

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2009)M003

Minutes of DSG Socio Economic Sub Group meeting held on Wednesday 22nd July 2009 in the Pentland Hotel, Thurso.

Present:	Derrick Milnes	Wick & Thurso Trade Union Council (chair)
	Alastair MacDonald	DSG Chairman
	Carol Gunn	HIE
	John Green	Caithness Partnership
	Ronnie Johnstone	Church of Scotland
	Peter Body	Caithness Chamber of Commerce
	David Flear	Highland Councillor
	Pat Gallagher	Rolls Royce, Vulcan
	Eann Sinclair	Caithness & NS Regeneration Partnership
In addition:	June Love	DSG Secretary (DSRL)
	Anna MacConnell	NDA Socio Economic Manager
	Ken Nicol	DSRL Socio Economic Manager
	Marie Mackay	DSRL (for item 5)
	Norman Harrison	Chief Executive, UKAEA
	Mike Astell	UKAEA Ltd (observer)

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting, in particular Norman Harrison and Mike Astell (UKAEA Ltd).

2. APOLOGIES

Apologies for absence were received from Rosemary Thompson (North Highland College), Trudy Morris (Caithness Chamber of Commerce) and Fiona MacPherson (CNSRP Inward Investment Manager).

3. MINUTES OF LAST MEETING

The minutes of the meeting (DSG/SESG(2009)M002) were taken as a true reflection of the meeting. Ronnie Johnstone proposed and Eann Sinclair seconded.

4. PROGRESS ON ACTIONS

There were two outstanding actions:

M002/A017: June Love to ask David Brookfield for a brief on progress of Viewfirth redevelopment. *Action ongoing: Mr Brookfield was currently on vacation and therefore had not been in a position to respond in time for the meeting. A response would be provided on his return.*

M002/A023: Rosemary Thompson to see what accommodation was being offered at Ormlie Lodge (as part of discussion on Viewfirth redevelopment project) and report back to next meeting. *Action complete. [Secretary's note: this action was closed out after the meeting]. The NHC does use accommodation at Ormlie Lodge for long stay students and those such as the ERI researchers. The accommodation being offered in the proposed Viewfirth plans would also be of interest to the NHC.*

All other actions have been completed and are included in Appendix 1.

5. **COMMUNITY FUND REQUESTS**

DSG(2009)C034 was noted as an update on the requests which had been endorsed via correspondence.

The current list of requests had been circulated prior to the meeting. These were discussed and the recommendations were endorsed. An additional request was tabled to consider sponsorship for a Mod event and this was also endorsed. A summary of the requests will be published on the website in due course.

Derrick thanked Marie Mackay for her due diligence and the work that went into preparing a comprehensive summary of the requests to allow members to make informed decisions.

6. **UKAEA LTD UPDATE**

Norman Harrison thanked members for inviting him to the meeting to provide an update on UKAEA's activities. He noted that he was always pleased to come to Caithness and this provided him with an opportunity to give an update on UKAEA's current activities. He noted the following:

- UKAEA: The sale of UKAEA Ltd is currently ongoing and at this time information was restricted due to the commercial nature of the activity.

Following the creation of the NDA it became clear that UKAEA would have to build its own future or run the risk of slowly disappearing. A business plan was developed, that received ministerial approval, for UKAEA to work with NDA which led to the formation of the Dounreay Site Restoration Ltd (DSRL) as a stand-alone company presently managed by UKAEA Ltd as the Parent Body Organisation. UKAEA also operates in similar style with RSRL (Research Sites Restoration Ltd) in Harwell and Winfrith.

The Pensions business is part of UKAEA Ltd and will go through the sale process with UKAEA. Since April 2008 the commercial division of the UKAEA (UKAEA Ltd) was formerly established.

In summary, since 2005 UKAEA has gone through an enormous change by separating into two site licence companies, development of the Pensions Office and continued responsibility of the Research and Development Fusion programme (Culham). In addition work has been secured in Cadarache, where ITER (Fusion) has been sited.

- Competition for the Dounreay site: UKAEA has been working with AMEC and CH2MHILL since 2003 and it is their intention to compete for the Dounreay site as the Pentland Alliance).
- Pensions Office: The business was going from strength to strength with the NDA recently announcing an extension to their contract. They have ambitious plans to continue to grow the business and this was an excellent example of what can happen in Thurso. It was credit to all those working there that this is beginning to prosper. It was noted that the NDA had been extremely supportive and very helpful with the development of this business.
- ITER Project: One of UKAEA Ltd's personnel based at Forss was currently managing contract work for the ITER project in France. UKAEA Ltd are providing some programme management work and expanding its presence with some

containment work. Discussions have been ongoing with local companies to see if there were opportunities to work in partnership on some contracts.

- Sale of UKAEA Ltd: The sale of the commercial wing of UKAEA has been an interesting process. UKAEA is seen as a NDPB (Non-departmental public body) so the sale has to go through the full rigours of Government protocols. An enormous amount of interest had resulted and discussions were ongoing. Following Government's recess it was hoped that a recommendation would be tabled for Ministerial approval in September.

Derrick Milnes noted that he had been involved in a meeting with representatives from Pensions Office and it was pleasing to hear they have ambitious plans to grow. The Wick and Thurso Trade Union Council, in partnership with other DSG members, have offered to provide support if required in raising the awareness of the potential for this business.

Councillor David Flear stated that he had been equally impressed with the plans for Pensions Office and believed that business growth from this sector could be achieved.

Eann Sinclair asked whether there was a view on the Pension's office status once the sale of UKAEA Ltd had been completed. Norman Harrison responded that UKAEA would for a finite time (approx 2 years) remain as an existing entity which meant that Pensions Office would also remain. He confirmed that some companies who had expressed an interest already ran other such arrangements but within the sale consideration was being given to those who could commit to Caithness and if possible enhance that. He noted that this reflected the recent sale of the IT department which had been outsourced to CSC who had set up their operations in Forss.

Alastair MacDonald asked whether Fusion would be seen as nuclear in Scotland. Eann Sinclair confirmed that a discussion on the ITER project had resulted in the question being asked for Scottish Government and just recently he had received an initial reaction which was supportive. The same question would have to be asked to Highland Council. David Flear noted that Ian Ross (Highland Council) would be keen to be kept updated on the discussion on Fusion.

7. NDA COMPETITION INDUSTRY EVENT

Anna MacConnell provided an update: Following the last meeting, the NDA had confirmed that an Industry Event would take place which would consist of a day in Caithness for local stakeholders to set out the future challenges and opportunities for Caithness and North Sutherland to allow potential bidders to understand the socio economic impact that the closure of Dounreay will have on the area. The second day would be held in Edinburgh or Glasgow and would cover the legal and contractual issues relating to the competition.

A Steering Group of the DSG has been set up to provide an outline agenda to the NDA who would resource and fund the event. The Steering Group would meet for the first time on the 27th July and a draft programme will be circulated to all DSG members for review and input in due course.

It was expected, that due to the sale of UKAEA Ltd, the Industry Event may be delayed until January/February 2009.

8. CAITHNESS & NORTH SUTHERLAND REGENERATION PARTNERSHIP

DSG(2009)P017 was taken as read.

- Carol Gunn added that a public exhibition had taken place to allow members of the public to view the plans under consideration for the redevelopment of John O'Groats with over 165 people attending. The final report is expected towards the end of August when a recommendation and timeline will be published.
- Eann Sinclair noted the following:
 - the future plans of the North Highland College.
 - a meeting held on the 2nd July to discuss the publication of a 'vision' document. Work was ongoing and it was expected to have a final draft available at the Caithness Conference for discussion to ensure a final document is available for inward investment events, including those interested in the competition for Dounreay and marine energy.

Derrick Milnes noted that a recent press article showed that £30M had been invested in renewables and Orkney had been successful in securing some of this funding. He asked whether Caithness had applied for funding.

Orkney's MSP had asked a number of questions in parliament and is firmly behind further funding going to Orkney. Eann Sinclair responded that there had been two different funding streams and that Caithness had applied, via Scottish Government, to DECC for funding from an infrastructure budget. Carol Gunn confirmed that bids had been submitted for both.

- DSG(2009)C058: Scotland's Energy Future was also discussed. It was noted that there had been a call for an amendment on nuclear but following a vote this had been defeated with the chair using his casting vote.
- Eann Sinclair noted that the next update to the CNSRP Action Plan would be available in September.
- Ronnie Johnstone noted that the CNSRP Advisory Board was steadily improving and a number of issues had been discussed. He noted that a presentation by the Crown Estates had suffered because of limited time due to earlier presentations and discussions.
- Derrick Milnes noted that the workstreams for the Pentland Firth had been circulated to members (DSG(2009)C060 refers). He asked why it appeared that another committee had been established. Eann Sinclair responded that it was not another group but had simply evolved from an existing body. It was asked for some clarity on the membership of the group and the leading responsible organisation. Anna MacConnell noted that she had attended the Pentland Firth Co-ordination Committee and would forward the minutes when available.

Action: DSG/SESG(2009)M003/A001: Anna MacConnell to forward to minutes of the Pentland Firth Co-ordination Committee when available.

Peter Body said he understood that the key partners are the same. He stated that it seemed little merit in having the two groups. Considerable concern had already been voiced at the creation of different advisory boards, groups, etc and

it was time to focus on one united structure.

Action: DSG/SESG(2009)M003/A002: Secretary to draft letter to key partners raising concerns about the numbers of groups in existence.

- Cllr David Flear noted that Caithness and Orkney needed to work together on marine energy projects to ensure success for both sides of the Pentland Firth. Derrick Milnes responded that the Wick and Thurso Trade Union Council had invited Liam MacArthur to visit Caithness and they would facilitate a meeting with Jamie Stone to encourage both MSPs to work together.

9. **NATIONAL NUCLEAR ARCHIVE**

Ken Nicol confirmed that the project manager for this project had taken up his position at the beginning of this week. It was agreed he would be invited to the next meeting to provide an update.

Action: DSG/SESG(2009)M003/A003: Secretary to invite National Nuclear Archives Project Manager to the next DSG Socio economic sub group meeting for an update.

10. **ANY OTHER BUSINESS**

- National Skills Academy for Nuclear: Ken Nicol noted that the skills academy is involved in the engineering facilities at the North Highland College and were working with user groups to ensure the design of the new facilities is what is required for the future. A survey of the ground and topography had been undertaken and there were no issues. It was expected that the design specification would go out to tender shortly. The current plan was to have the facility built by 2011.

The skills academy had recently announced the third round of bursaries which are funded by the NDA and available to those who can demonstrate a link between the decommissioning activities and educational studies.

Members of the group felt that the bursary announcement would have been more prominent if the skills academy advertised them through local media. While understanding that articles had been written providing the information they felt that an advert would have been a more visible way to promote awareness of bursary opportunities. Ken Nicol said he would take it back to the skills academy.

He also noted that there was funding available for local employers to take on additional apprentices.

- Pat Gallagher reported that following recent press articles on the future of Vulcan it was Rolls Royce's intention to retain a presence in Caithness.

Rolls-Royce Vulcan is part of the Submarine's Business which, until recently was part of the Marine Sector of Rolls-Royce. In February this year the Nuclear Sector was formed and the Submarines Business Unit, which Rolls-Royce Vulcan is part of, transferred in to this new Sector. The Nuclear Sector will continue to support the Naval Nuclear Propulsion Programme and, by building on the significant nuclear capability we have amassed over the past 50 years, establish a position in the Civil Nuclear market, which the global nuclear renaissance has created.

MoD's intention is that operations will cease on the Vulcan site by October 2014 (this has yet to be officially confirmed). Rolls-Royce will continue the current programme up to 2014 and will then support MoD through the transition phase when the plant will be de-fuelled and all fuel moved off site prior to handing the site over to the NDA for de-commissioning around 2020. Both MoD and Rolls Royce will exit the Vulcan site at this point.

Rolls Royce intends to maintain a presence in Caithness beyond the closure of Vulcan, utilising the significant nuclear and engineering expertise at Rolls-Royce Vulcan and in the wider Caithness community. The ambition is to grow a business base in the county supplying and supporting the Rolls-Royce Nuclear sector and also other Rolls-Royce sectors such as marine energy and support services for the offshore support vessels supporting the North Sea and west of Shetland oil fields.

The exact impact on employee numbers is not clear at this stage however it is expected that, during the transition phase, some people will choose to leave but the majority of the workforce will transfer into these new business opportunities.

Alastair MacDonald said it was pleasing to hear such a positive response from Rolls Royce in the face of the Vulcan announcement. It was suggested that Pat Gallagher provide this brief at the next full meeting of the DSG and he agreed to do so.

Action: DSG/SESG(2009)M003/A004: Secretary to put update from Rolls Royce on the agenda for the next full DSG in September.

- Peter Body noted that the Chamber of Commerce now had 74 members with 3 premier partners. A new member of staff would take up the post of Membership and Events Co-ordinator in August, thanks to funding from the NDA which allowed this post to be created. A number of Chamber events had been organised, of note the AGM would be held on 17th August and the annual dinner on the 25th September.
- Derrick Milnes noted that HIE had recently advertised for two posts – a tourism and infrastructure manager. These posts were for a 2 year period and asked why it was for this length of time. Carol Gunn responded that the issue of contracts like this could only be drawn up to cover a 2 year period although these can be extended beyond that if appropriate. David Flear concurred with Carol stating that he had asked the Chairman of HIE a similar question regarding the CNSRP posts and the Chairman had confirmed that while they could not commit to more than 2 years for contractual purposes he believed that the additional support for the CNSRP would continue for the foreseeable future.

There being no further business the chairman thanked the members for attending and closed the meeting.

Derrick Milnes

DSG Socio Economic Sub Group Chairman

24th July 2009

PROGRESS ON ACTIONS

ACTIONS ARISING FROM THIS MEETING (DSG(2009)M003)

DSG/SESG(2009)M003/A001: Anna MacConnell to forward to minutes of the Pentland Firth Co-ordination Committee when available.

DSG/SESG(2009)M003/A002: Secretary to draft letter to key partners raising concerns about the numbers of groups in existence.

DSG/SESG(2009)M003/A003: Secretary to invite National Nuclear Archives Project Manager to the next DSG Socio economic sub group meeting for an update.

DSG/SESG(2009)M003/A004: Secretary to put update from Rolls Royce on the agenda for the next full DSG in September.

ACTIONS ONGOING FROM PREVIOUS MEETINGS

M002/A017: June Love to ask David Brookfield for a brief on progress of Viewfirth redevelopment. *Action ongoing: Mr Brookfield was currently on vacation and therefore had not been in a position to respond in time for the meeting. A response would be provided on his return.*

ACTIONS COMPLETE

M002/A018: Eann Sinclair to circulate information on the Pentland Firth eight work packages when available. Action complete – see DSG(2009)C060.

M002/A019: Eann Sinclair to reformat CNSRP progress report with the main headings listed at the beginning of the report. *Action Complete – update for June has been circulated to Advisory Group with headings.*

M002/A020: June Love to write to Norman Harrison to invite him (or deputy) to attend next sub group to provide an update on the activities of UKAEA Ltd. *Action complete – awaiting a response from UKAEA Ltd.*

M002/A021: June Love to draft, on behalf of the socio economic sub group, a letter of support to accompany funding submission to NDA for the MOD. Action complete – see DSG(2009)C040.

M002/A023: Rosemary Thompson to see what accommodation was being offered at Ormlie Lodge (as part of discussion on Viewfirth redevelopment project) and report back to next meeting. *Action complete. [Secretary's note: this action was closed out after the meeting]. The NHC does use accommodation at Ormlie Lodge for long stay students and those such as the ERI researchers. The accommodation being offered in the proposed Viewfirth plans would also be of interest to the NHC.*