

# **DSRL Socio Economic Development Plan 2011-12**

## **DSRL Socio Economic Development Plan – Stakeholder engagement**

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### **SUMMARY:**

Each year DSRL produces a Socio Economic Development Plan for submission to the Nuclear Decommissioning Authority. This paper outlines the resources and activities undertaken by the DSRL Socio-Economic team for financial year 2010/11, outlines plans for financial year 2011/12. The development plan will include a rolling programme of activities up to 2014 to align with the Caithness & North Sutherland Regeneration Partnership (CNSRP) Action Plan and Programme.

The DSG socio-economic sub group are invited to provide comment and a discussion will take place at the next sub group meeting to be held on 19<sup>th</sup> January 2011.

	<b>Name</b>	<b>Position</b>	<b>Date</b>	<b>Signature</b>
Prepared by:	June Love	Socio Economic Support, DSRL	16 <sup>th</sup> December 2010	
Approved by:	Ken Nicol	Socio Economic Manager, DSRL	10 <sup>th</sup> January 2011	

# **DOUNREAY SITE RESTORATION LTD SOCIO ECONOMIC PLAN 2011-2012**

## **1. INTRODUCTION**

DSRL, in support of the NDA, produces a Socio-Economic Development Plan each year describing the activities of the current financial year, outlining plans for the following year and will include a rolling programme up to 2014.

This year, DSRL wishes to ensure that the plan is aligned to the Caithness and North Sutherland Regeneration Partnership (CNSRP) action plan and programme.

## **2. DSRL'S SOCIO ECONOMIC ON-SITE ACTIVITIES**

The DSRL Socio-Economic vision is:

<i>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.</i>
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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.

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 (and other) industry skills growth through education, retraining and skills development.

While the information included in this paper concentrates on the support mainly from an external point of view (funding and/or personnel support) to support the Caithness & North Sutherland Regeneration Partnership (CNSRP), the NDA and DSRL Socio Economic teams also work internally to encourage and influence other to maximise the benefits of socio economics in site activities. This includes, but is not exhaustive to,

Working with project managers looking at potential services which could be developed into stand-alone commercial businesses.

Discussions with Commercial Department to maximise community benefits in site contracts and procurement policies.

Working with Human Resources Department to consider processes for workforce transition.

Working with individuals who may have a potential business idea.

Working with the incumbent PBO to identify mutually beneficial opportunities.

### **3. PARTNERSHIP ORGANISATIONS**

#### **2.1 Caithness and North Sutherland Regeneration Partnership (CNSRP)**

The CNSRP is a partnership between Scottish Government, HIE, Highland Council and NDA and supported by DSRL, Caithness Chamber of Commerce and others.

The CNSRP has issued a high priority action plan and programme for 2011-2014 and is detailed in Table 1. The action plan has been informed by a number of stakeholder discussions, ie Caithness conference workshops and is therefore taken as the definitive document and is not, therefore, up for discussion for the purposes of this paper.

#### **2.2 Nuclear Decommissioning Authority (NDA)**

The NDA owns the Dounreay site and its liabilities. Under contract, DSRL provides a lifetime plan which describes the activities required to take the site to closure. Socio Economics is part of the lifetime plan and must comply with the NDA Socio-Economic Policy.

The NDA's vision for Socio-Economics is *"To support the creation of dynamic, sustainable local economics for communities living near our sites."*

#### **2.3 Parent Body Organisation – Pre-competition**

Babcock International Group is the current Parent Body Organisation (PBO) of DSRL.

#### **2.4 Parent Body Organisation – Post-competition**

The site is currently being competed and as part of that competition, the bidding participants have been provided with information to ensure that they continue DSRL's commitment to the socio-economic activities of the site.

As part of the Dounreay PBO competition process, the NDA published a Socio-Economic Commitments paper in September 2010. This is given in Appendix 1

### **3 DSRL'S SOCIO ECONOMIC SPEND PROFILE**

#### **3.1 2010/2011 Socio economic spend**

Activity	Detail	Budget	Comments
Project team	Staff time (1.5 FTE plus planner/contract advisor and staff overheads)	£124,000	<i>This is DSRL staff time for carrying out the socio economic activities and includes funding for travel, subsistence, conference attendance and training.</i>
Education and upskilling	Skills Academy support (0.8 FTE staff + staff overheads)		<i>This is a part secondment of support – will reduce next year as role has</i>

Activity	Detail	Budget	Comments
	STEM ambassadors time		<i>changed to cover Caithness area only.</i>
	STEM enabling project		<i>Time bookings for DSRL staff who attend school activities etc.</i>
	Science Festival		<i>Year 1 of a 2 year project – part funded with HC to ensure STEM is embedded in primary and secondary school (fits in with workforce transition programme).</i>
	Rotation of apprentices		<i>A local science festival held yearly to encourage pupils to get involved with science &amp; engineering subjects.</i>
<b>Workforce Transition</b>	Support to spin outs		<i>Payment to Skills Academy to ensure apprentice rotation on a local level (this enables apprentices to get a rounded apprenticeship by rotating around different local companies).</i>
	Support to individuals		<i>Budget set aside for legal, contractual, specialist advice.</i>
	External consultant		<i>Support to DSRL individuals coming forward with ideas for business start ups. Costs to cover specialist advice.</i>
			<i>Entrepreneurial contract to assist with</i>

Activity	Detail	Budget	Comments
			<i>the development of identifying potential businesses from existing site services and other projects.</i>
<b>Marketing skills</b>	Caithness conference		<i>DSRL's contribution to part funding the Caithness conference.</i>
	CNSRP communications		<i>Part funding of communication activities, ie production of posters, documents and other communication media.</i>
	Chamber of Commerce		<i>Membership fees for DSRL and NDA.</i>
	Conference attendance		<i>Support to fund attendance at exhibitions, conferences to market skills (ie All Energy Conf/Exhibition - Chamber of Commerce leads on).</i>
<b>CNSRP high priority:</b>	Programme Manager		<i>Part funding of Programme Manager post for CNSRP</i>
	Enabling projects		<i>Enabling projects – assumes 6 applications of £10K each (ie Berriedale braes feasibility study).</i>
	Caithness Horizons		<i>Committed up to 2018.</i>

### 3.2 Proposed 2011/2012 Socio economic spend

Proposed Activity	Detail	Budget	Comment
Project team	Staff time (1.5 FTE plus planner/contract advisor and staff overheads)	<b>£124,604.91</b>	
Education and upskilling	Skills Academy support (0.8 FTE staff + staff overheads)	<b>(£90.8K)</b>	Committed (but may be less than £31K).
	STEM ambassadors time		
	STEM enabling project		Committed (2012/13)
	Science Festival		
	Rotation of apprentices		Committed (each yr)
Workforce transition	Support to spin outs	<b>(£45K)</b>	£10K committed to external contract
	Support to individuals		
Marketing skills	Caithness conference	<b>(£45K)</b>	Committed membership (£5.5)
	CNSRP communications		
	Chamber of Commerce		
	Conference/event attendance		
CNSRP High projects	Programme Manager	<b>(£90K)</b>	Committed for 3 years (2011-2013)
	Enabling projects		
Economic diversification	Ad hoc projects:	<b>(£110K)</b>	
	Caithness Horizons	<b>(£90K)</b>	Committed up to

Proposed Activity	Detail	Budget	Comment
			2018.
	TOTAL	<b>£595.4K</b>	

#### 4 RECOMMENDATION

The DSG Socio-Economic sub group is invited to:

- Provide comment on the proposals as outlined above
- Endorse the approach taken by the DSRL Socio Economic Team

#### 5 NEXT STEPS

Following comments and/or endorsement from the DSG Socio-Economic sub group DSRL will draft the DSRL Socio-Economic Development Plan for 2011/12 with a rolling programme of activities up to 2014 to align with the CNSRP Action Plan.

This document will be submitted to the NDA for approval by the end of March 2011 and then published on DSRL's website with hard copies of the paper being distributed to DSG.

#### Distribution

DSG Socio-Economic sub group members  
 Simon Middlemas, DSRL Managing Director  
 Stuart Chalmers, NDA Interim Programme Director  
 Anna MacConnell, NDA Socio-Economic Manager  
 June Love, DSRL Socio-Economic Support

TABLE 1 – PARTNERSHIP WORKING			
CNSRP	NDA	PBO	DSRL
	<ul style="list-style-type: none"> <li>Internal staff costs</li> </ul>	<ul style="list-style-type: none"> <li>Internal staff costs</li> </ul>	<ul style="list-style-type: none"> <li>Internal Staff costs</li> </ul>
Programme Management	<ul style="list-style-type: none"> <li>Member of CNSRP Executive Board</li> <li>Member of Delivery Group</li> <li>Member of Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>Member of Delivery group</li> <li>Member of Advisory Board</li> </ul>	<ul style="list-style-type: none"> <li>Member of Delivery Group</li> <li>Part funding of Programme Manager</li> </ul>
CNSRP communication strategy	<ul style="list-style-type: none"> <li>Support in kind</li> <li>£30K funding for Caithness vision document and alteration to CNSRP website</li> </ul>		<ul style="list-style-type: none"> <li>Part funded communication activities</li> <li>Part funded Caithness conference</li> <li>Staff support</li> </ul>
Existing company growth (energy and business)	<ul style="list-style-type: none"> <li>Ongoing discussion with Caithness companies</li> <li>North Highland Regeneration fund £1.5m</li> </ul>	<ul style="list-style-type: none"> <li>Funded Chamber of Commerce business angels workshop</li> <li>Investment in Pensions Office</li> </ul>	<ul style="list-style-type: none"> <li>Actively encourage DSRL supply chain companies</li> <li>Discussions with non-Caithness based companies</li> <li>Exploring secondment to local marine company.</li> <li>Ad hoc advice to local marine company.</li> </ul>
Inward Investment	<ul style="list-style-type: none"> <li>Ongoing discussion with private companies/HI E</li> </ul>	<ul style="list-style-type: none"> <li>PBO work interactions</li> <li>Marine renewables</li> </ul>	<ul style="list-style-type: none"> <li>DSRL involvement with Babcock Marine</li> <li>Identifying opportunities and developing proposals</li> <li>Private company discussions</li> <li>Site related opportunities</li> <li>Scoping study for marine developer</li> </ul>
Enabling priorities			



TABLE 1 – PARTNERSHIP WORKING			
CNSRP	NDA	PBO	DSRL
Scrabster Harbour Phase 1	<ul style="list-style-type: none"> <li>£2M funding approved</li> </ul>		<ul style="list-style-type: none"> <li>In kind support</li> </ul>
Scrabster Harbour Phase 2 (scoping)			
Wick Harbour development	<ul style="list-style-type: none"> <li>Funded feasibility study of river basin.</li> <li>£365K for marina development</li> <li>£150k for further development studies</li> </ul>		<ul style="list-style-type: none"> <li>In kind support</li> </ul>
A9 trunk road improvement	<ul style="list-style-type: none"> <li>Sourced £20k HITRANS funding</li> </ul>		<ul style="list-style-type: none"> <li>Part funded feasibility study</li> </ul>
Railhead options	<ul style="list-style-type: none"> <li>Ongoing discussion</li> </ul>		<ul style="list-style-type: none"> <li>Undertaking optioneering</li> </ul>
Workforce transition project	<ul style="list-style-type: none"> <li>£809K funding approved</li> <li>Support to develop programme</li> <li>Ongoing support to programme delivery board</li> </ul>		<ul style="list-style-type: none"> <li>Funding from Human Resources Workforce transition budget.</li> <li>Windmills programme</li> <li>Interactions with National Skills Academies</li> <li>Support to individual transition plans</li> </ul>
STEM programme	<ul style="list-style-type: none"> <li>£15.5K funding Support to Science Festival</li> </ul>		<ul style="list-style-type: none"> <li>Support to Skills Academy Nuclear</li> <li>Part funding for 2 year STEM project (2<sup>nd</sup> year is 2011/12)</li> <li>DSRL STEM ambassadors</li> <li>Apprentice rotation</li> <li>Support to Science Festival</li> </ul>
Centre of Energy and the Environment			<ul style="list-style-type: none"> <li>Discussions on potential opportunities ongoing</li> </ul>
Engineering Skills Centre	<ul style="list-style-type: none"> <li>£2M finance</li> <li>Project</li> </ul>		<ul style="list-style-type: none"> <li>Apprentice training co-location</li> </ul>

TABLE 1 – PARTNERSHIP WORKING			
CNSRP	NDA	PBO	DSRL
	Steering Group		<ul style="list-style-type: none"> <li>• Worker/trainer discussions</li> <li>• Project Steering Group and User forum involvement</li> <li>• Facilitation of discussions with other colleges/universities.</li> </ul>
Invest Caithness	<ul style="list-style-type: none"> <li>• NDA funding</li> </ul>		<ul style="list-style-type: none"> <li>• Support to market skills base</li> <li>• Support to produce film/ footage for promotions DVDS.</li> </ul>
Wick airport timetabling and connections	<ul style="list-style-type: none"> <li>• Wick Airport consultative committee</li> <li>• Ongoing discussion with HIAL</li> </ul>		
IT connectivity	<ul style="list-style-type: none"> <li>• CNSRP working group</li> </ul>		
Grid connections			
Northern Business Innovation Network	<ul style="list-style-type: none"> <li>• NDA funding to Chamber</li> </ul>		
Supply Chain development	<ul style="list-style-type: none"> <li>• NDSC Steering Group</li> <li>• NDA funding</li> </ul>		<ul style="list-style-type: none"> <li>• Nuclear Decommissioning Supply Chain part funding of project (2 years 2010-12.</li> <li>• Opportunities for local businesses</li> </ul>
DSRL business diversification	<ul style="list-style-type: none"> <li>• Spin out projects</li> </ul>		<ul style="list-style-type: none"> <li>• Spin out projects (legal, contractual advice, etc).</li> <li>• Entrepreneurial contract</li> </ul>
Chamber of Commerce	<ul style="list-style-type: none"> <li>• Funding for new Chamber</li> <li>• Premier membership</li> <li>• £143k funding 2010 NBIN, Town Centre Development</li> </ul>	<ul style="list-style-type: none"> <li>• Membership</li> </ul>	<ul style="list-style-type: none"> <li>• Premier membership</li> <li>• Part funding of All Energy Exhibition</li> <li>• Support in kind</li> <li>• Board member</li> </ul>
Tourism			

TABLE 1 – PARTNERSHIP WORKING			
CNSRP	NDA	PBO	DSRL
Caithness Horizons	<ul style="list-style-type: none"> <li>£300k funding</li> </ul>		<ul style="list-style-type: none"> <li>Ongoing support to operational costs</li> </ul>
Town Centre development	<ul style="list-style-type: none"> <li>funding as per Chamber of Commerce</li> </ul>		
Royal National Mod	<ul style="list-style-type: none"> <li>£60k and support in kind</li> </ul>		<ul style="list-style-type: none"> <li>Support in kind</li> </ul>
North highland Tourism	<ul style="list-style-type: none"> <li>£75k funding</li> </ul>		
North Highland Connections	<ul style="list-style-type: none"> <li>£180k funding</li> </ul>		

## APPENDIX 1

Nuclear Decommissioning Authority  
September 2010

### Dounreay Parent Body Organisation competition – Socio-Economic commitments

The Socio-Economic commitments to be delivered consist of two distinct elements:

- DSRL Socio-Economic commitments
- Socio-Economic Parent Body Organisation (PBO) commitments

### DSRL Socio Economic commitments

This is largely a continuation of the existing DSRL socio-economic commitments. The following requirements will be included in the Site Licence Company Agreement:

To support the Authority's Baseline Strategy in relation to the Authority's requirement to take account of the socio-economic consequences of its plans, the Contractor shall:

- maintain the Socio-economic commitments set out in the Life Time Plan (LTP) which exists on the Commencement date and as defined in the current, approved Dounreay Socio Economic Development Plan
- On an annual basis, develop and submit for the Authority's approval in conjunction with the Performance LTP, a 3 year rolling Socio-Economic Development Plan, setting out how the Contractor will comply with the Authority's Socio Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.

iii. The Contractor shall ensure that the Socio-Economic Development Plan is updated annually to reflect any changes to the Socio-Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.

a. The Contractor shall ensure that the Socio-Economic Development Plan is updated annually to reflect any changes to the Socio-Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.

b. The Contractor shall ensure that the Socio-Economic Development Plan is updated annually to reflect any changes to the Socio-Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.

c. The Contractor shall ensure that the Socio-Economic Development Plan is updated annually to reflect any changes to the Socio-Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.

d. The Contractor shall ensure that the Socio-Economic Development Plan is updated annually to reflect any changes to the Socio-Economic Policy, interpreted locally as the NDA Socio Economic Caithness and North Sutherland Priority Area Plan June 2009, and any future amendments.



- iv) Ensure that the Socio Economic Development Plan supports the DSRL socio economic vision; "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". As a minimum, the Socio Economic Development Plan should address the priority socio-economic activities which are:
  - a. Transition of employees into alternative sustainable employment to support diversification of the local economy into other sectors
  - b. Use of skills and infrastructure to create new growth opportunities, and
  - c. Nuclear (and other) industry skills growth through education, retraining and skills development
- v) In order to support the priority socio-economic activities, DSRL will
  - a. Support and influence national and local regeneration agencies
  - b. Communicate with employees and Trade Unions to develop workforce transition plans at the appropriate time
  - c. Develop individual transition plans and transition training/support programmes as appropriate
  - d. Work with the supply chain to inform and support them in their own workforce transition plans
- vi) Jointly develop and enter into a Stakeholder & Socio-Economic Partnering Agreement with the NDA and the PBO. The Stakeholder & Socio-Economic Partnering Agreement will provide clarity on how the parties intend to collaborate and cooperate in order to deliver the stakeholder communications and socio-economic activity requirements.

**Socio Economic Parent Body Organisation (PBO) commitments**

The area of Caithness and North Sutherland is identified as a Priority Area in the NDA Socio Economic Policy. The actions of the PBO both directly and through its seconded management to DSRL will have a significant impact on the future economic and social fabric of Caithness and North Sutherland. It is therefore important that the competition process leads to the selection of a PBO which has exemplary experience in managing the consequences of the decommissioning and clean up activities performed by DSRL.

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NDA committed as part of the governance of this competition to consult with local stakeholders in Caithness and North Sutherland to crystallise the socio economic requirements deemed important by the local community and as defined by the Caithness & North Sutherland Regeneration Partnership's high priority action plan. Participants will be expected to use the dialogue phase and discussion opportunities with local stakeholders to develop both their understanding of the challenges & opportunities and their proposed plans to meet these. The programme of activities that the local stakeholders expect the successful PBO to bring to Caithness and North Sutherland can be defined under the following headings:

**Socio Economic Experience & Ongoing Engagement with Community Stakeholders**

A clear demonstration by the new PBO, that it has the corporate experience to work with regeneration, economic development agencies and other stakeholders in the Caithness and North Sutherland and that this experience will be embedded through the PBO's involvement in the Caithness and North Sutherland community.

The appointed PBO will be required to work collaboratively with those organisations and agencies accountable for the delivery of social regeneration and economic development across the areas of Caithness and North Sutherland including The Highland Council, UK and Scottish Government, Highlands and Islands Enterprise, the Chamber of Commerce and other community organisations as brought together by the Caithness & North Sutherland Regeneration Partnership or its successor.

**Forecasting**

It is vital that the contractor (DSRL) provides accurate and timely information to the organisations and agencies accountable for economic regeneration on the resource levels required to deliver the decommissioning and clean-up mission at Dounreay. This information needs to be presented in ways which the economic regeneration agencies are able to identify the types of skills which will become available from the Dounreay site over the period of decommissioning. The timely production of this information and the clear and inclusive way it is shared with local stakeholders is key to the success of socio economic activity. The PBO shall ensure that the DSRL provides such information appropriately.

**Encouraging Local Businesses**

Working in partnership with the organisations and agencies accountable for economic regeneration in Caithness and North Sutherland, the appointed PBO will take a proactive role in encouraging local business development opportunities by applying its corporate capability and leverage to assist in the

generation of new business opportunities in the area and where possible to encourage/enable other companies to become involved.

**Business Development Arising from DSRL**

Where a viable business position can be established, the appointed PBO will pro-actively encourage and support the spin-out from DSRL of parts of their existing portfolio of services, whilst ensuring sufficient capability remains available to service the needs of the DSRL.

**Office support and remote services provision**

Working in partnership with stakeholder partners, where a viable business case can be established that does not impact on the delivery of the Interim End State / Final End State, the appointed PBO will assist, encourage, support and facilitate commercial arrangements enabling the creation of general "back-office" industry in the Caithness and North Sutherland region for the NDA Estate and/or for the wider interests of the bidder. The local stakeholders ask that due consideration is given to town centre relocation of personnel where appropriate.

**Workforce transitioning**

The appointed PBO will ensure that DSRL assists the regeneration, economic development agencies and other stakeholders in the transitioning of the workforce into alternative industries. This will include ensuring that DSRL manages the retention of appropriate skills so that the DSRL mission can be carried through to the Site Interim End State / Final End State.

**DSRL Socio Economic Activities**

The appointed contractor will ensure that DSRL continues to comply with the directly funded DSRL socio-economic commitments as defined in the Socio-Economic Development Plan and the current LTP 08 rev e. Future changes as a result of competition and consultation with local stakeholders will be contractualised and fully resourced through the Site Licence Company Agreement (SLCA) in the form of an amended Socio-Economic Development Plan and included in the Contractors Performance Baseline.

Taking into account the requirements and expectations defined above, discussions during dialogue and with local partners, participants will be invited to submit their socio-economic action plan within their final tenders compliant with the NDA Socio Economic Policy, the NDA Socio Economic Caithness & North Sutherland Priority Area Plan June 2009 and appropriate law including State Aid and EU Procurement law. The response should define:

- their experience, and how it will be applied, to the development of operational relationships with the regeneration and development agencies and the local authorities



- their experience and how it will be applied, to the development of accurate and timely information to the organisations and agencies accountable for economic regeneration on the resource levels and skills required to deliver the decommissioning and clean-up mission and those resources and associated skill sets no longer required to deliver the decommissioning and clean-up mission.
- their experience in addressing new business opportunities, and how that experience will be applied in the Caithness area
- their experience and how it will be applied in enabling “spin-out” business opportunities, specifically with respect to nuclear (and associated) technologies
- their experience and how it will be applied to the transitioning of the work-force into alternative industries. This will include the retention of appropriate skills so that the DSRL mission can be carried through to the Site Interim End State / Final End State
- their experience and how it will be applied of embedding socio economic considerations into engagement and development of the DSRL supply chain
- a commitment to ensure DSRL continues to comply with the directly funded socio commitments as defined in the current LTP 08 rev e and as agreed as a result of competition in the Contractors Performance Baseline and in accordance with NDA Socio Economic Policy.

For clarity, the PBO participants’ socio-economic plan must meet the requirements set out in this paper. The delivery of these requirements will be underpinned by an ongoing contractual obligation to meet prescribed minimum performance standards including the fulfilment of socio-economic requirements.