

**DOUNREAY STAKEHOLDER GROUP  
SOCIO ECONOMIC SUB GROUP**

**DSG/SESG(2011)M005**

Minutes of the DSG Socio Economic Sub Group meeting held on Wednesday 19<sup>th</sup> January 2011 at 1330 hours in the Pentland Hotel, Thurso.

<b>Present:</b>	Derrick Milnes	Thurso & Wick Trades Council (Chair)
	Alastair MacDonald	Honorary member, DSG
	Carol Gunn	HIE
	Koreen MacDougall	Caithness Partnership
	Ronnie Johnstone	Church of Scotland
	Gordon Jenkins	North Highland College
	Trudy Morris	Caithness Chamber of Commerce
	John Green	Caithness Voluntary Group
<b>In addition:</b>	June Love	DSG Secretariat, DSRL
	Ken Nicol	DSRL Socio Economic Manager

## **MINUTES**

### **1. WELCOME AND INTRODUCTIONS**

Derrick Milnes welcomed everyone to the meeting.

### **2. APOLOGIES**

Apologies were received from:

- Sandy Mackie, Scrabster Harbour Trust
- Eann Sinclair, CNSRP
- Anna MacConnell, NDA
- David Flear, Highland Council
- Murray Lamont, North Highland Tourism
- John Hook, Rolls Royce, Vulcan

### **3. MINUTES OF LAST MEETING**

- DSDG/SESG(2010)M004 refers. The minutes were accepted as a true record. This was proposed by John Green and seconded by Alastair MacDonald.

There were no issues raised from the minutes.

### **4. PROGRESS ON ACTIONS**

Appendix 1 details progress on actions.

### **5. DOUNREAY COMMUNITY FUND**

A paper was tabled outlining the latest funding requests. Members had received a copy in advance of the meeting. Ronnie Johnstone declared an interest in one request (reference no: 102). Members endorsed the recommendations made.

Ronnie Johnstone noted that there were a number of requests for funding for which Highland Council are responsible for. He noted that that it was good that a clear policy had been agreed for such funding requests. These requests had not been recommended for funding.

#### 6. **UPDATE ON SOCIO ECONOMIC ACTIVITIES**

CNSRP progress report (DSG(2011)P036 refers) was tabled. While Eann Sinclair was not available for the meeting the following was noted:

- Public sector funding of £2.5M from the European Regional Development has now been approved to Scrabster Harbour Trust to help develop the harbour as a key component of Scotland's renewable energy infrastructure.
- HIE has commissioned a study into supply chain requirements and opportunities relating to tidal power developments.
- Invicta New Park has been awarded £3M in grant support from the European Regional Development Fund to further its plans for demonstration biomass Combined Heat and Power plants at Georgemas and Forss.
- HIE and DSRL funding has been approved to enable the start of a pilot STEM (science, technology, engineering and maths) programme in local schools in partnership with The Highland Council.

Ronnie Johnstone noted that he continued to have concerns about the number of jobs being created and felt that more information was required. He felt that the CNSRP Advisory Board should have more visibility of this type of information. It was suggested that the Secretary speak to Eann to see if this was possible.

**Action: DSG/SESG(2011)M005/A001: June Love to speak to Eann Sinclair to see if details information on job numbers can be provided on a regular basis to the CNSRP Advisory Board.**

Derrick Milnes noted that DSG(2010)C124, a note for the record on the CNSRP Advisory Board held on the 16<sup>th</sup> November was tabled for information.

There were no further updates.

#### 7. **NATIONAL NUCLEAR ARCHIVES**

Derrick Milnes noted that DSG had received correspondence related to the National Nuclear Archives and reminded members that there had been a discussion at the DSG which had been held on the 12<sup>th</sup> January. Correspondence tabled was as follows:

- DSG(2010)C123: Letter from DSG to Stuart Chalmers asking for an update on progress.
- DSG(2010)C131: Letter from Stuart Chalmers, NDA to DSG providing an update on progress (response to C123).
- DSG(2010)C135: Letter from Tony Fountain, NDA Chief Executive to John Thurso, MP re National Nuclear Archive.

Derrick Milnes noted that the National Nuclear Archives was part of the CNSRP programme and therefore it would be important to receive an update of the proposed

programme once the NDA has identified the new timescales.

It was also noted that in correspondence and verbal updates that 'an archive' had been mentioned. It was agreed that clarification should be requested to ensure that the scope of work did not change to accommodate local archives only and that when funding was made available Caithness would host the National Nuclear Archives.

**Action: DSG/SESG(2011)M005/A002: Secretary to write to Stuart Chalmers, copied to CEO, asking for assurance that, once NDA can identify funding, the project will remain as the National Nuclear Archives.**

**8. DSRL SOCIO ECONOMIC PLAN 2011/12**

Ken Nicol, DSRL Socio Economic Manager, tabled DSG(2011)P037 – DSRL Socio Economic Development Plan, Engagement paper.

Ken noted that DSRL are contracted to provide NDA with a Socio Economic Plan on a yearly basis and wanted to ensure that the resources and funding allocated, both internally and externally, were balanced appropriately. He asked members to consider the information made available to them and provide comments to allow him to develop a plan which was generally agreed.

It was suggested that information was required on the impact of funding provided. There were also questions over a small number of activities which could be identified as Corporate Social Responsibility.

Following comments from members it was agreed that Ken Nicol would feedback the findings and following NDA approval the plan would be sent to members.

**Action: DSG/SESG(2011)M005/A003: Ken Nicol to provide members with a copy of the DSRL Socio Economic Development plan was approved by NDA (after March 2011).**

**9. CORRESPONDENCE SINCE LAST MEETING**

Derrick Milnes noted the following:

- DSG(2010)C126 - note for the record on discussions with Babcock Int Group on the review of the Pensions office. This correspondence was tabled for noting.
- DSG had written to Scottish Government regarding support to Scrabster Harbour (DSG(2010)C125 refers). Derrick Milnes noted that a response had been received (DSDG(2010)C139 refers). In addition there had been a radio interview where an MSP had called for additional funding from the NDA. It was agreed that the secretary would ask Scrabster Harbour Trust for an update before agreeing whether a further response to Scottish Government is required.

**Action: DSG/SESG(2011)M005/A004: June Love to speak to Scrabster Harbour Trust with regards Scottish Government's response to DSG's letter.**

- A draft response to the NDA's business plan had been circulated to members in advance. The secretary noted that the consultation closes on 26<sup>th</sup> and therefore members needed to confirm their approval of the draft response. Members were content with the draft response.

**Action: DSG/SESG(2011)M005/A005: June Love to finalise response to NDA's business plan consultation and submit by the 26<sup>th</sup> January 2011.**

**10. ANY OTHER BUSINESS**

Derrick Milnes noted the following:

- NDA jobs - the Forss office had been reduced by four posts which was a loss to the local economy. It was agreed that the secretary would ask for progress on Randall Bargelt's replacement (Secretary's note: an advert for Head of Programme was advertised in Caithness Courier on Wednesday 19<sup>th</sup> January).
- Philip Behan, Babcock International Group, had recently become a father. It appeared that Philip would become part of the competition team and would therefore be unable to attend sub group meetings. Members asked the secretary to clarify who the PBO representative is.

**Action: DSG/SESG(2011)M005/A006: Secretary to clarify who the PBO representative for DSG sub group should be following Philip Behan's involvement in the competition process.**

No further issues were raised by members. Derrick thanked everyone for attending and closed the meeting.

**Derrick Milnes**  
**DSG Socio Economic sub group chairman**  
24<sup>th</sup> January 2011

## **APPENDIX 1 – STATUS OF ACTIONS**

### **ACTIONS ARISING FROM THIS MEETING**

DSG/SESG(2011)M005/A001: June Love to speak to Eann Sinclair to see if details information on job numbers can be provided on a regular basis to the CNSRP Advisory Board.

DSG/SESG(2011)M005/A002: Secretary to write to Stuart Chalmers, copied to CEO, asking for assurance that, once NDA can identify funding, the project will remain as the National Nuclear Archives.

DSG/SESG(2011)M005/A003: Ken Nicol to provide members with a copy of the DSRL Socio Economic Development plan was approved by NDA (after March 2011).

DSG/SESG(2011)M005/A004: June Love to speak to Scrabster Harbour Trust with regards Scottish Government's response to DSG's letter

DSG/SESG(2011)M005/A005: June Love to finalise response to NDA's business plan consultation and submit by the 26<sup>th</sup> January 2011.

DSG/SESG(2011)M005/A006: Secretary to clarify who the PBO representative for DSG sub group should be following Philip Behan's involvement in the competition process.

### **ACTIONS CONTINUING FROM PREVIOUS MEETINGS**

DSG(2010)M002/A012: Eann Sinclair to develop a model on the economic impact and how this could be monitored to be shared with DSG and CNSRP Advisory Board. *Action ongoing – this will be progressed over the next couple of months.*

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 is liaising with Sir Anthony – this may be scheduled for a sub group in April.*

DSG(2011)M004/A001:: June Love to ask Eann Sinclair to invite Brian Wilson to Caithness on behalf of CNSRP. *Action ongoing – Eann Sinclair has spoken to Martin Wenban re Brian Wilson and are looking at a possible date in March. Eann will liaise with the Chamber to develop a visit programme.*

DSG(2011)M004/A023: Bob Earnshaw, David Flear and Eann Sinclair to have an informal discussion with the editor of the Courier/Groat and a separate meeting with freelance reporter on positive news stories. *Action ongoing.*

DSG(2011)M004/A024: June Love to invite Sandy Cummings to provide presentation on off-shore renewables to main DSG. *Action ongoing.*

DSG(2011)M004/A028: Philip Behan to provide secretary with remit that Babcock have provided to Aon for review of Pensions Office. *Action ongoing.*

### **ACTIONS COMPLETED SINCE LAST MEETING**

DSG(2011)M004/A002: June Love to write to all members regarding insurance arrangements. *Action complete – see DSG(2010)C121.*

DSG(2011)M004/A003: June Love to circulate note for the record on discussion with the Pensions Administration Office representatives. *Action complete – see DSG(2010)C126.*

DSG(2011)M004/A006: June Love to progress action on Anna MacConnell regarding a written update on the national nuclear archives requesting information on forward plans and timescales. *Action complete – update provided on 12<sup>th</sup> January 2011..*

DSG(2011)M004/A007: June Love to put National Nuclear Archives on agenda for DSG meeting in December. *Action complete.*

DSG(2011)M004/A008: June Love to put NDA competition on the DSG agenda for December. *Action complete.*

DSG(2011)M004/A018: Secretary to ask DSG Socio economic sub group to consider the impact of the removal of rescue tugs from the Pentland Firth. *Action complete – discussed at meeting on 19<sup>th</sup> January. It was agreed that the group would keep an eye on developments and respond at the appropriate time.*

DSG(2011)M004/A022: 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. *Action complete – Trudy Morris has accepted invitation to become deputy chair of DSG Socio economic sub group.*

DSG(2011)M004/A025: June Love to circulate DSG(2010)C114 and the presentation from Murray Bainbridge, Scottish Enterprise which had been provided at the Scottish Sites meeting. *Action complete – information sent on 8<sup>th</sup> November.*

DSG(2011)M004/A026: Derrick Milnes to provide questions raised by Dounreay Unions to the Dounreay bidders. *Action complete – this information will be made available at the DSG business meeting.*

DSG(2011)M004/A027: Eann Sinclair to send DSG Secretary the remit of the group who will meet with the bidders on the 17<sup>th</sup> November. *Action complete – sent on the 15<sup>th</sup> November 2010.*

DSG(2011)M004/A029: : All members to provide comments on DSG(2010)C109 (NRIP submission) to the secretary by Friday 5<sup>th</sup> November at the latest. *Action complete – final draft sent out on 7<sup>th</sup> November 2010.*

DSG(2011)M004/A030: Cllr David Flear to keep DSG Socio Economic sub group updated on progress of the feasibility study for the Berriedale Braes. *Action complete – feasibility study will be carried out by March 2011.*

DSG(2011)M004/A031: : 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. *Action complete – email sent to David Flear outlining DSRL's commitment of funding which is time sensitive and needs to be committed before end March 2011.*

DSG(2011)M004/A032: Stuart Chalmers to confirm date of meeting between competition participants and stakeholders. *Action complete:* We are in the process of setting a date for a follow up meeting to those which occurred between participants and stakeholders on the 17th of November. I understand that Anna was trying to identify a date which would allow John Thurso to participate also and I believe that February 24th had been tentatively suggested but I don't believe that this has been confirmed yet. Anna is with us in Pelham House this week. I'll have a chat with her and see where we are and look to confirm this follow up date with DSG as soon as possible.

DSG(2011)M004/A033: Stuart Chalmers to confirm the policy in one of the competition participants pulled out. *Action complete:* Dialogue has now commenced, and it is clear to the NDA that both participants are fully committed to the competition. There is no reason to believe the competition process will not complete successfully. Against that background, no firm policy decision has been made in relation to circumstances where one participant pulled out. However, it has been noted that a range of options would be open to the NDA if such circumstances did unexpectedly arise. These options would include continuing with a single participant, launching a revised competition or terminating the competition process.

DSG(2011)M004/A034: Stuart Chalmers to put question on criteria weighting to the NDA competition team for response. *Action complete:* a high weighting has been attributed to cost reflecting the importance of value for money in the determination of the competition outcome. However, this certainly does not mean that the "cheapest bid" is certain to win. The application of a threshold evaluation approach means that acceptable, robust standards have to be attained before any bid qualifies for consideration. Specifically in relation to socio-economic factors, the NDA has taken the following steps to underpin the desired outcomes:

- All socio-economic performance requirements requested by stakeholders have been incorporated in the draft contracts
- Bidders have been informed unequivocally through the ITPD and related discussions:
- that their tender responses must show how these socio-economic requirements will be met;
- that these responses will be evaluated; and
- that a threshold approach applies - meaning that a failure to meet the specified requirements would render the bid unacceptable irrespective of any other factor (including cost)

The effect of the foregoing is that the importance of socio-economic requirements has been fully recognised in the evaluation model. The NDA has applied a high weighting to cost but, irrespective of that, no bid can be accepted which fails to meet the full range of socio-economic requirements identified by stakeholders, and articulated by the NDA to bidders through the ITPD.