DOUNREAY RESTRUCTURING

I wanted to update you on our latest projections for the planned reduction in staffing levels as we decommission more of the site.

Since 2005, when we employed almost 1300 people, we've made huge strides in hazard reduction. As the hazard reduced, so has the size of the site licence company. Today we're down to about 970 people.

Over the next three years, we expect to make further significant reductions in the hazard as we work even harder to get as much decommissioning done as we can for the taxpayers' money. That also means further reductions in the size of the site licence company.

How much more of the hazard we reduce will determine how much we as a company also need to reduce in size by. At this stage, we estimate up to 180 fewer posts will be needed in DSRL over the next three years.

We will manage these changes in staffing and the reduction in posts wherever possible through redeployment, natural losses and voluntary release. We will shortly announce details of a voluntary early release scheme and invite applications from staff.

We cannot, at this stage, rule out the possibility of compulsory redundancy at some stage during the next three years. We see this is a last resort if we cannot manage the reduction through other means.

A number of personal development and career planning initiatives have been in place for several years now to support staff in their transition to alternative employment. Staff and trade union reps have been informed and we will post an update to our website shortly.

We will continue to work closely with development agencies and the local regeneration partnership to help staff match up their career plans with potential new employers as we continue to reduce in size for the remainder of the closure programme.

DSRL is one of 50 companies working at Dounreay and accounts for about half the total workforce at the site.

We're making a number of changes to our forward programme to maximise the amount of decommissioning work that's carried out. We expect this revised programme to take shape over the next months.

Please do not hesitate to get in touch with me if you require any more information or clarification.

Regards Simon Middlemas Managing Director, DSRL Tel: 01847 806090