

**DOUNREAY STAKEHOLDER GROUP
SITE OPERATIONS SUB GROUP**

DSG/SOSG(2010)M002

Minutes of the DSG Site operations sub group meeting held on Wednesday 28th April 2910 at 1900 hours in the Pentland Hotel, Thurso.

Present:	Anne Chard	Caithness West Community Council (acting chair)
	Alastair MacDonald	DSG honorary member
	Alan Scott	Caithness Contractors Consortium
	Donald Mackay	Association of Caithness Community Councils
	John Deighan	Dounreay Unions

In addition:	June Love	DSRL, DSG Secretariat
	Tony Wratten	DSRL, Deputy Managing Director
	Stuart Chalmers	NDA
	Michael Moreland	Vulcan, MOD
	Peter Dickenson	NII

MINUTES

1. WELCOME AND INTRODUCTIONS

Anne Chard welcomed everyone to the meeting and noted that this was the first meeting attended by Commander Michael Moreland and NII site inspector, Peter Dickenson.

2. APOLOGIES

Apologies were received from:

- Bob Earnshaw DSG Chairman
- David Flear DSG Vice-Chairman
- Ian Webster Buldoo Residents Group
- Trudy Morris Caithness Chamber of Commerce
- Simon Middlemas DSRL Managing Director

3. MINUTES OF LAST MEETING

The minutes of the last meeting were tabled – DSG/SOSG(2010)M001 refers. Only one member of the sub group was present to approve the minutes. The secretary noted that the minutes had been circulated shortly after the last meeting and sub group members had either provided comments or had intimated they were content with the draft. Therefore the minutes were taken as a true reflection of the meeting.

4. ACTIONS

There were no outstanding actions on the site operations sub group. The secretary noted that one action for all DSG members was to visit the Dounreay site. This request had come from the environment sub group members and the secretary had extended to all DSG members. Currently dates of the 15th or 17th June were being considered and an email had been circulated to ask for availability. The visit would be confirmed shortly.

5. VULCAN UPDATE

Commander Michael Moreland provided a verbal update. Of note:

- Update had not changed much since last meeting. The plant was still shutdown and work was ongoing to look for solutions. It was hoped that operations would recommence in August/September this year.
- Since the last meeting the new Director of DNSR had visited the site. DNSR had also carried out a safety audit which was deemed a satisfactory outcome.
- Planning continues for Lonestar 2010 emergency planning exercise which will be held on 23 June 2010.
- The reduction of the emergency planning zone continues. NII/DNSR had raised a number of questions and these were currently being addressed.
- A decision on the future of the site was still awaited.

Anne Chard asked if a change of Government would impact on the site. Michael Moreland responded it was almost certain that a wider defence review would be undertaken but he thought personally it would have no immediate impact on Vulcan.

John Deighan asked what was happening to the redundant submarines as the skills in the area, which were already being lost at Dounreay, could be utilised. Michael Moreland said that there was a project ongoing – Submarine Dismantling Project (SDP) – looking at what to do with the out of service submarines. The SDP (the successor of ISOLUS) would be consulting later this year. Alan Scott noted that Nigg's future was also in the balance at this time and that they had previously been interested in this type of work.

6. DOUNREAY UPDATE

DSRL update

DSG(2010)P008 and P012 were tabled. Tony Wratten provided a verbal update. Of note:

- No lost time accidents were recorded throughout the the financial year (2009/10) which was a great achievement for DSRL and the local supply chain.
- As noted at the last meeting there had been an incident with a flask when higher than anticipated radiation doses was received by operating staff. DSRL undertook its own enquiry and a number of improvements in the processes have been implemented.

It was noted that NII had previously reported that they were undertaking their own investigation into this incident. Peter Dickenson said that this was going through NII's internal processes. He believed he may be in a position to update the group at the DSG meeting in June.

- Improvements to the environmental programme were making good progress and SEPA had confirmed that the 2009 RSA operator performance assessment was evaluated as satisfactory.
- The ventilation project in the fuel cycle area was progressing to plan. It was expected that commissioning would take place at the end of May. This project was a good example of local companies showing their capabilities for carrying out this type of work which would hopefully put them in a good position to tender

for similar work throughout the UK decommissioning sites.

- High hazard reduction has continued with the destruction of 101 batches of liquid metal now destroyed at DFR. The target for the year had been 100.
- 100 m³ of MTR (Materials Test Reactor) raffinate had been processed through the Dounreay Cementation Plant.
- The funding for the site had been confirmed by NDA for up to £150m per annum. Previous funding profiles had shown a peak of funding to allow for three new construction projects. Two of these projects had now been deferred.
- NDA had set all its' sites a challenge to make reductions in support services by 5% per year.
- The site had announced the reduction of 180 posts over the next three years. DSRL are looking at job profiles to ensure that individuals which become surplus may be able to fill different roles to deliver the decommissioning programme.
- Competition for the site continues. Industry days had been held in Wick and Glasgow. The Pentland Alliance had been disbanded and Babcock had now partnered with CH2MHILL and URS to form the Babcock Dounreay Partnership.

John Deighan noted that NDA's Chief Executive had taken time to meet with DSG members at the NDA national stakeholder group to discuss issues relating to the socio economic criteria of the site contract. He noted that the Trade Unions would continue to lobby at every opportunity to ensure there was a future for Caithness and North Sutherland. There was a real worry with public services cutting back that this would heavily impact on the area. Donald Mackay agreed with this adding that there was a danger that the young people would leave the area.

Tony Wratten noted that this was a worrying time and he believed that the £150m funding had been a good result for the site and the area given the present financial climate. He pointed out that there were still opportunities on the site for local supply chain companies and the ventilation project was a good example of local companies with the capability of carry out such a big job.

Alan Scott asked would the funding, that had previously been allocated for the upfront work for the new construction projects, be available for further decommissioning projects. Tony Wratten responded that the cost of the upfront work had been relatively low with a very small team of people working on them.

Donald Mackay asked what the timeline was for DFR decommissioning. Tony Wratten responded that completing the destruction of the sodium coolant would be around 2012-13. Further work would be taken forward to get the breeder equipment into operation and some inactive trials would be carried out. Once the breeder fuel was out of the reactor it was likely that the fuel would be transported to Sellafield. Stuart Chalmers noted that the fuel strategy was still being considered and would be part of the NDA's strategy which would be consulted on later this year.

Donald Mackay asked what the programme was for PFR. Tony Wratten responded that the bulk sodium had now been dealt with and cleaning up the residues had commenced. There were several years of decommissioning work still to be carried out at PFR.

- The site decommissioning programme was being reviewed in the light of the £150m and it was expected that a new programme would be delivered by the end of the calendar year.

Anne Chard asked if the sub group could get a copy of the site's milestones for this financial year when they were available. Tony Wratten said that he would ensure this was made available.

NII update

DSG(2010)P011 refers. Peter Dickenson provided a verbal update. Of note:

- The funding level for the site had resulted in changes to the site's decommissioning programme and NII WILL take an active interest in the resultant proposed changes to activities on the site, including the impact on regulator milestones.
- The NII re-organisation continues. Given the general election, ministers decided not to lay the legislation required in this parliamentary session. Following the election it was expected that the re-organisation would move forward and NII would become part of the Office for Nuclear Regulation.

One of the benefits of the re-organisation will be more public open-ness and accessibility to information. It would also, somewhere in the future, allow for lesser inspections on the sites.

Anne Chard asked if site inspections would decrease before competition or the reduction of the high hazards. Peter Dickenson responded that inspections would not decrease where there is a high hazard or risk. NII had already experienced the competition at Sellafield and would utilise other inspectors who had the experience for inspections and the giving of advice related to the Dounreay competition. NII were already talking with NDA about the POTENTIAL impact of competition. In addition they were keeping a watchful eye on the recent announcements regarding the post reductions to ensure that this did not have a detrimental impact on the site programme and on safety issues.

Peter Dickenson was asked if the new build programme had had an impact of the resourcing of NII. Peter responded that they were currently recruiting, given the new build programme, the site decommissioning programmes and the fact that a number of existing inspectors were nearing retirement age.

7. NDA UPDATE

Stuart Chalmers provided a verbal update. Of note:

- NDA had published its business plan for the next three years. For this year the funding was set at £2.8bn (includes £1.2bn of income from generating sites and commercial operations) of which £1.5bn was allocated to Sellafield.
- The NDA and the sites within its estate were all looking at the reduction of support costs. £30M of support reductions would come from the sites with an

additional target of 20% for NDA internal resource.

Alastair MacDonald stated that the Dounreay site had reduced its costs significantly over the years and felt that the site was being penalised now as a result especially when it was known that some of the other sites were less efficient. Stuart Chalmers explained that the savings identified were as a result of how the site performed last year although he conceded that it would be easier for some sites. Alan Scott asked what the incentive was to do better if this resulted in reductions each year. Stuart Chalmers noted that almost 40% of funding went to support and overhead costs. It was essential that these costs were driven down to enable the funding to go towards decommissioning. In effect Dounreay was well ahead of all the other sites since they had taken these steps a few years back. In terms of Dounreay a saving of about £1m was required.

- On the site competition eleven potential bidders had attended the Glasgow event and currently all eleven had applied for the PQQ. The deadline for these submissions was the 14th May. Stuart was asked what happened if only two expressions of interest came forward and he stated that the competition would go ahead. He was then asked what would happen if there was only one. Stuart responded that if there was only one then there would be no competition or it could potentially be rebid.
- The NDA Board were in Caithness (this week) and would be visiting the site as well as holding its' board meeting. There were four new non-executive directors on the board who all came from major industry.
- Over the last financial year the site had done well with performance, delivery and safety.
- Springfields had now been sold to Westinghouse and a long term agreement has been established with the NDA.

8. **PROPOSAL OF REFORMAT DSG SUB GROUPS**

DSG(2010)P010 was tabled. The secretary summarised the main points of the paper:

- The admin and procedures sub group would become the business meeting and membership would be the chair, vice chair and sub group chairs. This meeting would follow the other sub groups to allow the agenda for the main meeting to become more focussed with key issues being highlighted.
- The socio economic sub group meeting would remain unchanged.
- It was proposed to combine the site operations and environment sub group and rename it 'site restoration sub group', The reasons behind this proposal was that the information coming to both sub groups overlapped in many respects and it was felt that a more focussed meeting could take place if it combined as one group.

John Deighan said that attention would need to be paid to the timing of the agenda especially because the majority of people were willingly giving up their own time to attend. It was suggested that a trial take place to see how a combined meeting would work.

ACTION: DSG/SOSG(2010)M002/A001: SECRETARY TO TAKE UP SUGGESTION OF TRIALING COMBINED SITE OPS/ENVIRONMENT SUB GROUP MEETING BEFORE MAKING A FINAL DECISION.

9. ANY OTHER BUSINESS

The following correspondence was noted:

- DSG(2010)C025: NDA response to business plan consultation. The secretary noted that a letter had been written by the socio economic sub group members on this subject (see DSG(2010)C034).
- DSG(2010)C014: NDA and PVP update. This correspondence was noted.
- DSG(2010)C026: Dounreay restructuring. This correspondence outlined the reduction of the 180 posts which had been previously discussed.

The secretary also noted that she had received a letter from Norman Harrison who had outlined changes in personnel within Babcock International. Roger Hardy would now take on responsibility of the Dounreay site from Norman. Norman Harrison would be moving into a strategy role but would retain his interest in Caithness by continuing on the Board.

There being no further business Anne thanked everyone for attending and closed the meeting.

Anne Chard

Acting chair

Site operations sub group

30th April 2010

ACTIONS

ACTIONS ARISING FROM THIS MEETING

DSG/SOSG(2010)M002/A001: Secretary to take up suggestion of trialing combined site ops/environment sub group meeting before making a final decision.

ACTIONS ONGOING

DSG(2009)M004/A005: June Love to organise a visit to the Dounreay site for Councillors Steven Heddle and George Farlow (and extend to other DSG members) at a convenient time. *Action ongoing – currently out to members to identify all those who wish to visit.*

ACTIONS COMPLETED

DSG(2010)M001/A017: June Love to revise draft submission to the NDA's business plan and circulate to DSG members for final approval before submitting to NDA. *Action complete – see DSG(2010)C004.*

DSG(2010)M001/A018: June Love to request presentation from DSRL on the potential impacts for the site of the Scottish Government's consultation on higher activity waste. *Action complete – Elizabeth Gray, Scottish Government, will attend to provide presentation. A working group has been set up to consider the consultation document and will include a DSRL representative for factual information.*