

DOUNREAY STAKEHOLDER GROUP

Minutes of the meeting held on Wednesday 14th June 2011 in the Pentland Hotel, Thurso.

Present:	Bob Earnshaw	DSG Chairman (Thurso Community Council)
	Alastair MacDonald	DSG Honorary member
	Anne Chard	Caithness West Community Council
	Nicola Dreaves	Caithness Chamber of Commerce
	Alan Scott	Caithness Contractors Consortium
	Pauline Crow	Highland Health Board
	John Deighan	Dounreay Unions
	John Crowden	Thurso & Wick Trade Union Council
	Roy Kirk	Highlands and Islands Enterprise
	Deirdre Henderson	Buldoo Residents Group
	Koreen MacDougall	Caithness Partnership
	John Green	Caithness Voluntary Group
	Stephen Heddle	Orkney Islands Council
	George Farlow	Highland Council

In addition:	Simon Middlemas	MD, DSRL
	Stuart Chalmers	NDA
	David Mudie	Highland Council, Planning
	Martin MacDonald	Scottish Government, Radwaste team
	Alex Anderson	Head of Fuels, DSRL
	Peter Dickenson	ONR (DSRL)
	Roger Wilson	SEPA (DSRL and Vulcan)
	Michael Moreland	MOD, Vulcan
	June Love	DSG Secretariat, DSRL

MINUTES

1. WELCOME AND INTRODUCTIONS

Bob Earnshaw, DSG Chairman, welcomed everyone to the meeting. He also welcomed Martin MacDonald, Scottish Government Radwaste team and Alex Anderson, DSRL to the meeting.

2. APOLOGIES

Apologies were received from:

Stuart Currie	DNSR (Vulcan)
Stephen Saunders	NII inspector for Vulcan
David Flear	Highland Council
Derrick Milnes	Wick and Thurso Trade Union Council
Trudy Morris	Caithness Chamber of Commerce
Gordon Jenkins	North Highland College
Rick Nickerson	Shetland Islands Council
John Hook	Rolls Royce

Ronnie Johnstone	Church of Scotland
Eann Sinclair	CNSRP Programme Manager
Sandy Mackie	Scrabster Harbour Trust
Brian Mutch	SGRIPD

3. MINUTES OF LAST MEETING

The minutes of the last meeting had been circulated to members in advance of the meeting – DSG(2011)M005 refers. Bob Earnshaw asked if there were any amendments to the minutes. As there were no amendments the minutes were taken as a true reflection of the meeting and this was proposed by John Deighan and seconded by Anne Chard.

There were no issues raised by members from the minutes.

4. PROGRESS ON ACTIONS

Progress of the actions had been circulated to members in advance. Bob Earnshaw noted that he did not propose to go through the actions and invited members to raise any issues if appropriate. No issues were raised. See appendix 1 for an update on actions.

5. VULCAN UPDATE

Bob Earnshaw reported that a written brief had been provided by Vulcan. The brief reported that:

- The Shore Test Facility was operating and conducting trials in accordance with its trials programme.
- The Annual Nuclear Emergency Exercise – Lonestar 2011 will take place on 22 June 2011 and will be assessed by DNSR and ONR (formerly HSE/NII).
- Future programme is focused on completing the required trials on the current reactor core, thereafter remains under consideration within the MOD.

Michael Moreland noted that the update from Vulcan was brief. He stated there was one aim at Vulcan to undertake the trials on the reactor core and this was going to plan. A planned shutdown would take place from July to December for maintenance.

John Deighan asked whether there was any potential for research work for the next generation submarines (PWR3) coming to Vulcan. Michael Moreland responded that although PWR3 has been selected as the next generation submarine propulsion plant, it is still under development and the need to prototype remains under consideration by the MoD. Michael noted there had been a question raised in parliament relating to this. The future of Vulcan and the timescale associated with it remains under consideration.

Bob Earnshaw noted that a comment had been received from Shetland Islands Council who could not attend the meeting to relay his disappointment in the sparse information provided to DSG with regards to Vulcan. Commander Moreland noted the comment.

Commander Moreland also took the opportunity to introduce Lt Commander Rory Stewart who will take over from Lt Commander Mark Cleminson who is due to leave

Vulcan in August. Michael asked that his thanks to Mark Cleminson for his contribution to DSG and support to Vulcan was recorded.

[Secretary's note: at this point Commander Michael Moreland left the meeting.]

6. **BUSINESS MEETING UPDATE**

Bob Earnshaw provided an update. The business meeting had been held on the 2nd June. Members were provided with a copy of the draft minutes in advance of the meeting – DSG/BM(2011)M004 refers. Of note:

- The attendance of representatives was reviewed and a number of actions have been identified.

Bob Earnshaw took the opportunity to remind members that it is incumbent on them to ensure that information is taken back to their respective organisations and, where appropriate, views collated to take back to this meeting or the appropriate sub group to take forward in the way the group deems appropriate. It was also important that members ensured they have a nominated deputy who can attend meetings in times of absence.

- Minutes of a Sellafield site stakeholder group had been reviewed and the business meeting members were currently considering whether there was anything that DSG should consider implementing.
- The finance report for last year had now been audited by DSRL and no issues were raised. The final report has been published on the DSG website – DSG(2011)C147 refers.
- Anne Chard had recently attended a stakeholder conference in Stockholm. A work package had been agreed in advance and Anne had provided a full report on the information gathered – DSG(2011)C200 refers. The report provided a number of recommendations and a small working group will be set up to review the recommendations and come forward with a plan to take forward agreed recommendations. The draft plan will be circulated to all DSG members for their input before the review is finalised.

Pauline Crow noted that the subject of videoconferencing had been raised in the business meeting minutes. She said that if videoconferencing was being considered the health service operate such a system and may be able to provide this service if required. Bob Earnshaw responded that the business meeting had discussed this but had felt that there were disadvantages in conducting business by videoconference.

No further issues were raised.

For completeness the actions arising from the business meeting are recorded here:

DSG(2011)M006/A001: Secretary to update progress on actions and circulate to all DSG members.

DSG(2011)M006/A002: Secretary to invite low level waste project manager to site restoration sub group meeting (20th July) to provide an update of the project.

DSG(2011)M006/A003: DSG Chairman and Secretary to meet to discuss membership issues and come forward with a proposal.

DSG(2011)M006/A004: Bob Earnshaw to write to Rick Nickerson regarding use of videoconferencing facilities for sub group meetings.

DSG(2011)M006/A005: Secretary to issue DSG agenda and appropriate paperwork to DSG members for the 15th June meeting.

DSG(2011)M006/A006: Business meeting members to consider West Cumbria site stakeholder group minutes with a view to identifying areas where DSG may consider for future use.

DSG(2011)M006/A007: Secretary to write to all DSG members to ask for volunteers to sit on a working group to consider the report and recommendations from the FSC workshop.

7. SITE RESTORATION UPDATE

Councillor George Farlow reported. The site restorations sub group meeting had met on the 20th April and the minutes circulated to all members in advance – DSG/SRSG(2011)M004 refers. Of note:

- DSRL's commercial manager, Joe Kane had provided the sub group with information on the NDA's collaborative procurement project and also updated the group on taking forward criteria in contracts which would provide community benefit – not in monetary terms but in benefit to the local supply chain, training and the like. DSRL work under the governance of the European rules but members were pleased to hear they are looking at ways of benefiting the local area within the limits of the OJEU (Official Journal of European Union) legislation.
- A full report from DSRL had been provided which members had found very helpful. Simon Middlemas was thanked for his patience in making changes to the report to satisfy DSG members.
- As part of the DSRL report an update on the work to clean-up the offshore particles had been provided. Members had received an invitation to visit the barge before it was deployed off Dounreay but unfortunately no-one was available to accept the invitation in the timescales provided.
- A number of issues relating to the low level waste disposal facility had been discussed and DSRL's project manager would be invited to attend the next sub group meeting to provide an update on progress.
- Unfortunately due to other commitments the NDA did not have a representative at the sub group meeting but provided a written brief. NDA had reported they were content with the performance of the site. It was also noted that a replacement for

Randall Bargelt has now been announced.

- SEPA had provided a written update – DSG(2011)P043 refers. In addition Paul Dale provided information on the comparison of levels of Caesium in Caithness & North Sutherland against other areas.
- The NII had recently been re-organised and had changed its name to the Office of Nuclear Regulation. The quarterly report had been delayed due to the re-organisation taking place. Peter Dickenson took time to explain the structure of the organisation and did not raise any specific areas of concern regarding the site.
- The sub group also noted that the COMARE report had been published and this will be discussed at the next sub group meeting, comparing it with the KIKK report.

George Farlow then invited observers to provide a verbal update. Of note:

DSRL – Simon Middlemas reported:

- Delivery of the site decommissioning programme continued to progress well.
- The particles off-shore clean up project was going well. The systems in place were operating well and were providing a high coverage and good recovery rate.
- Performance of site projects had been good during the last financial year and credit should be paid to DSRL staff and the supply chain.
- Safety, health, environment and quality were all going well. The site has just achieved 369 days without a lost time accident.
- A counter terrorist exercise would be undertaken next month.
- The competition for the site would end on 31st March with the new parent body organisation taking over on 1st April. Key to this is ensuring that site staff and supply chain are focussed on safety and delivery while the new management team transition in to their new roles.
- DSRL were responding to questions raised by ONR and the NDA in relation to the recent Japanese tsunami. An interim report had been published by Mike Weightman, executive head of the Office for Nuclear Regulation,
- Staffing levels remained steady with 870 DSRL staff and approximately the same number of supply chain personnel.

NDA – Stuart Chalmers reported:

- Nigel Lowe would be joining the NDA as the Head of Programme. Nigel comes to the NDA from AWE Aldermaston and had started his nuclear career with UKAEA. Between working for UKAEA and AWE Nigel had moved into other non-nuclear industries and brings with him 20 years experience of managing highly regulated

industries. It is expected to be a few months before he takes up his new post.

- In terms of competition, the dialogue phase was extended slightly and is now just about complete. The two participants will have a one day visit in July before submitting final tenders in August. The NDA would then take approximately 3 months to review the tenders and the preferred bidder would be announced at the end of November. Transition of the new management team would then take place with a view to taking over from the 1st April 2012.

ONR – Peter Dickenson reported:

- The quarterly report (January to March 2011) had now been circulated. *[Secretary's note – this report will be tabled at next sub group meeting in July 2011.]*
- The HSE's Nuclear Directorate is now the Office for Nuclear Regulation (ONR), an agency of HSE. ONR regulates safeguards, security and safety on nuclear licensed sites. Regulation of nuclear transport will also be the responsibility of ONR from mid July 2011.
- Nick Baldwin had been appointed as interim Chair for ONR and was now in post.

George Farlow asked if there was information on the Japanese event. Peter Dickenson responded that the ONR website provided information from their Chief Inspector who went out to Japan and more information will be made available as appropriate. The secretary agreed to send members the link the website.

Action: DSG(2011)M006/A008: Secretary to send out website link to HSE/ONR website and in particular information on the Japanese event.

SEPA – Roger Wilson had no further update. He asked whether the low level waste project manager who had been invited to the next sub group meeting was DSRL's project manager as SEPA also had a project manager for low level waste. The secretary confirmed that it was DSRL's project manager that would be invited to provide an update.

Scottish Government – Martin MacDonald reported:

- Elizabeth Gray had now retired and Stuart Hudson, seconded from SEPA, had been appointed the new Radioactive Waste Team leader. Stuart is now reviewing the team's role and key work activities.
- Following the recent Scottish elections, Richard Lochhead was re-elected and continues to be the Cabinet Secretary for Rural Affairs and Environment.
- The Scottish Government detailed policy on higher activity waste policy had now been published. Claire Dodd is the lead official in the Radioactive Waste Team on this issue and she is now working with colleagues and stakeholders developing a strategy to implement the policy.

- The waste substitution consultation was now closed. An analysis of responses will be published on the Scottish Government's website soon.

Martin thanked DSG for inviting him to observe the meeting and noted that he had found it very useful listening to the issues being raised.

George Farlow invited members to raise any issues or questions relating to the sub group report or verbal updates.

- Stephen Heddle noted that he had a comment on the site restoration sub group minutes. The secretary noted that the sub group minutes would be tabled for comment and/or approval at the next sub group meeting and therefore it was agreed that comment on the minutes would be held over until the sub group meeting.
- John Deighan asked whether progress had been made on the questions raised at the last meeting regarding Graham Construction, the Irish company who had won the contract for the construction of the low level waste facility. Nicola Dreaves, Chamber of Commerce, responded that the Chamber had organised one to one meetings with Grahams and the local supply chain. These had been held and the Chamber was currently awaiting feedback from local businesses.

No further issues were raised.

For completeness the actions arising from the site restoration sub group meeting are recorded here:

DSG (2011)M006/A009: June Love to circulate Shetland Island Council's response to the Scottish Government's Waste substitution consultation to members of the SRSG. *Action complete – DSG(2011)C190.*

DSG (2011)M006/A010: Steven Heddle to provide Secretary with copy of Orkney Islands Council's response to Scottish Government's Waste substitution consultation.

DSG (2011)M006/A011: Secretary to put COMARE and KIKK report on agenda for next site restoration sub group meeting.

DSG (2011)M006/A012: Joe Kane to provide information on the collaborative procurement projects to the Secretary. *Action complete – DSG(2011)C191.*

DSG (2011)M006/A013: All members to consider whether information in DSRL report is adequate or further information is required. *Action complete – no further comments received but see M004/A006.*

DSG (2011)M006/A013: Simon Middlemas to consider providing more breakdown on projects in the next DSG report.

DSG (2011)M006/A014: Secretary to send link to DSG members of PRAG(D) report when published on 26th April 2011. *Action complete.*

DSG (2011)M006/A015: Secretary to contact NDA to ask for breakdown of £1bn income in relation to revenue and sale of assets. *Action complete – see table below:*

2011/2012 Breakdown of Income by Category

Income source	2011/2012 Plan (£m)
Reprocessing and Fuel Manufacturing	348
Electricity Generation	141
Springfields	1
NDA – INS transport	60
Asset Sales	157
MOX contracts	78
Other	82
Total	867

DSG (2011)M006/A016: Secretary to put issue of credible options for plutonium management to Socio Economic sub group meeting to consider how it could potentially impact on funding for the Dounreay site.

DSG (2011)M006/A017: Secretary to get timeline for the low level waste project and discuss with Chairman a way forward to update the group. *Action complete – this will be put on agenda for the next Site Restoration sub group meeting (July 2011).*

DSG (2011)M006/A018: Secretary to follow up clarification with Scottish Government on update note provided in March (Correspondence 162 refers) - *Action complete – DSG(2011)C199.*

DSG (2011)M006/A019: DSG Site Restoration sub group members to consider the DECC consultation on the management of plutonium (DSG(2011)C154) with a view to agreeing if a response should be submitted. *Action complete.*

DSG (2011)M006/A020: Secretary to put the use of videoconferencing facilities on the DSG business meeting for discussion. *Action complete.*

8. SOCIO ECONOMIC SUB GROUP UPDATE

Bob Earnshaw noted that Derrick Milnes was unable to attend the meeting tonight. Therefore, Bob provided the update from the socio economic sub group meeting.

Members had received a copy of the draft minutes in advance of the meeting – DSG/SESG(2011)M006 refers. Of note:

- The DSG Socio Economic sub group meeting had received an update on the Pensions Office from Richard Stoneham on the 20th April. The sub group was pleased to hear about the review being undertaken by Babcock with a view to looking at expanding their business base. The group also heard that the Pensions Office will relocate to Forss.

Richard had continued to keep DSG updated and emailed through an update on the 31st May. The Pensions Office had now moved to Forss and the 31st was the first day in their new premises. Richard will continue to update DSG as the review progresses. *[Secretary's note: The Pensions Administration Office had issued a press release (circulated to DSG members) announcing the extension of two existing contracts.]*

- DSRL's socio economic plan had now been approved by the NDA and will be circulated to members for the next sub group meeting.
- A presentation on the national nuclear archives had been provided by DSRL's project manager. The project itself is now awaiting a review of the record management which will take about a year to complete. However, Bob Earnshaw and David Flear had met with Mark Lesinski, NDA's Delivery Executive Director and had taken the opportunity to put the case forward that a period of delays would give a detrimental perception to the public and had suggested that the consultation and outline planning could be carried out in parallel with the review of record management.
- The CNSRP progress report was also tabled and discussed – DSG(2011)P041 refers.
- DSG had written to the Crown Estates following the resignation of their Wave and Tidal Manager who is currently based in Caithness. The letter was to emphasise the importance of retaining this post in Caithness. A response is currently awaited.
- DSG members were pleased to hear that the NDA, Babcock and DSRL have signed a partnering charter to ensure that the best use of resources are provided for socio economic activities in support of the CNSRP. Bob Earnshaw stated that this was a good step forward and DSG would expect to see, following competition, the new parent body organisation taking an active involvement too.
- DSG had written responses to the Pelamis scoping study and on the consultation of APD tax aviation reform. A letter regarding the Air Discount Scheme and the use of this for business travel will be drafted shortly.
- The Chamber launched its Make the Right Connections programme on 31st May – DSG wished to place on record that the Chamber had done a tremendous job in securing the funding for this project.

Bob Earnshaw invited the following to provide a verbal update:

DSRL – Simon Mldlemas reported:

- That the partnering charter for socio economics signed by NDA, Babcock and DSRL was a positive step forward and explained that this was about how the three organisations would work together to make best use of resources.
- The Engineering Skills Centre was progressing well and was a really impressive facility. With the Skills Centre, T3uk, Training at Naver and vehicle training the area

was well serviced in education facilities which could only be good for the future.

- DSRL had also written to the Crown Estates regarding a replacement for the Wave and Tidal project manager.
- The Crown Estates had recently published its build out story which highlighted the opportunities. He felt that the Crown Estates should be congratulated on providing this informative document.

NDA- Stuart Chalmers reported:

- The NDA had agreed to commence with pre-consultation and outline planning for the national nuclear archives while the record management review was ongoing. At present he was awaiting the scope of work from DSRL's project manager but his best guess was that consultation would take place in August time with outline planning at the end of the calendar year. He emphasised, however, this would not pre-judge the outcome of the record management review.
- The Caithness and North Sutherland Fund (the community fund associated with the low level waste facility) was progressing well. The articles and memorandum had been lodged with Company House and Marie Mackay, DSRL's Community Relations Co-ordinator had provided good support in taking this forward. The fund would be up and running about September 2011. Given the fact that this was public money there would be a governance role for NDA and DSRL and therefore an operating agreement had been drawn up between NDA, DSRL and the Board of Directors.

HIE- Roy Kirk reported:

- £6M had been invested in John O'Groats and the project to redevelop the area was moving forward. A number of art works were coming forward and there had been some helpful contributions from the local community. Other projects related to John O'Groats would also come forward shortly.
- In parallel to Simon Middlemas' comments regarding the Engineering Skills Centre there was also the Centre of Energy and Environment with some research work being undertaken for international companies.
- HIE was working with the Chamber of Commerce to assist the supply chain to secure contracts from the oil and gas industry. Representatives would be attending the Offshore Europe exhibition in Aberdeen and also follow up leads for local companies.
- Work continues with local companies to look at growth opportunities.
- A number of marketing documents had been published. *[Secretary's note – all three marketing documents were distributed to DSG members for information.]*
- Simon Coles, Babcock International Group, had been seconded part-time to HIE to assist with inward investment. This secondment was a good example of partnership

working.

Chamber of Commerce – Nicola Dreaves reported:

- The Chamber had attended the All Energy conference and exhibition in Aberdeen in May and had exhibited the InvestCaithness website as well as a capability leaflet of local companies along with other marketing material. The material provided had been well received.
- The Make the Right Connections project had been officially launched on 31st May and two members of staff had been appointed. Marcus Mennie was the project co-ordinator with Christine Miller appointed to the administration post.

Simon Middlemas noted that following the launch he had been approached by a company who was keen to diversify and as a result would be looking at ways of up-skilling workers through this programme.

Thurso and Wick Trade Union Council- John Deighan reported:

- Representatives had attended the Highland and Islands Conference of Trade Unions held in Inverness on 11th June. The panel of MSPs included Mary Scanlon (Conservatives), David Stewart (Labour) and John Finnie (SNP). There was no representative from the Liberal Democrats.

The Union representatives highlighted the new initiatives in Caithness and North Sutherland including the Engineering Skills Centre and recent investment to redevelop Scrabster Harbour. However the collapse of Haldanes in Wick and a Caithness building firm had resulted in the loss of 20 jobs.

- The Wick wants work campaign continues to support the retention of the tax office jobs in Wick. The Trades Council supports this campaign and has concerns about the future employment in the county if 20 jobs cannot be saved.
- The Trades Council will continue to work with all agencies to promote the Caithness community and recently highlighted the CNSRP's vision for Caithness & North Sutherland at the STUC conference in Ayr and at the Highlands and Islands Conference in Inverness. At the same time the Council will continue to challenge the agencies where improvements can be made. It is recognised by all members that the area is stronger when working together.

The chairman then invited members around the table to raise any other issues.

Alan Scott, Caithness Contractors Consortium, noted that while there was good progress with education facilities in the area and that leads were being followed up with companies outwith the area it was important to remember the companies already based here. An example of this was Doosan Babcock who provided energy services throughout the UK and internationally and had had a presence in Caithness since DFR was being built. While Doosan Babcock remained committed to supporting the decommissioning at Dounreay, due to the downturn in work from the site they had taken the decision to temporarily down-man the office whilst reviewing their position and

potential future opportunities at Dounreay whilst the PBO competition runs its' course. This has, unfortunately, resulted in the redundancy of the remaining administrative staff.

.Alan suggested that HIE should be speaking to this company to understand their issues and potentially learn lessons for the future. Roy Kirk agreed to take an action to do this.

Action: DSG(2011)M006/A021: Roy Kirk to speak to Doosan Babcock to understand the reasons for not remaining in the county and to learn lessons for the future.

John Crowden noted that he had raised the same issue in Inverness given that there were several multi-national companies in the area it was important that HIE continued to understand their needs and potential development plans.

Alan Scott also noted that while the commitment to establishing excellent training/ educational facilities was to be commended the same commitment needed to be directed at securing jobs for those being trained, ie finding the reasons for training.

No further issues were raised relating to socio economic activities.

For completeness the actions arising from the site restoration sub group meeting are recorded here:

DSG(2011)M006/A022: DSG business meeting to agree wording for reporting progress of Pensions Office at DSG meeting in June. *Action complete – discussed and agreed at business meeting held on 2nd June 2011.*

DSG(2011)M006/A023: Bob Earnshaw to write to Mark Lesinski regarding the National Nuclear Archives. *Action complete – DSG(2011)C195.*

DSG(2011)M006/A024: Socio Ec sub group to send letter to Crown Estates emphasising importance of retaining a post in Caithness following Duncan Mackay's resignation. *Action complete – DSG(2011)C196.*

DSG(2011)M006/A025: Eann Sinclair to circulate information on Enterprise Zones to the DSG Socio Economic sub group members.

DSG(2011)M006/A026: Ken Nicol to circulate response to Pelamis Scoping Opinion to DSG Socio Economic Sub group members. *Action complete.*

DSG(2011)M006/A027: DSG to draft a positive statement on the progress of CNSRP. *Action complete.*

DSG(2011)M006/A028: Secretary to draft letter supporting business use for the air discount scheme.

DSG(2011)M006/A029: Koreen and June to draft response for Caithness Partnership and DSG to respond to consultation on the reform of air passenger duty.

DSG(2011)M006/A030: Secretary to draft letter to Babcock regarding its review of the PAO and ambitions to expand. *Action complete – DSG(2011)C194.*

9. FUEL OPTIONS PRESENTATION

Bob Earnshaw noted that over the past few months the NDA had informed DSG members that NDA would be undertaking an options review for fuels. This was now moving forward and a presentation from DSRL would be provided to update members further.

Stuart Chalmers noted that the NDA's objective was to ensure that all exotic fuels are managed in a safe and secure way for the lifetime of the fuel.

The NDA manages a small inventory of approx 500 tonnes of non-standard fuels (known as exotics) and while smaller in quantity than the bulk fuels, exotic fuel presents their own particular management challenges due to their diverse properties.

These fuels, include metallic, oxide and carbide materials, and are a legacy from earlier nuclear industry activities such as the development of research, experimental or prototype reactors, all of which were undertaken at Dounreay in the past.

Examples of exotic fuel types on the Dounreay site include:

- Dounreay Fast Reactor (DFR) breeder material
- Dounreay Prototype Fast Reactor (PFR) spent fuel

A number of facilities exist across the NDA estate that could potentially be used to manage these fuels.

The NDA plan to treat exotic fuels to achieve a final disposition form as soon as reasonably practicable. This may entail reprocessing, conditioning or immobilisation, as appropriate. The disposition forms will then be stored prior to re-use or consignment to a disposal facility. NDA will ensure the continued safe management of these fuels, maximising opportunities to use existing facilities where value to the UK taxpayer can be secured. This may involve consolidating material at one or more locations for storage and treatment, and storage may be needed for several decades.

ND are currently developing business cases for the management of each fuel group. These business cases will determine the future management strategy for each exotic fuel and our aim to align the exotic fuel families with other strategies, specifically those for oxides, Magnox, uranics, plutonium and higher activity waste (HAW).

It will not be possible to reprocess many of these exotic fuels using existing facilities, and so alternative management options are being developed. The challenge for the strategy is the current lack of technical underpinning for the options to manage many of the exotic fuels. For each option NDA are working to better understand these technical issues (eg corrosion resistance and fuel behaviour during reprocessing) alongside the security, safeguards

The NDA's business plan states "establish site capability for Dounreay Fast Reactor (DFR) breeder fuel transfers to Sellafield".

DSRL have been working with Sellafield Ltd, Magnox and the NDA to establish the credible options going forward.

At this point Stuart Chalmers handed over to DSRL's Alex Anderson who provided a presentation to the group. See DSG(2011)C204 for presentation.

Following the presentation questions were raised as follows:

- Bob Earnshaw asked how long it would take to construct a facility to store the fuel. Alex Anderson responded that the Sellafield Product Residue Store (SPRS) had taken about 5 years. The timescales included the consent required for safety cases to provide robust arrangements which would satisfy both regulatory authorities.
- Peter Dickenson, ONR noted that the presentation did not make mention of safety. Alex Anderson responded that they had been engaged with both regulators with regular meetings to discuss processes and progress. He emphasised that safety was not something that had been taken lightly and the input from regulators had been welcomed.
- Peter Dickenson noted that with the recent re-organisation of HSE and the amalgamation of safeguards, security, safety and nuclear transport under one roof should lead to a more effective and efficient approach in regulation. He confirmed that discussions had been ongoing with regulators regarding the fuel options. Alex Anderson agreed and added that he was aware that both ONR and SEPA would need to be satisfied that every consideration was taken seriously and could be justified in safety cases.
- In response to a question regarding the railhead Alex Anderson confirmed that these options were still being looked at and Direct Rail Services would be considering all options. Alex confirmed that Thurso railway station had been ruled out while Georgemas was one of the options being considered.
- Anne Chard asked whether sea transport had been considered. Alex Anderson responded that it had been but that Sellafield does not have the capability of handling sea transport. He added that sea transport was considerably more expensive than rail.
- John Crowden asked whether ongoing security requirements had been factored in when considering the options. Alex Anderson confirmed that this had been the case.
- Alan Scott asked whether the Dornoch rail link could benefit from the rail transport option. Alex Anderson responded that this was a good question and was something that Direct Rail Services could consider.
- Koreen MacDougall asked whether CO2 emissions were being taken into account. Alex Anderson confirmed that all environmental impacts were part of the business case and this included Co2 emissions.
- Koreen MacDougall questioned whether Scotrail had been approached and were agreeable to the potential rail shipments. Alex Anderson noted that Direct Rail

Services, as part of the freight haulage requirements, would be contacting Scotrail at an appropriate time.

- Koreen MacDougall noted that, through the Caithness Transport Forum, they would be happy to provide support relating to the transport issues if required.
- John Crowden noted that some new infrastructure would be required at the railhead. Alex Anderson responded that there would be a requirement for lifting and therefore a mobile crane would be required. John Crowden asked whether the crane would be temporary or permanent. Alex replied that this was something that required further discussion but there was a possibility that consideration could be given to leaving something as a legacy and potential benefit for the future. John Crowden added that this could allow other users to benefit.

There being no further questions Bob Earnshaw thanked Stuart Chalmers and Alex Anderson for the update provided. Bob noted that the NDA would be publishing the credible options paper at the end of June and this document would be brought forward to both sub groups in July for members to consider in detail.

Action: DSG(2011)M006/A031: June Love to circulate NDA's credible options papers on fuel when available at the end of June.

10. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

Bob Earnshaw invited members of the public to raise any issues or questions.

There were no questions raised.

11. **ANY OTHER BUSINESS**

Before opening up to members, Bob Earnshaw noted that the NDA Site Stakeholder Group chair's forum would meet on 29th June in London and he would attend on DSG's behalf.

George Farlow noted that Highland Council had set up a working group on a policy for community benefit. This would be launched in Inverness in August and he encouraged members to attend this event to ensure views were taken on board.

Action: DSG(2011)M006/A032: June Love to circulate date of Highland Council on community benefit workshop when available.

George Farlow also stated that the land and environment group (a cross party committee for Scottish Government) are arguing the case to take over the management and administration of the Crown Estate in Scotland.

George Farlow brought up the subject of wood fuel and asked whether this was something HIE could pursue locally as a potential new local market. Given the number of facilities looking to use biomass and the need for wood fuel it would be of benefit to the area if this could be supplied locally. Roy Kirk agreed to speak to George Farlow outside the meeting to consider taking forward.

Action: DSG(2011)M006/A033: Roy Kirk to speak to George Farlow re potential local business for the supply of wood fuel.

12. **CLOSE**

There being no further business, Bob Earnshaw thanked everyone for their contributions and closed the meeting.

Bob Earnshaw
DSG Chairman
18th June 2011

APPENDIX 1 – STATUS OF ACTIONS

ACTIONS ARISING FROM THIS MEETING

DSG(2011)M006/A001: Secretary to update progress on actions and circulate to all DSG members.

DSG(2011)M006/A002: Secretary to invite low level waste project manager to site restoration sub group meeting (20th July) to provide an update of the project.

DSG(2011)M006/A003: DSG Chairman and Secretary to meet to discuss membership issues and come forward with a proposal.

DSG(2011)M006/A004: Bob Earnshaw to write to Rick Nickerson regarding use of videoconferencing facilities for sub group meetings.

DSG(2011)M006/A005: Secretary to issue DSG agenda and appropriate paperwork to DSG members for the 15th June meeting.

DSG(2011)M006/A006: Business meeting members to consider West Cumbria site stakeholder group minutes with a view to identifying areas where DSG may consider for future use.

DSG(2011)M006/A007: Secretary to write to all DSG members to ask for volunteers to sit on a working group to consider the report and recommendations from the FSC workshop.

DSG(2011)M006/A008: Secretary to send out website link to HSE/ONR website and in particular information on the Japanese event.

DSG (2011)M006/A009: June Love to circulate Shetland Island Council's response to the Scottish Government's Waste substitution consultation to members of the SRSG. *Action complete – DSG(2011)C190.*

DSG (2011)M006/A010: Steven Heddle to provide Secretary with copy of Orkney Islands Council's response to Scottish Government's Waste substitution consultation.

DSG (2011)M006/A011: Secretary to put COMARE and KIKK report on agenda for next site restoration sub group meeting.

DSG (2011)M006/A012: Joe Kane to provide information on the collaborative procurement projects to the Secretary. *Action complete – DSG(2011)C191.*

DSG (2011)M006/A013: All members to consider whether information in DSRL report is adequate or further information is required. *Action complete – no further comments received but see M004/A006.*

DSG (2011)M006/A013a: Simon Middlemas to consider providing more breakdown on projects in the next DSG report.

DSG (2011)M006/A014: Secretary to send link to DSG members of PRAG(D) report when published on 26th April 2011. *Action complete.*

DSG (2011)M006/A015: Secretary to contact NDA to ask for breakdown of £1bn income in relation to revenue and sale of assets. *Action complete – see table below:*

2011/2012 Breakdown of Income by Category

Income source	2011/2012 Plan (£m)
Reprocessing and Fuel Manufacturing	348
Electricity Generation	141
Springfields	1
NDA – INS transport	60
Asset Sales	157
MOX contracts	78
Other	82
Total	867

DSG (2011)M006/A016: Secretary to put issue of credible options for plutonium management to Socio Economic sub group meeting to consider how it could potentially impact on funding for the Dounreay site.

DSG (2011)M006/A017: Secretary to get timeline for the low level waste project and discuss with Chairman a way forward to update the group. *Action complete – this will be put on agenda for the next Site Restoration sub group meeting (July 2011).*

DSG (2011)M006/A018: Secretary to follow up clarification with Scottish Government on update note provided in March (Correspondence 162 refers) - *Action complete – DSG(2011)C199.*

DSG (2011)M006/A019: DSG Site Restoration sub group members to consider the DECC consultation on the management of plutonium (DSG(2011)C154) with a view to agreeing if a response should be submitted. *Action complete.*

DSG (2011)M006/A020: Secretary to put the use of videoconferencing facilities on the DSG business meeting for discussion. *Action complete.*

DSG(2011)M006/A021: Roy Kirk to speak to Doosan Babcock to understand the reasons for not remaining in the county and to learn lessons for the future.

DSG(2011)M006/A022: DSG business meeting to agree wording for reporting progress of Pensions Office at DSG meeting in June. *Action complete – discussed and agreed at business meeting held on 2nd June 2011.*

DSG(2011)M006/A023: Bob Earnshaw to write to Mark Lesinski regarding the National Nuclear Archives. *Action complete – DSG(2011)C195.*

DSG(2011)M006/A024: Socio Ec sub group to send letter to Crown Estates emphasising importance of retaining a post in Caithness following Duncan Mackay's resignation. *Action complete – DSG(2011)C196.*

DSG(2011)M006/A025: Eann Sinclair to circulate information on Enterprise Zones to the DSG Socio Economic sub group members.

DSG(2011)M006/A026: Ken Nicol to circulate response to Pelamis Scoping Opinion to DSG Socio Economic Sub group members. *Action complete.*

DSG(2011)M006/A027: DSG to draft a positive statement on the progress of CNSRP. *Action complete.*

DSG(2011)M006/A028: Secretary to draft letter supporting business use for the air discount scheme.

DSG(2011)M006/A029: Koreen and June to draft response for Caithness Partnership and DSG to respond to consultation on the reform of air passenger duty.

DSG(2011)M006/A030: Secretary to draft letter to Babcock regarding its review of the PAO and ambitions to expand. *Action complete – DSG(2011)C194.*

DSG(2011)M006/A031: June Love to circulate NDA's credible options papers on fuel when available at the end of June.

DSG(2011)M006/A032: June Love to circulate date of Highland Council on community benefit workshop when available.

DSG(2011)M006/A033: Roy Kirk to speak to George Farlow re potential local business for the supply of wood fuel.

ACTIONS CONTINUING FROM PREVIOUS MEETINGS

DSG(2010)M001/A001: Elizabeth Gray to update DSG on low level waste issues relating to policy (and including licensing issues) at the appropriate time. *Action ongoing and transferred to Stuart Hudson – see DSG(2011)C165 for update*

DSG(2010)M002/A004: Alan Scullion to consider how to best to present sampling results and discuss with Deirdre Henderson to ensure the information is what is required.

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 – study has been commissioned.*

DSG(2010)M003/A015: Secretary to organise a convenient date for members of SCCORS to meet with DSG members (and visit site). *Action ongoing – currently awaiting information from SCCORS.*

DSG(2011)M004/A020: Deirdre Henderson to discuss with Buldoo Residents Group what issues should be considered within the local liaison group and what should be taken forward within DSG.

DSG(2011)M005/A017: Simon Middlemas to circulate socio economic benefits in contracts when complete.

DSG(2011)M005/A022: Ken Nicol to provide members with a copy of the DSRL Socio Economic Development plan was approved by NDA (after March 2011). – Progress – NDA has now approved plan and this will be circulated at next DSG socio economic sub group meeting (July 2011).

ACTIONS COMPLETED

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 complete – The CNSRP Executive Board met with the CNSRP Advisory Group on the 31st May. DSG members took the opportunity to meeting with Sir Anthony at this meeting.*

DSG(2011)M004/A001: June Love to ask Eann Sinclair to invite Brian Wilson to Caithness on behalf of CNSRP. *Action complete – Eann Sinclair has spoken to Martin Wenban and, in conjunction with Chamber of Commerce, visit is likely to take place in end of March/beginning of April.*

DSG(2011)M004/A005: June Love to provide further information on the Forum on Stakeholder Confidence (FSC) in Stockholm on 4th May 2011. *Action complete – information was provided at business meeting and it was agreed that Anne Chard would attend.*

DSG(2009)M004/A008: Secretary to invite COMARE to present their findings once the extended study on cancer excesses in the vicinity of Seascale and Dounreay was complete. *Action complete – report will be published on 6th May (new action to consider report along with KIKK report at next meeting).*

DSG(2011)M004/A010: June Love to circulate SEPA's consultation document on environmental regulation to DSG members. *Action complete – provided to members at site restoration sub group meeting on 19th January 2011.*

DSG(2011)M004/A013: Simon Middlemas to provide schematic of buildings in site report to DSG and to report on the five main projects in relation to schedule and budget. *Action complete – new format report presented at SRSG meeting on 20th April. Members to consider whether further information is required.*

DSG(2011)M004/A014: Phil Cartwright to ensure that it is made explicit in reports that the barge is not searching for particles in Scrabster bay and is situated there in times of inclement weather. *Action complete – Phil Cartwright has requested DSRL Communications to report this when appropriate.*

DSG(2011)M004/A016: Roger Wilson, SEPA to provide information on comparisons of levels of Caesium in Caithness & North Sutherland against other areas. *Action complete – covered in DSG/SRSG(2011)M004 held on 20th April.*

DSG(2011)M004/A015: Phil Cartwright to liaise with the Secretary when the barge is due back in Caithness to invite members of the DSG to visit the barge before operations

started. *Action complete – short window of opportunity and email was sent inviting members to visit the barge – no-one was available to attend.*

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 19th January. It was agreed that the group would keep an eye on developments and respond at the appropriate time.*

DSG(2011)M004/A024: June Love to invite Sandy Cummings to provide presentation on off-shore renewables to main DSG. *Action complete – Sandy Cummings is no longer in this post and therefore this action has been closed out.*

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

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/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.

DSG(2011)M005/A001: Secretary to write to Hamish Pottinger thanking him for his involvement with DSG over the years. [Secretary's note – a letter would also go to Katrina MacNab]. *Action complete.*

DSG(2011)M005/A002: Secretary to put attendance report on next DSG business meeting. *Action complete.*

DSG(2011)M005/A003: Secretary to amend Terms of Reference as per circulated document. *Action complete – Terms of Reference distributed to all members on the 11th March 2011.*

DSG(2011)M005/A004: Secretary to send card to Elizabeth Gray wishing her well for the future. *Action complete.*

DSG(2011)M005/A005: Secretary to write to Babcock International to ask for an update on the Pensions Review and the proposed relocation to Forss. *Action complete – meeting took place on 24th March 2011 – a note for the record was produced – see DSG(2011)C176.*

DSG(2011)M005/A006: Secretary to circulate work package for attendance at the Forum of Stakeholder Confidence in Sweden for comment. *Action complete.*

DSG(2011)M005/A007: Secretary to update financial report at end of February for distribution to members for AGM on 9th March 2011. *Action complete – see DSG(2011)C147.*

DSG(2011)M005/A008: Bob Earnshaw to comment on draft chairman's report for AGM. *Action complete – see DSG(2011)C151.*

DSG(2011)M005/A009: June Love to update DSG agenda for March and distribute to members. *Action complete.*

DSG(2011)M005/A010: Secretary to complete NDA questionnaire on stakeholder preferences and also respond to the NDA draft national engagement plan. *Action complete – see DSG(2011)C152*

DSG(2011)M005/A011: : Secretary to speak to Anne Chard to check availability for attendance at FSC conference in Sweden. *Action complete – Anne Chard has confirmed availability for attendance.*

DSG(2011)M005/A012: Secretary to write to National Skills Academy, Nuclear declining invitation to the awards dinner. *Action complete – emailed confirming no DSG attendance.*

DSG(2011)M005/A013: Secretary to write to Vulcan Trade Unions to invite them to become a member of the DSG. *Action complete – an invitation has been sent to the Vulcan unions inviting them to become a member of DSG and to indicate their representative and deputy arrangements.*

DSG(2011)M005/A014: Secretary to write to Anne Bergmans indicating DSG's interest in being involved and also offering to host one of the project workshops in Caithness. *Action complete – emailed Anne Bergmans on 14th February confirming DSG's interest and offer to host a project workshop in Caithness. Response received saying that they would keep invitation on file to consider when project is developed in full.*

DSG(2011)M005/A015: Secretary to invite DSRL's Commercial Manager to socio economic and site restoration sub group meetings on 20th April 2011. *Action complete – will attend site restoration sub group on 20th April 2011.*

DSG(2011)M005/A016: Trudy Morris to make contact with Graham Construction to discuss the use of local gain within the low level waste contract and report back, via the Site Restoration sub group. *Action complete – The Chamber has made contact with Graham Construction and they are encouraging them to use the local supply chain. Grahams have provided a list of subcontractors and materials they wish to procure local. A meeting with Grahams will be organised shortly.*

DSG(2011)M005/A018: All site restoration sub group members to provide comment on the Scottish Governments consultation on Dounreay's Radioactive waste substitution. *Action complete.*

DSG(2011)M005/A019: Secretary to write to authors of the Dounreay heritage (save the sphere) to acknowledge receipt of the report. *Action complete – see DSG(2011)155.*

DSG(2011)M005/A020: 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. *Action complete – information will be provided at CNSRP Advisory Board on regular basis.*

DSG(2011)M005/A021: 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. *Action complete – see DSG(2011)C146.*

DSG(2011)M005/A023: June Love to speak to Scrabster Harbour Trust with regards Scottish Government's response to DSG's letter. *Action complete – no further follow up action to take.*

DSG(2011)M005/A024: June Love to finalise response to NDA's business plan consultation and submit by the 26th January 2011. *Action complete – DSG(2011)C132.*

DSG(2011)M005/A025: Secretary to clarify who the PBO representative for DSG sub group should be following Philip Behan's involvement in the competition process. *Action complete – PBO and DSRL looking at new integrated way of working (along with NDA) on socio economics. Ken Nicol will represent PBO/DSRL at sub group.*