

Dounreay Socio-Economic Development Plan

2011 - 2012



Introduction

The impact of the Dounreay Decommissioning programme to the local economy has been well documented and is detailed in the NDA's Caithness and North Sutherland Socio-Economic Priority Area Plan and the Caithness and North Sutherland Regeneration Partnership (CNSRP) Priority Action Plan and Programme.



Dounreay Site Restoration Ltd (DSRL) is committed to delivering the Nuclear Decommissioning Authority's (NDA) mission of "a world-class programme of safe, cost effective, accelerated and environmentally responsible decommissioning of the UK civil nuclear legacy in an open and transparent manner and with due regard to the impact on communities affected by decommissioning operations."

In socio economic terms this means that the site will conduct operations in a sustainable manner and in such a way as to minimise the effect of decommissioning to the Caithness and North Sutherland economy, commensurate with the primary mission of decommissioning the site.

The Site Licence Company (DSRL) ownership is currently being competed by the NDA and therefore any activities beyond April 2012 can only be assumed to be working assumptions until the winning bidder make public their strategy.

Funding for socio economic activities

The NDA, in its socio economic policy, has set out three methods which they will deliver their socio economic support:

- Direct NDA funding
- Support through NDA operations, and
- Funding site licence companies to deliver local socio economic support.

The NDA Socio economic support addresses the priorities of creating higher value employment in decommissioning, clean-up, education and skills, economic and social infrastructure, and economic diversification into other industries and sectors.

Partnership working

During 2010/11, in line with the NDA Socio Economic policy requirements, DSRL has worked with its Parent Body Organisation (PBO – Babcock International Group) and the NDA to develop a partnering relationship to maximise best use of resources.

In parallel, these organisations also work closely with the Caithness and North Sutherland Regeneration Partnership to ensure that activities relating to site decommissioning and potential socio economic activities align with the CNSRP Programme and Action Plan.



The activities undertaken during this financial year are as follows:

	Internal		External	
	People	Funding	People	Funding
Education & Upskilling				
Support to National Skills Academy, Nuclear	✓		✓	✓
Support to Engineering Skills Centre (North Highland College)			✓	
STEM project				✓
STEM ambassadors	✓	✓	✓	
Apprentice rotation				✓
Science festival support				✓
Apprentice training co-location with NHC	✓		✓	
Workforce Transition				
Make the Right connections – skills transition	✓		✓	✓
Windmills programme	✓	✓		
Support to DSRL individuals with transition plans	✓	✓		
Potential secondment opportunities			✓	
Supply chain development project			✓	✓
DSRL spin out projects and external advice.	✓	✓		✓
Marketing our skills				
Existing company growth (energy & business)	✓		✓	
Invest Caithness website developments			✓	
Caithness Chamber of Commerce	✓		✓	✓
All Energy conf/exhibition				✓
Conference attendance	✓		✓	✓
Support for CNSRP activities				
CNSRP programme manager	✓		✓	✓
CNSRP communications support	✓		✓	✓
Feasibility study of berriedale braes – enabling project				✓
Support to Scrabster Harbour			✓	
Support to Wick Harbour			✓	
Support to Caithness Horizons				✓
Support to economic diversification				
Investigating Inward investment opportunities	✓		✓	✓

Specifically during 2010, DSRL with the PBO, in partnership with the NDA, has:

- Developed a partnering charter between NDA/PBO/DSRL
- Developed a governance structure to ensure a consistent approach to all socio economic activities undertaken by the three partners.
- Continued to develop the strategy for socio economics, taking on board changes in the lifetime plan and staffing profiles.
- Continued to develop its approach on a workforce transition programme, following revisions to the lifetime plan.
- Streamlined the process for socio economic funding, in line with NDA's policy, for funding requests for socio economic activities.
- Investigated innovative ways of including socio economic criteria into site contracts.
- Identified existing site activities which could have the potential to develop into commercial opportunities, including but not exhaustive to, the non-nuclear analytical laboratory services, training department,, support to nuclear new build fast reactor technology services along with some back-office support services.

Externally during 2010/11, DSRL continued to:

- Support the activities of the CNSRP programme by provision of funding or resources, most notably assisting with the development of a CNSRP Programme of activities to deliver the CNSRP Vision.
- Develop a programme of activities that DSRL will deliver, in line with the CNSRP programme.
- Continued to engage with external stakeholders on identifying new opportunities and marketing the workforce skills.

DSRL delivered the following activities during 2010/11:

CNSRP high priority actions

During this financial year part funding of the CNSRP Programme Manager continued. As part of the CNSRP Delivery Group, DSRL worked to support the programme of activities including

- a workforce transition project (Make the Right Connections) ensuring that DSRL's workforce transition programme integrated with the project.
- identified potential commercial opportunities for inward investment activities.
- contracted an entrepreneurial consultant to provide independent advice.



CNSRP enabling projects

A number of projects were part funded which supported the socio economic regeneration of the area and agreed by the CNSRP. These projects included a 2 year STEM project to ensure that these subjects are integral to the school curriculum, encouraging pupils to become involved in science, technology, engineering and mathematics.

In addition, DSRL also part funded:

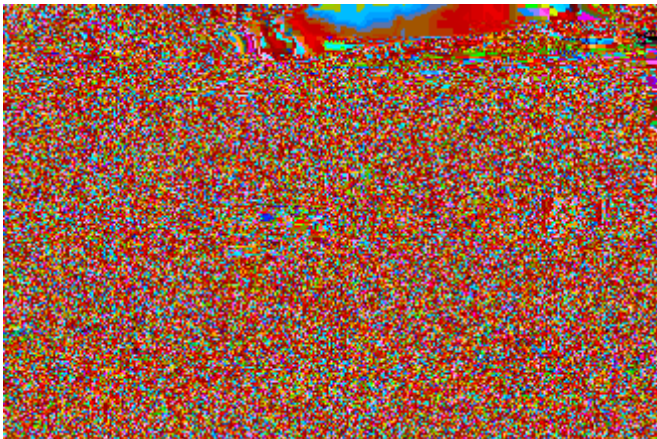
- a supply chain development programme to help diversify the local supply chain into new opportunities outwith the Dounreay site decommissioning programme.
- a feasibility study into the options to improve transportation on the Berriedale Braes.
- a socio economic impact study to update a study undertaken in 2006.

DSRL continued to provide funding to Caithness Horizons, as part of a long term commitment.



Dounreay Communities Fund

Administrative support to the Dounreay Communities Fund continued during the year. The fund is provided by the NDA and is supplemented by Babcock International Group through a workforce safety dividend at Dounreay for every month the site records without a lost-time accident. The fund is administered by DSRL in association with the Dounreay Stakeholder Group.



Caithness and North Sutherland Fund

Administrative support to the Caithness and North Sutherland Fund continued throughout the year. The £4 million funding package was provided by the NDA as part of the development of the new low level waste facilities at Dounreay over the next ten years. It will be a key vehicle for taking projects forward and must be administered in line with the NDA's socio economic policy and the Caithness & North Sutherland Regeneration Partnership's wider regeneration agenda.

The NDA and DSRL have supported the enabling activities of the Fund and provided legal support to draw up the Memorandum and Agreement, terms of reference and an operating agreement. In addition, the NDA, DSRL and the DSG interviewed and appointed the fund's directors and continued to provide support in identifying the work required to launch the fund in summer 2011.

Education and Upskilling

Support to the National Skills Academy, Nuclear continued by seconding a member of staff.

STEM ambassadors for local educational events continued to be supported as well as funding provided to assist with the rotation of apprentices within the Dounreay to Travel work area.



DSRL continued its involvement in the North Highland College's Engineering Skills Centre by attending employee user forums and began dialogue exploring the co-location of DSRL's apprentice training into the new Skills Centre.

Marketing the Skills Base

Discussions with various external companies were held to ensure that the skills base of the Dounreay workforce, as well as the local supply chain, were marketed and provided people resource to support the Caithness Chamber of Commerce's "InvestCaithness" website as well as supporting the provision of marketing material in the skills and capabilities of the area which were available for a number of conferences attended by members of the partnership.



Review of Socio Economic funding 2010/11

Figure 1 below shows the breakdown in percentages as to where DSRL's efforts/funding were directed during financial year 2010/11.

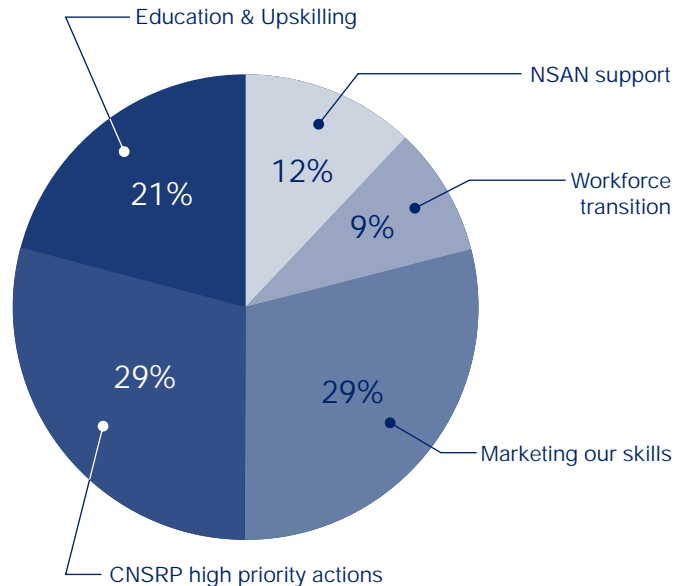


Figure 1: Resource/funding breakdown for 2010/11

Dounreay Socio Economic activity during 2011/12

Looking forward, DSRL now aims to embed its new governance arrangements to support the CNSRP programme while continuously exploring new and innovative ways for NDA/PBO/DSRL to utilise their unique capacities for contributing to the CNSRP programme.

Stakeholder Engagement

The Dounreay Stakeholder Group (DSG) takes an active interest in the socio economic activities of the CNSRP and in particular those activities delivered by the NDA, PBO and DSRL.



DSRL presented a discussion paper on DSRL's socio economic activities for 2011/12 to the DSG Socio Economic sub group and a representative for the Dounreay Unions. There was a wide-ranging discussion on DSRL's planned activities leading to a broad agreement of the approach that DSRL has developed.

Therefore the categories of socio-economic activities carried out by DSRL will remain as:

- Education & upskilling
- Workforce transition
- Marketing our skills
- Support to CNSRP activities
- Support to economic diversification

The CNSRP, the DSG Socio-Economic sub group and Union representatives will be updated on progress on a regular basis throughout the year on the DSRL Socio-Economic activities.

Managing Socio Economic Activities

The PBO, supported by DSRL and in partnership with the NDA, has established a Dounreay Socio Economic Board, chaired by a senior representative of the PBO with representatives from NDA and DSRL. It will strategically advise on the direction of socio economic activities and senior representatives will ensure the company's socio economic Governance arrangements are adhered to and support the Caithness & North Sutherland Regeneration Partnership.

Programme Development

The CNSRP has produced a programme of all activities identified to support the economic diversification of the Caithness and North Sutherland area. This outlines the high priority actions and reflects the requirements for economic development agreed with the CNSRP Executive Board. The programme contains a schedule of forward projects, and includes details of how NDA/PBO/DSRL supports these activities, in terms of delivery or as a source of grant funding. Where funding is required DSRL, in conjunction with the PBO and NDA, will consider requests collectively to ensure how best to assign their resources to maximise the benefits of collaborative working.

Direct Support for Socio-Economics Activities

DSRL has limited funds to support socio-economic projects. Applications for funding will be considered in the context of the NDA Key themes and the CNSRP High Priority Areas. Consultation with the NDA and CNSRP Delivery Group level will ensure that any activity supported are aligned to the CNSRP programme.

Where applications for funding or resources are approved, this will be subject to key deliverables or outcomes. These will be included in the CNSRP programme for monitoring purposes.

Programme

DSRL, with support from the PBO and NDA, has developed a programme of activities to deliver its contribution to the overall CNSRP Programme. The high level programme, showing deliverables during 2011/12 is shown at Appendix 1. The programme will be updated on a quarterly basis and submitted to the CNSRP.

The key objectives for 2011/12 are:

- Complete the DSRL Workforce Transition Strategy
- Support The Training Department in their future Accommodation strategy
- Support the Commercial Department to include Community Benefit Clauses within the procurement process
- Complete the preliminary feasibility work for a potential commercial opportunity
- Support the offsite relocation of the Apprentice Training Department
- Continue to understand future skills needs.
- Investigate Lifetime plan opportunities which could bring Socio-Economic benefit to the area
- Complete support to the North Highland College Engineering Skills Centre Project.
- Support the CNSRP on high priority projects as appropriate
- Administration support will continue to the Dounreay Communities Fund as per 2010/11.
- The Caithness & North Sutherland Fund is a key priority for NDA and DSRL. Support will continue to assist in setting up the systems and processes to enable the successful establishment of the Fund. Once fully established NDA and DSRL will have a governance role for the duration of the Fund.

The programme reflects the overriding requirement to support the CNSRP programme whilst maintaining DSRL's overall objective to "prepare and support the workforce to transition into sustainable alternative employment while completing the delivery of the site decommissioning programme."



Socio Economic funding 2011/12

The DSRL Socio-Economic Budget for 2011/12 is £596K which includes staff costs but does not include the community relations activities. Additionally, the Human Resource Department has allocated £100k to support the Chamber of Commerce "Make the Right Connections" Programme for a period of 3 years.

The allocation of the budget for each of the key activities is given in figure 2.

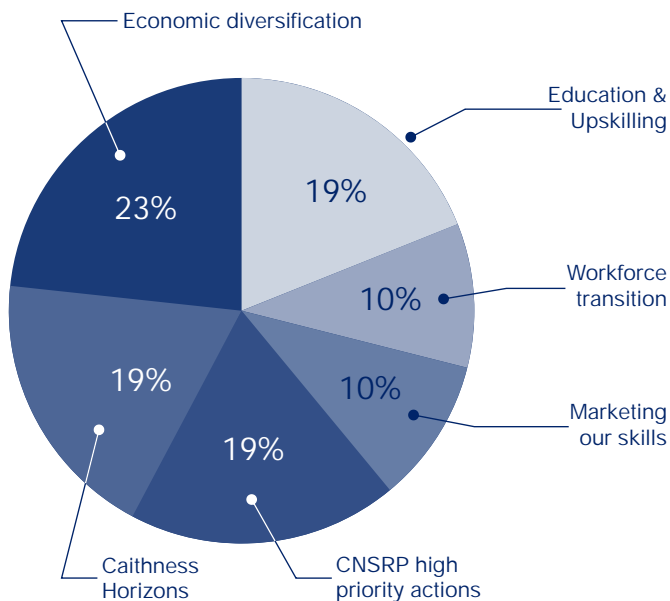


Figure 2: breakdown of funding resource for socio economic activity.

Within this it should be noted that a number of financial commitments have been made to projects: These including:

- Part funding of the CNSRP Programme Manager from 2011 to 2014
- Part funding of an HIE STEM Project (2011 only)
- Support to Caithness Horizons (funding up to 2018)
- Part funding of a Chamber of Commerce Work Force Transition Project (Make the Right Connections)

Accountabilities

Within DSRL the following individuals are accountable

- The DSRL Human Resource Manager is accountable for the socio economic performance of the site, including both delivery and financial activities.
- The DSRL Socio Economic Team is accountable for the overall delivery of the DSRL socio economic programme.

- The DSRL Project Managers are accountable for delivering their agreed elements of the DSRL Programme of socio economic activities.

Performance management

Monitoring of delivery and expenditure against an agreed DSRL programme will be discussed at the Dounreay Socio Economic Board level to report on the identified delivery of agreed project outcomes and outputs against project targets.

A socio economic programme "information room", similar to that utilised to monitor and drive delivery performance on the Dounreay site will be available for the public to view in the DSRL Public Information Office. This will allow those involved and key stakeholders to view all activities of delivery from the strategy through to actions being taken "on the ground".

References

1. NDA Socio Economic Policy
2. NDA Caithness & North Sutherland Priority Area Action Plan
3. NDA Socio Economic commitment paper
4. CNSRP Programme
5. CNSRP Action Plan

Websites

www.nda.gov.uk
www.dounreay.com
www.babcock.co.uk
www.investcaithness.org



DSRL Socio Economic Activities 2011/2014: Support to Economic Diversification

Task Name	2011										2012												2013												2014	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan		
Support to Economic Diversification																																				
Funding Support																																				
Caithness Horizons																																				
Berridale Feasibility Study																																				
Supply Chain Diversification																																				
Make the Right Connections Project																																				
Support to Be Identified (2011/12)																																				
Support to be Identified (2012/13)																																				
Support to Be Identified (2013/14)																																				
Opportunity: Technical & Commercial Feasibility Work																																				

DSRL Socio Economic Activities 2011/2014: Support to CNSRP Activities

Task Name	2011										2012												2013												2014	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan		
Support to CNSRP Activities																																				
Delivery Group Activities																																				
2011/12 Activities																																				
2012/13 Activities																																				
2013/14 Activities																																				
Funding Support																																				
CNSRP Programme Manager																																				
Communication Support (2011/2012)																																				
Communication Support (2012/13)																																				
Communication Support (2013/14)																																				
Economic Impact Study Update																																				

DSRL Socio Economic Activities 2011/2014: General

Task Name	2011												2012												2013												2014	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan				
Identification of Socio-Economic Benefits from Site Activities	▶																																					
Review of Site Programme	▶																																					
2011/12 Q1 Review	■																																					
2011/12 Q2 Review					■																																	
2011/12 Q3 Review									■																													
2011/12 Q4 Review													■																									
2012/13 Reviews													■																									
2013/14 Reviews																									■													
Facility Business Case	■																																					
DSRL Socio Economic Plans									▶																													
Prepare 2012/13 Plan									■																													
Prepare 2013/14 Plan																			■																			
Prepare 2014/15 Plan																																			■			
DSG Socio Economic Updates	▶																																					
April 2011 Meeting																																						
July 2011 Meeting																																						
November 2011 Meeting																																						
January 2012 Meeting																																						
2012/13 Updates													■																									
2013/14 Updates																									■													
Incumbent PBO	▶																																					
Identify Reach Back Opportunities	■																																					