

Endorsed on 19th January 2011

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2010)M004

Minutes of the DSG Socio Economic sub group meeting held on Wednesday 3rd November 2010 at 1330 hours in the Pentland Hotel (large lounge), Thurso.

Present:

Derrick Milnes	Thurso & Wick Trades Council (chair)
Bob Earnshaw	DSG Chair
Cllr David Flear	DSG Vice-chair
Alastair MacDonald	Honorary member, DSG
Carol Gunn	HIE
Ronnie Johnstone	Church of Scotland
John Green	Caithness Voluntary Group
Murray Lamont	North Highland Tourism
Eann Sinclair	CNSRP

In addition:

June Love	DSG Secretariat, DSRL
Stuart Chalmers	NDA
Ken Nicol	DSRL
Philip Behan	Babcock International Group
Keith Muir	HIE

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting. He thanked Keith Muir for attending and noted that John Hook (Rolls Royce) would be replacing Pat Gallagher and Sandy Mackie (Scrabster Harbour Trust) would replace Rod Johnstone.

2. APOLOGIES RECEIVED

Apologies were received from:

- Anna MacConnell, NDA
- Stewart Henderson, National Nuclear Archives Project Manager
- Gordon Jenkins, North Highland College
- Trudy Morris, Caithness Chamber of Commerce
- Sandy Mackie, Scrabster Harbour Trust
- Koreen MacDougall, Caithness Partnership
- John Hook, Rolls Royce

3. MINUTES OF THE LAST MEETING

The minutes (DSG/SESG(2010)M003) were accepted as a true record. This was proposed by Cllr David Flear and seconded by Eann Sinclair.

4. PROGRESS ON ACTIONS

Progress on actions is as follows:

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- DSG(2010)M003/A008: June Love to send a letter of invitation to Sir Anthony Cleaver to attend DSG meeting to update on CNSRP Executive Board. *Action ongoing – invitation has been sent, through Eann Sinclair.*

Eann Sinclair noted that he had spoken with Sir Anthony Cleaver and it was likely that he would be able to attend the March meeting. The action would continue until his attendance is confirmed.

- DSG(2010)M003/A028: Anna MacConnell to provide a written update for the national nuclear archives.

Stuart Chalmers reported that the NDA had just received confirmation of the comprehensive spending review. The NDA were currently reviewing the funding received across the whole estate. Updates on the archives would continue.

- DSG(2010)M002/A012: Roy Kirk to develop a model on the economic impact and how this could be monitored to be shared with DSG and CNSRP Advisory Board.

This action has been passed to Eann Sinclair, CNSRP. Eann reported that he had drafted the scope of work for the study.

Ken Nicol asked whether the study would include the impact of Vulcan. Eann Sinclair responded that the current scope was to update the 2006 baseline study of the impact of Dounreay. He had passed on the draft scope of work to John Hook but felt that Vulcan may be a separate piece of work. Derrick Milnes thought it important to keep the two pieces of work separate at this time and this was agreed round the table. The action (A012) is now with Eann to progress.

- DSG(2010)M003/A021: Roy Kirk, HIE to provide a breakdown of the 120 jobs created by sectors/types of jobs.

DSG(2010)C106 was tabled to respond to this action. Eann Sinclair noted it was difficult to present information from a sectoral breakdown. He noted that he had agreed to meet with Derrick Milnes and David Alexander to go through the information in detail. He agreed to provide a quarterly update of this report. Ronnie Johnstone said that the information was very welcome.

- DSG(2010)M003/A010: June Love to include deputy sub group chairmen on both site restoration and socio economic sub group meetings.

Derrick Milnes stated that due to the re-organisation of the sub groups it was important to ensure continuity and a deputy chair was required in times of absence and to report back at the business meeting if required. After discussion it was agreed that, in her absence, Trudy Morris would be asked whether she would take on this role.

Action: DSG/SESG(2010)M004/A001: June Love to write to Trudy Morris asking whether she would be willing to take on deputy chair of the DSG Socio Economic sub group.

5. COMMUNITY FUND REQUESTS

A paper was tabled outlining the latest requests for funding. Members had received a copy in advance of the meeting. Cllr David Flear declared an interest in one project – reference number 082.

All recommendations were endorsed.

June Love noted that one further request had been received following distribution of the paper. This was a request for a donation towards the fire work display with a recommendation to donate £300. This was also agreed by members.

6. UPDATES ON SOCIO ECONOMIC ACTIVITIES

Eann Sinclair tabled DSG(2010)P027 which had been circulated previously to members. He said he would take the paper as read and highlighted the following:

- The Crown Estate announcement on the award of the Pentland Firth Inner Sound lease to Meygen.

Derrick Milnes said it was disappointing that this had been relegated to page 3 of the John O’Groat Journal. Members agreed that there have been other occasions where coverage of positive stories had been disappointing and agreed that a discussion should take place with the editor.

Action: DSG/SESG(2010)M004/A002: Bob Earnshaw, David Flear and Eann Sinclair to have an informal discussion with the editor of the Courier/Groat on positive news stories.

Eann Sinclair noted that there was another opportunity to highlight the Meygen development along with other developers at the Crown Estate event in the Pentland Hotel on 9th/10th November.

David Flear noted that the Highland Council had held discussions with Scottish Power Renewables looking at the expectations of the local community. SPR are expected to make a positive announcement shortly and Eann Sinclair was speaking to Richard Hunt. Also at that meeting Sandy Cummings had provided a presentation on behalf of Scottish Government on off-shore renewables. David felt it would be useful to invite Sandy Cummings to DSG to present to members.

Action: DSG/SESG(2010)M004/A003: June Love to invite Sandy Cummings to provide presentation on off-shore renewables to main DSG.

- Subsea 7 had recently announced new contracts and while it was appreciated that the numbers of jobs were for as long as the contract it was a positive for the area. Subsea 7 was expecting to have completed recruitment by Christmas.
- The HIE bid for Superfast broadband had been successful. The HIE area was 1 of 4 pilot projects in the whole of the UK and would assist in attracting inward investment into the area.

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- Carol Gunn, HIE thanked the DSG for the letter of support provided for the John O'Groats development. There was a planning meeting on Tuesday which would include this application. She noted that as part of the overall development of John O'Groats £134K had been awarded to Seaview in Caderfay.
- Derrick Milnes noted that Trudy Morris has tendered her apologies but had provided a written update of activities. Of note:
 - The Chamber launched its Invest Caithness brand at its Annual dinner at the end of September. It has received confirmation of funding from HIE and NDA for developing this initiative – for a website and database. The initiative is all about capturing the assets and advantages of the region in one place to offer a comprehensive information service for those looking to 'Invest Caithness'. This could be a start up business, entrepreneurs, visitors to the area, individuals wishing to relocate or growth businesses looking set up a base here. The new brand is currently having its first outing at the RenewableUK 2010 conference and exhibition in Glasgow at the SECC for 3 days from 2nd – 4th November where the Chamber will be showcasing Caithness along with local produce.
 - The Chamber has had confirmation of funding from the NDA and is awaiting official confirmation from LEADER of its funding for its town centre strategy for Wick and Thurso This is a pilot project looking at the recruitment of a Towns Centre Development Officer (TCDO) for 2 years to work with retailers and other private and public sectors organisations to develop Wick and Thurso town centre offerings in order to maintain and develop thriving populations, develop the tourist potential and attract inward investment.
 - The Chamber has two events coming up in November – the Magic of Marketing in conjunction with the Chartered Institute of Marketing on 9th Nov and Co-operating for Growth with Co-operative Development Scotland on 15th Nov. It will also be exhibiting at the Scottish Renewables Conference and Exhibition in Inverness on 24th/25th November.
 - The Chamber welcomes the news of the Inner Sound leasing round and is very hopeful that the MeyGen consortia will work with the Chamber and the local supply chain.
 - The Chamber is part of a skills partnership working on a workforce transition programme 'Making the Right Connections'. An ESF bid is currently in with matched funding from the NDA, SDS and DSRL. NDA funding has been approved subject to DECC approval. On the basis of a successful ESF bid, the programme will look to start in January.
 - The Chamber is submitting a response to the N-RIP2 consultation.
- Eann Sinclair noted that a learning journey to Cumbria had taken place. DSG members Derrick Milnes and Cllr David Flear had taken part in this visit. An action list had now been developed and this was been tabled at the CNSRP Executive Board who had endorsed the actions and asked the Delivery Group to progress.

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- Eann Sinclair also noted that the next CNSRP Advisory Board would be held on 16th November. At that meeting it was expected that the Action Plan would be tabled for members to discuss along with presentations from the Chamber of Commerce and Scrabster Harbour Trust.

Derrick Milnes noted that the draft minutes of the last CNSRP Advisory Board had been circulated along with a note for the record (DSG(2010)C096) summarising the main points of the meeting.

June Love noted that she would now receive copies of the Advisory Board minutes and would circulate to all members of the DSG for their input. Any comments or questions would be collated and passed to Ronnie Johnstone, who represented DSG on the Advisory Board.

7. NATIONAL NUCLEAR ARCHIVES

Derrick Milnes noted that Stewart Henderson, Project Manager of the archives, was scheduled to attend this meeting to provide the group with an update. Unfortunately another meeting was scheduled and therefore he was unable to attend.

Stewart had provided a short written update to note that the production information and detailed specification has started with the intention of being able to go to tender at the beginning of April 2011. A contractor selection process has been instigated.

8. DECOMMISSIONING SUPPLY CHAIN PROJECT

Derrick Milnes thanked Keith Muir for attending the meeting to provide an update on this project. Keith Muir provided written information (DSG(2010)C114) refers.

Keith outlined the project. Of note:

- The project was being developed by Scottish Enterprise and HIE and Ken Nicol, DSRL would sit on the project steering group.
- The project entailed working on a one to one basis with companies to maximise the opportunities which existed in the nuclear industry.

Bob Earnshaw noted that he and June Love had attended the Scottish Sites meeting where Murray Bainbridge, Scottish Enterprise had provided a presentation on this project. She agreed to circulate the presentation to all members.

Action: DSG/SESG(2010)M004/A004: June Love to circulate DSG(2010)C114 and the presentation from Murray Bainbridge, Scottish Enterprise which had been provided at the Scottish Sites meeting.

Eann Sinclair asked whether HIE saw this as working with the existing account managed companies or was looking at anyone who wanted to get involved. Keith responded that the main target was engineering companies although it was recognised that there were other services required. Ken Nicol asked if this project would be expanded to cover oil & gas and nuclear new build opportunities.

It was agreed that Ken Nicol would provide quarterly updates on this project.

9. CHRIS HUHNE VISIT TO CAITHNESS

Derrick Milnes reminded members that DSG had written to Chris Huhne inviting him to visit Caithness. He had responded that he would accept this invitation. In September he did visit site and Cllr David Flear had attended along with Eann Sinclair.

David reported that the minister had been provided with an update on the progress of the decommissioning of the Dounreay site. John Thurso, MP had also taken the opportunity to brief him on the developments of the Pentland Firth. David and Eann agreed that this had been an interesting meeting and Eann had been tasked with providing the minister with a briefing.

10. NDA/DOUNREAY TOPICS

• Site competition

Derrick Milnes noted that there had been correspondence circulated in relation to the site competition. (Correspondence 80, 89, 91, 94 and 103 refers). He noted that DSG had been meeting with members of both bidders and that these meetings had been very useful. It was pleasing that a socio economic aspect was now included in the contract.

He went on to report that he would be meeting with the bidders along with the Dounreay Trade Unions. The Unions had pulled together a list of questions/issues that they would raise and Derrick agreed to circulate these.

Action: DSG/SESG(2010)M004/A005: Derrick Milnes to provide questions raised by Dounreay Unions to the Dounreay bidders.

Derrick noted that while he was aware of a meeting between the bidders and the unions he was not aware of a similar meeting with DSG. He stated that he would have thought that the DSG would have nominated people to sit on this group since DSG members had been meeting with the NDA competition team and bidders on a regular basis.

Eann Sinclair stated that he was aware that the Unions would be meeting with the bidders on the 16th November and that he had been asked to pull together a variation of the group that had been involved in the Industry day in February who would meet with the bidders on the 17th. He understood that the bidders would be on site week beginning 15th November and the 17th appeared to be the most suitable date for the stakeholder group to meet with them. Eann noted he was happy to discuss the make-up of the stakeholder group and agree attendance.

Following discussion it was agreed that the following would be included in the stakeholder group who would meet the bidders on the 17th: John Thurso, Sir Anthony Cleaver, Eann Sinclair, Trudy Morris, Donald MacBeath, David Whiteford, Roy Kirk, Bob Earnshaw and David Flear. *{Secretary's note: following the meeting David Flear had indicated he will not attend to ensure one representative from DSG}.*

It was further agreed that Eann Sinclair should continue to organise this and that he should clarify the remit of the group.

Action: DSG/SESG(2010)M004/A006: Eann Sinclair to send DSG Secretary the remit of the group who will meet with the bidders on the 17th November.

- **NDA shared services**

Ken Nicol reported that the NDA and DSRL were looking at the shared services to see if there were any areas which could benefit Caithness. One such contract had recently been published for IT and marketing information and it was interesting to note that there was a small socio economic element in the contract.

Stuart Chalmers, NDA, noted that the contract had been published the Site Licence Companies, through their procurement departments. While the NDA encourages sites to share services the NDA does not issue these contracts, this was an issue for the site licence companies.

Eann Sinclair said that care had to be taken when considering shared services as it could be a 'double-edged' sword. If there was an opportunity for Caithness to benefit care would need to be taken that on attempting to attract something to the area what was already here was not lost to another part of the country.

- **Update on DSRL activities**

Ken Nicol, DSRL noted that he had updated the project management plan on IFMIF and has now passed this to HIE to take forward. Carol Gunn noted that HIE was currently considering a trip to Culham to gain further information on this development.

David Flear noted that he had been keeping the Chairman of the planning committee informed of progress. He also noted his disappointment that last Thursday a question had been tabled from SNP to the full Highland Council committee in relation to nuclear development in the Highlands. Alastair Dodds, Chief Executive Highland Council, had asked David Flear to be the main link on nuclear issues within the Highland Council.

Ken Nicol noted that progress on IFMIF would now be reported via the CNSRP programme manager.

The secretary asked for clarification on how the socio economic sub group reports on issues which may be commercially sensitive for future reference. It was agreed that this would be discussed at the business meeting to ensure there the DSG continued to be transparent without jeopardising commercially sensitive information.

Ken Nicol added that DSRL was considering how to engage on the site's socio economic development plan with the DSG and a proposal would come forward shortly. He also noted that work was developing on how Babcock and DSRL could work closer together on socio economic activities.

DSRL had also agreed to support a STEM project which is being led by The Highland Council and HIE. The project was to ensure that teachers had the opportunity to come into the industry so they can taken back experiences into the classrooms and also the provision of guidance for teachers as well as assisting with career planning. Support from DSRL would cover two years. Eann Sinclair noted that this support fits nicely and will complement the workforce transition programme of work that the Chamber of Commerce is currently working on.

- **Update from Babcock International Group**

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Philip Behan noted that Babcock's continue to work with CNSRP and others to identify areas where Babcock could potentially support. A number of ideas had been identified and were currently being progressed.

Babcock had run a couple of pilot schemes (in conjunction with the Chamber of Commerce). They had run a two day course for SMEs, coaching them on business, pitching and sales techniques, which had been apparently well received and well attended. Consideration will be given on how this can be taken forward. These management workshops could also dovetail into the nuclear decommissioning supply chain development.

An external consultant appointed by Babcock is currently reviewing and helping to draw together the business plan for a potential fledgling business and while it was too early to outline the extent of this it appeared to have commercial potential in order to encourage inward investment and high valued jobs. The DSG would be updated at an appropriate time.

Babcock is delighted to announce a significant investment in the Pension Administration Office, Thurso and has set in place a plan to secure the existing jobs, whilst growing and developing the business with a view to creating further jobs and positioning the office as the UK centre of excellence for public sector pension administration. Babcock had engaged Aon Hewitt, one of the world's leading pension experts to help it strengthen the business

Derrick Milnes noted that HIE had offered assistance to the Pensions Office and Carol Gunn responded that HIE saw the Pensions Office has a potential growth company.

Cllr David Flear asked if it was possible for DSG to see the remit that Babcock provide to Aon to carry out the review. Philip Behan responded that Babcock intend to invest a significant amount of money as a commitment to keep the pensions office in Caithness. Babcock's ultimate aim was to grow a stable business to capitalise on existing contracts and to develop growth and create new jobs in the longer term. Philip agreed to provide the remit Babcock had provided to Aon.

Action: DSG/SESG(2010)M004/A007: Philip Behan to provide secretary with remit that Babcock have provide to Aon for review of Pensions Office.

Philip added that looking at the broader plan there was a number of potential ideas being considered in relation to the bigger economic picture of Caithness. Babcock supports the development of Scrabster harbour as part of the economic plan as they see this as critical to capitalising on the emerging renewables industry. An offer of support has been extended to Scrabster if required.

Cllr David Flear noted that this was positive news and that he agreed the Scrabster was indeed pivotal in maximising benefits for Caithness.

11. ANY OTHER BUSINESS

- The National Renewables Infrastructure Plan Stage 2 is currently out for consultation. A draft DSG response had been circulated (DSG(2010)C109 refers). Members were reminded that comments were required now to enable the submission to be finalised, approved and submitted before the 10th November.

Action: DSG/SESG(2010)M004/A008: All members to provide comments on DSG(2010)C109 (NRIP submission) to the secretary by Friday 5th November at the latest.

- Derrick Milnes noted that he had attended, on behalf of DSG, the SNP conference along with a representative from the Thurso and Wick Trade Union Council. There had been a constructive exchange of views with a number of senior members of the SNP and Scottish Government ministers and along with meetings with MSPs, MPs and councillors gave us the opportunity to raise issues and outline the opportunities regarding the future for Dounreay and the Caithness economy. .

The conference had been dominated by the pending announcements of the budget reviews – one interesting motion that was passed related to the Crown Estates which calls for that service, responsibility and powers in Scotland to be transferred to the democratic control of the Scottish Government.

- Derrick added that he had also attended the Labour party conference in Oban. Both DSG and the Trades Council representatives had been well received and had taken the opportunity to raise the issues on improvements to the infrastructure including Scrabster.
- Cllr David Flear noted that he continued work with Koreen MacDougall on the feasibility study for Berriedale braes. He reported that Koreen had written to Transport Scotland who indicated they were not sure that there was enough funding to carry out the study. This information had been forwarded to Michael Foxley, Highland Council and others to ask how they could progress on a regional basis while David Flear would work on a local level to ensure consistency. Michael Foxley had indicated that he would be taking up this issue next week. David agreed to keep members updated on progress.

Ken Nicol responded that DSRL had offered support by providing part-funding for this feasibility study but that this was time sensitive and would need to be committed this financial year. It was agreed that Ken would write to David to re-iterate this.

Action: DSG/SESG(2010)M004/A009: Cllr David Flear to keep DSG Socio Economic sub group updated on progress of the feasibility study for the Berriedale Braes.

Action: DSG/SESG(2010)M004/A010: Ken Nicol to write to David Flear outlining commitment of funding for the Berriedale Braes feasibility study was time sensitive and would need to be committed this financial year.

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- Cllr David Flear noted that HIE had published the Caithness & Sutherland area plan. He indicated that he felt that the HIE website was much improved from the previous one and he had said as such to Chairman Willie Roe. One concern he had raised, however, was the lack of clarity of partnership working and he felt that the CNSRP should be explicit in this document. On that note, he had written to Sir Anthony Cleaver to encourage all organisations to ensure that CNSRP is consistently used in all publications of all partnering organisations to ensure consistency of message within the local community.
- Derrick Milnes noted the departure of Randall Bargelt, NDA. He asked to place on record the DSG Socio economic sub group's thanks for Randall's support over the years and wished him well for the future. Bob Earnshaw noted that the DSG had written personally to Randall.

12. CLOSE

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

Derrick Milnes

DSG Socio Economic sub group chairman
6th November 2010

PROGRESS ON ACTIONS

ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2010)M004/A001: June Love to write to Trudy Morris asking whether she would be willing to take on deputy chair of the DSG Socio Economic sub group.

DSG/SESG(2010)M004/A002: Bob Earnshaw, David Flear and Eann Sinclair to have an informal discussion with the editor of the Courier/Groat on positive news stories.

DSG/SESG(2010)M004/A003: June Love to invite Sandy Cummings to provide presentation on off-shore renewables to main DSG.

DSG/SESG(2010)M004/A004: June Love to circulate DSG(2010)C114 and the presentation from Murray Bainbridge, Scottish Enterprise which had been provided at the Scottish Sites meeting.

DSG/SESG(2010)M004/A005: Derrick Milnes to provide questions raised by Dounreay Unions to the Dounreay bidders.

DSG/SESG(2010)M004/A006: Eann Sinclair to send DSG Secretary the remit of the group who will meet with the bidders on the 17th November.

DSG/SESG(2010)M004/A007: Philip Behan to provide secretary with remit that Babcock have provide to Aon for review of Pensions Office.

DSG/SESG(2010)M004/A008: All members to provide comments on DSG(2010)C109 (NRIP submission) to the secretary by Friday 5th November at the latest.

DSG/SESG(2010)M004/A009: Cllr David Flear to keep DSG Socio Economic sub group updated on progress of the feasibility study for the Berriedale Braes.

DSG/SESG(2010)M004/A010: Ken Nicol to write to David Flear outlining commitment of funding for the Berriedale Braes feasibility study was time sensitive and would need to be committed this financial year.

ACTIONS ONGOING FROM PREVIOUS MEETINGS

DSG(2010)M003/A008: June Love to send a letter of invitation to Sir Anthony Cleaver to attend DSG meeting to update on CNSRP Executive Board. *Action ongoing – Eann Sinclair indicated this would likely be March 2011 meeting.*

DSG(2010)M003/A028: Anna MacConnell to provide a written update for the national nuclear archives.

DSG(2010)M002/A012: Eann Sinclair to progress development of a model on the economic impact and how this could be monitored to be shared with DSG and CNSRP Advisory Board. *This action has now transferred from Roy Kirk to Eann Sinclair.*

