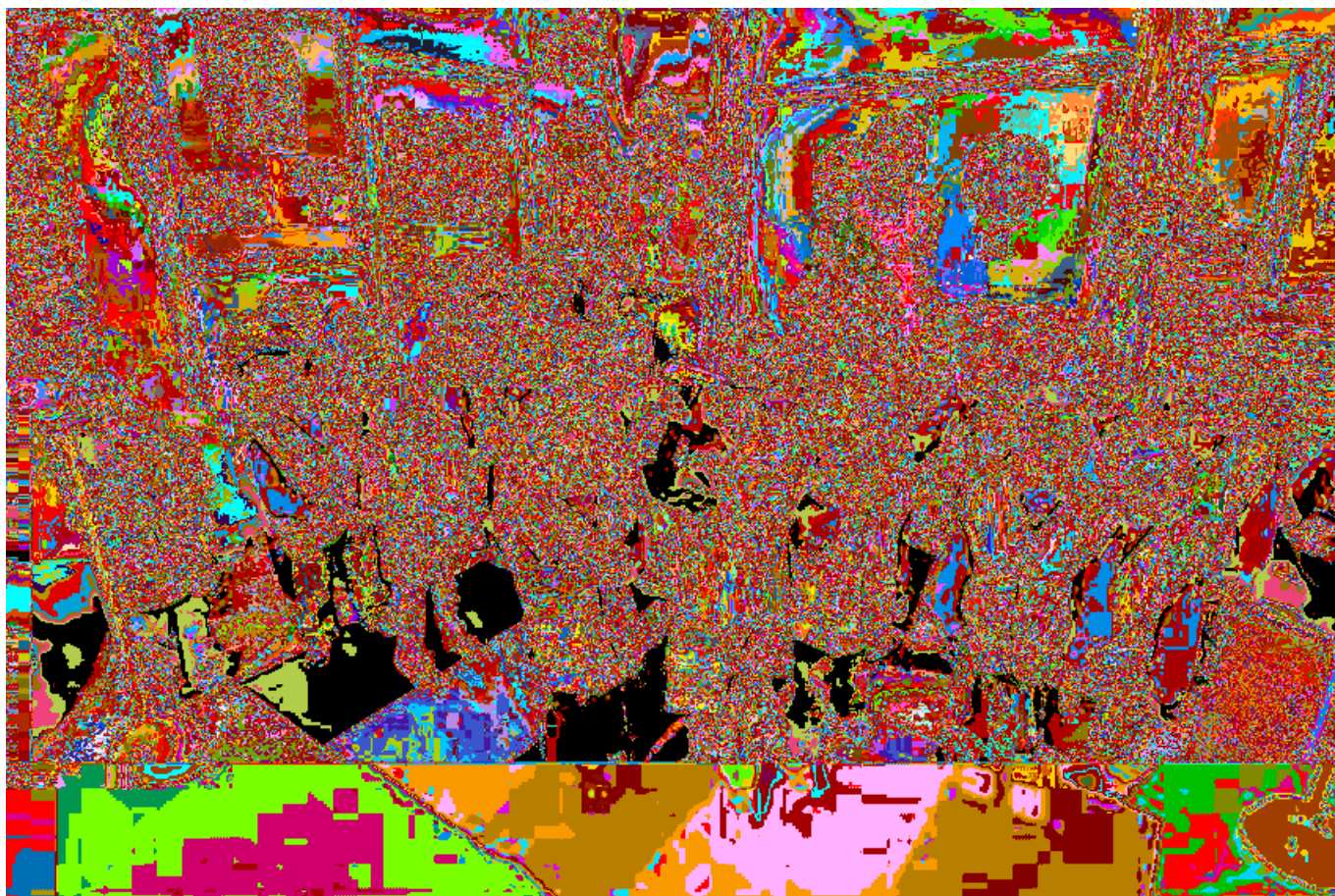
Local Emergency Services

DSRL staff continued to be released to support volunteer emergency services throughout the year as required.

Asset Transfer

Throughout the year surplus equipment was donated to the following:

- PCs to SMART Recovery UK and Bettyhill Village Hall
- First aid kits to the Army Cadets
- Crockery from the old Visitor Centre café to Mey Village Hall
- Display cabinet to Thurso Golf Club
- Hi-viz jackets for primary school pupils from Castletown and Melvich



Funding for Socio-Economic activities

Appendix A details the funding spent on socio economic activities throughout 2008/09.

7 DSRL'S ACTIVITIES TO BE UNDERTAKEN 2009/10

Overview

During this financial year a strategy document will be developed for Socio-Economic activities. The strategy will be integrated with the Human Resource strategy.

Decommissioning programme

While the priority for the site continues to be the safe, cost effective delivery of the decommissioning programme, DSRL will, over the coming year, identify an approach to the resourcing of DSRL and the future transition of staff. Once this is defined discussions with trade unions, staff and other stakeholders will take place.

DSRL Socio-Economic project team

The Socio-Economic project team priorities centre on the actions identified in the Caithness and North Sutherland Regeneration Partnership Action Plan where DSRL is the accountable body for delivery.

DSRL, in support of NDA, will also provide project management support for the proposed national nuclear archives. The project was handed over to the local NDA team at Forss and this will be progressed throughout the coming year.

Use skills to develop opportunities for growth

New Businesses from current DSRL activities

Support will continue to existing projects to progress potential new business from existing DSRL internal functions. The activities to be undertaken during the year include, but are not exhaustive of:

- Advice to project managers
- Facilitation of meetings between project teams to identify generic issues and lessons learnt.
- To organise the Project Management Board and raise issues which require senior management and NDA support to progress.
- Support for the creation of business cases
- Support for stakeholder engagement, where appropriate.
- Provision of a strategy document for potential new business or other scenarios.
- Provision of a top level programme for spin out potential.

- Provision of expert advice in legal, marketing, commercial issues, etc.

The analytical laboratories will continue to progress and it is envisaged that the following will be carried out this financial year:

- Gain internal approval to move forward
- Agree property developer
- Submit planning application
- Continue with business development
- Develop heads of agreement with developer and other key organisations.

Partnership working

Working in partnership will be a consideration when carrying out optioneering for specific services that exist on the site that may have the potential to grow beyond Dounreay.

Discussions will take place with other companies to explore different aspects of partnership working.

Outsourcing

Again, outsourcing of a certain service may be the most appropriate option for a particular service which exists on the site. This will be explored when carrying out optioneering for specific services.

Shared Services

Discussions with the NDA will continue on potential services which could be shared over the whole of the NDA estate. By securing some of these services in Caithness would allow the service to continue beyond Dounreay and with the potential of new build on the agenda for England and Wales any potential services which could be carried out in Caithness will be explored.

Secondments

Secondments for our staff will continue to be explored, on a case by case basis, over the coming financial year.

Market skills base in support of CNSRP

Discussions will continue with the CNSRP and other key stakeholders to ensure that the skills available on the Dounreay site and the likely timescale for the release of these skills are understood by those agencies that are key to delivering alternative employment.

Future of Caithness and North Sutherland

Caithness & North Sutherland Regeneration Partnership

During this financial year, DSRL will continue to provide:

- 50% funding for the CNSRP Programmes Manager and the Pentland Firth Tidal Energy Project Manager.

- Support to the communication activities of the CNSRP
- Support, on behalf of the NDA and DSRL, consistent with the priorities of the CNSRP, which include:
 - Regular interactions with key agencies.
 - Support for the Caithness Regeneration Conference
 - Support in part funding and/or attendance at conferences where appropriate.
- Support by funding or release of staff for priority projects as these are identified.

The Socio-Economic project team will continue to work with the CNSRP and other key agencies to support the priorities of the Action Plan. In addition, involvement in the CNSRP Senior Officers Group and Advisory Group will continue.

Caithness Chamber of Commerce

DSRL recognises the importance of an independent business voice for Caithness and will continue to support and work with the Chamber over the coming year.

Supply chain

DSRL will continue to work with the supply chain, via the site interface meetings and the Caithness Chamber of Commerce, over the coming year.

National Skills Academy for Nuclear

Support to the National Skills Academy, Nuclear will continue by the secondment of a DSRL employee for the role of Scottish Regional Manager. This will include:

- Support to the development of very close and effective partnerships with all nuclear employers in the region to:
 - Understand key skills and training issues, skills gaps and shortages in the region.
 - Raise awareness and increase take up of all the Skills Academy products and services to local employers
 - Carry out regular and ongoing employer evaluations.
 - Ensure maximum benefit for all employers
 - Promotion of training/skills opportunities for all employers

Employability

Educational support

DSRL will facilitate the organisation of educational activities within the local community which will include:

- Schools events
- Staff time to manage school activities
- Co-ordination of engineering ambassadors for education activities.
- Release of staff time for attendance at education activities, including the Caithness Science Festival.

The Science and Engineering Ambassadors programme will continue with a wide range of activities planned for the area in 2009/10. These include 3 electric cars in primary schools, a solar system project for primary schools along the North Coast and support for the Great Plant Hunt, a Kew gardens initiative to celebrate Darwin 200.



Steve Foster, DSRL, explains why he is so involved with the Science and Engineering Ambassador programme. "For me, being a Science and Engineering Ambassador is all about inspiring youngsters about the fun and future that can be had by being involved in engineering.

I want them to enjoy making things, fixing them and modifying them to work better. It is satisfying to help them to understand how things work and get a natural feel for the strength and weaknesses of materials. To be able to understand the reality of risks and balance then with cost. It allows me to help tomorrow's generation take back control of engineering their own destiny and to enable them to see how engineering is both theory and practice through design, construction and testing. I hope by being involved they understand and respect all the jobs which need to work together in order to carry out engineering.

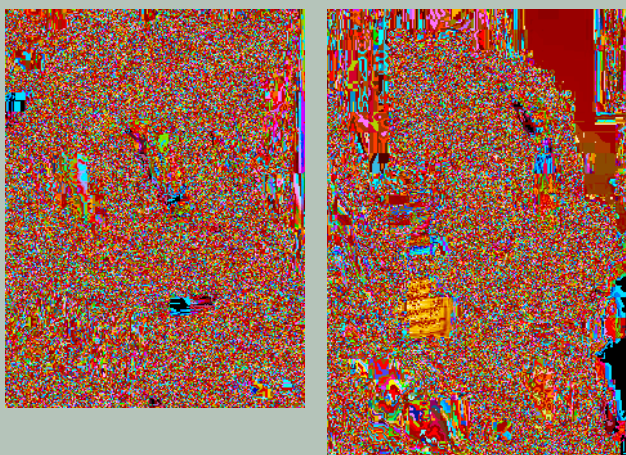
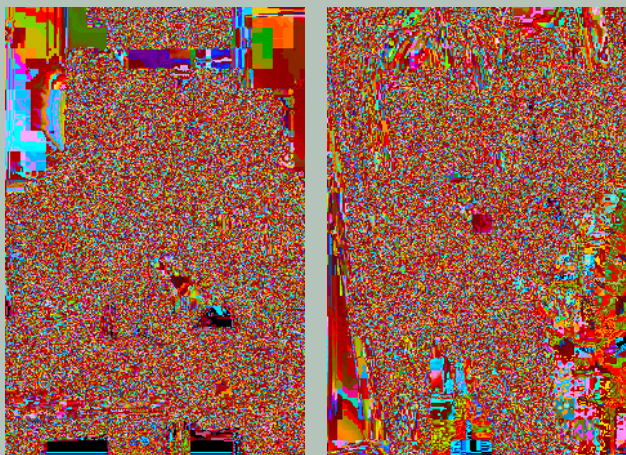
All this drives and shapes my involvement with young folk - whether it is helping them make a tool to remove a stuck bike sprocket or restore their old racing sailboat to championship standard or designing, building and racing a new land yacht or electric car"

Engineering Apprentice Programme

DSRL is part of the user group meeting which is working with the North Highland College to support the creation of a new Engineering Training facility to ensure there is a skilled workforce in the local area to support the nuclear programme and potential new industries. Apprentices have been recruited this year and is currently programmed to continue to 2017.

Skills Qualifications

Skills and education will continue to play an important part for preparing site staff for transition. Therefore priority will be given to ensuring those who require specific training will continue to have access to education and/or training courses as appropriate.



Union reps, college lecturers and training staff came together at Dounreay to promote opportunities for workers to learn new skills and develop different careers.

The occasion was National Learning at Work Day 2008 – a UK-wide initiative to promote new skills and qualifications in the workplace.

Mandy Swan, a trade union learning rep said “We were delighted with the response. Events like this nurture people's interest and I'm sure some people will now go on to achieve more in their lives as a result.”

Workforce transition planning & communications

Workforce & Individual Transition Planning

The aim of DSRL's Human Resource Strategy is to develop and incentivise people to be:

- Competent and high performing for today
- Skilled and flexible for tomorrow
- Employable for the future

“Our mission is to ensure we have the right people with the right skills in the right jobs to deliver the DSRL programme intelligently and efficiently, while creating a sustainable future for our people when the time comes for them to leave”

DSRL will continue to work with regeneration agencies, other sectors and the local community to maximise employment opportunities beyond Dounreay.

Priorities for the coming year, include further development of:

- An Efficient and Forward Thinking Human Resource Service
- A Relevant Training Programme
- Applying Fit for Purpose Policies & Processes
- Developing Transferable Skills and Competencies to meet changing Site and Supply Chain requirements
- Manage the Resource Dictionary maintaining link to NDA National Resource codes
- Monitor the resources required and ensure trained resources are available to maintain delivery of the site programme.
- Input to the NDA to allow them to produce a high-level strategic view of all SLC resource requirements, shortages and surpluses.
- Generate redeployment opportunities for staff whose assignments have come to an end
- Identify Training & Development opportunities to prepare staff for next role
- Manage the transition of staff either within Dounreay or into the supply chain
- Manage Vacancies either internally, externally or via agency supplied workers
- Resource Planning – staff to have visibility of resource data to manage their career

Forward Look – Plan it Training

DSRL will continue to support the Plan-it and Windmills programme and encourage staff to take part and more importantly, take ownership, of their future.

How have you benefited from the workshop?



In addition support will be provided for:

- Individual staff who come forward with business ideas.
- Support in identifying secondments, as appropriate.



Lyndsay Doull and Hayley Polson have just obtained Microsoft IC3 (Internet and Computing Core Certificate program) accreditations through evening classes at the North Highland College.

The course covers subjects such as computer hardware, software, networks and the internet.

"IC3 is recognised world wide as its endorsed by Microsoft," says Hayley. "It's a really valuable addition to anyone's CV."

"Because the college run the course on a weekly drop-in basis, it's really easy to fit in, and is not expensive," says Hayley.

The girls are hoping to carry on with their computing studies in the future.

Advice/Business support to staff

The Socio-Economic team intend to provide a briefing at the Plan-it training courses to ensure that all staff are aware of the support and advice that can be sought for those who wish to consider setting up a new business in the area.

Support to Entrepreneurial mentoring

Agreement by DSRL site management will be sought this year to secure a contract with an entrepreneur to allow support and mentoring to those interested in setting up a new business in the area.

Secondments

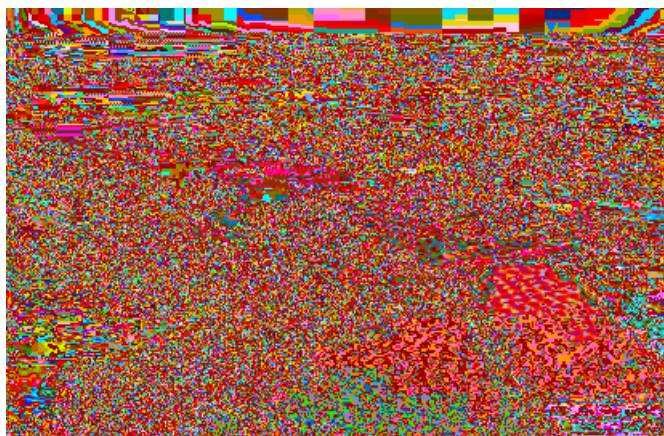
Secondments to regeneration and community projects will be considered by DSRL management on a case by case business basis.

Community activities

Community support will continue and in the first quarter of this financial year ad hoc support and/or advice will be given to various community initiatives such as;



- Castle of Mey 10K run
- Viewfirth redevelopment project
- Caithness bicycle trails



Site end state and use

The Socio-Economic project team will work with the CNSRP if any interest is expressed from external business requiring the infrastructure which is currently at Dounreay. This would obviously need to be balanced with the requirement to ensure decommissioning continues as is currently planned. However, if a potential business felt there was merit in setting up business on the site consideration could be given to the early delicensing of some parts of the site, as per the site end state recommendation.

In addition, the identification of a site heritage strategy will continue and stakeholders will have an opportunity to view the potential options for heritage during 2009 to inform the strategy that will be implemented.

Dounreay Communities fund

The Community fund will continue as before with NDA funding supplemented by UKAEA Ltd dependent on safety. The fund will be administered by DSRL and supported by the DSG.

Caithness Horizons

Operational costs will continue to be provided for Caithness Horizons. A small amount of staff time is also included to allow two existing Directors of Caithness Horizons to continue in that role for the foreseeable future.

Ormlie Renewables

DSRL's support for the project manager and administrative assistance to Ormlie Renewables ceased in this financial year after three years of committed funding.

Local Emergency Services

Staff will continue to be released for local emergency services as and when required.

Asset Transfer

As surplus equipment is identified consideration will be given to donating such equipment to community groups/organisations. Requests will be considered as they are received and subject to surplus equipment being available.

Funding for Socio-Economic activities

Appendix B details the funding available for Socio-Economic activities throughout 2009/10.

8 STAKEHOLDER ENGAGEMENT ACTIVITIES

The Dounreay Socio-Economic development plan will continue to evolve throughout the year and is therefore subject to change dependent on the priorities of the site and the Caithness and North Sutherland Regeneration Partnership.

DSRL is committed to being open and honest and where possible will continue to engage with all types of stakeholders as this plan evolves.

APPENDIX A FUNDING OF SOCIO-ECONOMIC ACTIVITIES IN 2008/09

Activity	Funding	Additional information
Socio-economic project team	£198,000.00	Funding for the dedicated socio economic team within DSRL.
Developing spin-out businesses	£20,000.00	Funding for staff time and other activities, such as business consultants and marketing research required .
Caithness and North Sutherland Regeneration Partnership	£48,000.00	Funding to support the posts of Programme Manager and Pentland Firth Tidal Project Manager.
Supporting socio economic projects and initiatives	£30,000.00	Funding available to support projects and initiatives including marine energy, tourism, existing and indigenous industrial.
National Skills Academy	£65,000.00	Funding towards the secondment of a project manager to the Scottish hub of National Skills Academy, Nuclear.
Educational support	£1,500.00	Release of staff member to support North Highland College.
Support to community projects	£16,045.00	This includes release of staff on an ad hoc basis for projects which includes Wick Harbour, Transport infrastructure, etc.
Ormlie Renewables	£20,000.00	Funding towards a project manager and administrative assistant.
Caithness Horizons	£93,879.42	Funding towards operational costs of Caithness Horizons and release of a staff member on an ad hoc basis.
	£492, 424.42	

APPENDIX B FUNDING AVAILABLE FOR SOCIO-ECONOMIC ACTIVITIES IN 2009/10

Activity	Funding	Additional information
DSRL internal costs		
Socio economic project team	£74,200.00	Funding of the dedicated staff within DSRL and includes part time resources for contract and planning advice as well as travel and other office costs.
DSRL spin out activities	£6,000.00	Funding for support from human resource and commercial departments.
National Skills Academy, Nuclear	£75,300.00	Funding for post to Scottish Regional Manager and other costs associated with travel etc.
Spin out businesses		
Spin out business activities	£50,000.00	Activities in support of business transition projects including legal and other external expert advice.
Socio economic projects and initiatives		
CNSRP activities	£133,000.00	Includes part funding of two posts, communications activities, Caithness Regeneration conference, support for Chamber of Commerce, etc
Support to community projects		
Community projects	£130,000.00	Includes part funding or release of staff time on an ad hoc basis for community projects, Caithness Horizons and environmental-type projects.
Support to skills and education		
Skills and education	£32,000.00	Support by part funding and ad hoc staff time for school events, engineering ambassadors, Science Festival and apprenticeship initiatives.
	£500,500.00	

**APPENDIX C
PROGRAMME OF ACTIVITIES**

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**Dounreay Site
Restoration Ltd**

