

Minutes of the meeting held on Wednesday 14<sup>th</sup> December 2011 in the Pentland Hotel, Thurso.

Present:	Bob Earnshaw	DSG Chairman (Thurso Community Council)
	Alastair MacDonald	DSG Honorary member
	Cllr David Flear	Highland Council (DSG Vice-chairman)
	Anne Chard	Caithness West Community Council
	Trudy Morris	Caithness Chamber of Commerce
	Alan Scott	Caithness Contractors Consortium
	John Deighan	Dounreay Unions
	Derrick Milnes	Thurso & Wick Trade Union Council
	Roy Kirk	Highlands and Islands Enterprise
	Eann Sinclair	CNSRP
	Koreen MacDougall	Caithness Partnership
	John Green	Caithness Voluntary Group
	Cllr Willie Mackay	Highland Council *
	Ian Leslie	SGRIP *
	Ronnie Johnstone	Church of Scotland
In addition:	Simon Middlemas	MD, DSRL
	Anna MacConnell	NDA *
	Graeme Rankin	NDA Head of Competition
	Peter Dickenson	ONR (DSRL)
	Lt Cdr Rory Stewart	MOD, Vulcan
	David Mudie	Highland Council, Planning
	Roger Hardy	Babcock Dounreay Partnership (MD designate)
	Martin MacDonald	Scottish Government, Radwaste team
	David Collier	External consultant
	June Love	DSG Secretariat, DSRL

1,  
Bob Earnshaw, DSG chairman welcomed everyone to the meeting. He noted that there had been a change in membership as follows:

- Gail Ross, Highland Council (replaced Katrina MacNab).
- Deirdre Mackay, Sutherland Partnership (new member)
- Andrew Commin, Environmental Research Institute (new member)

Bob also welcomed Graeme Rankin (NDA's Head of Competition), David Collier (external consultant) and Roger Hardy (Babcock Dounreay Partnership, Managing Director, designate).

He noted that since the last meeting held in June 2012 DSG representatives had attended the following:

- the blasting trials at the site's new low level waste facility
- a public drop in session on the national nuclear archives in Wick

- a STEM (Science, Technology, Engineering & Mathematics) event in the Engineering, Technology and Energy Centre (ETEC).
- An ONR workshop on bulk quantities of nuclear material
- The Scottish Sites meeting
- The CNSRP Advisory Board
- The LEADER meeting
- A Parliamentary reception, at the invitation of Energy Solutions
- The North Highland Regeneration Fund, AGM
- SSE's public information day
- The turf cutting ceremony at the low level waste facility
- A meeting and dinner with the Crown Estates

And in addition, met with

- Danny Alexander, along with representatives from the Chamber and CNSRP.
- Senior STUC reps, along with representatives from the Trades Council
- Rob Gibson, MSP

A special meeting to ensure all members were updated on the progress of the new low level waste disposal facility had also been held in October 2011.

The NDA had held its' National Stakeholder Group forum on 23/24<sup>th</sup> November which Bob Earnshaw and David Flear had attended. They took the opportunity to discuss the national nuclear archives, and the emerging opportunities in the area including Scrabster redevelopment, oil and gas off West of Shetland and wave & tidal energy in the Pentland Firth.

Bob also noted that on the 23<sup>rd</sup> November 2011 the NDA had announced that Babcock Dounreay Partnership (BDP) were the preferred bidder to take over the management of the Dounreay site from 2<sup>nd</sup> April 2012. Bob thanked the NDA for ensuring that stakeholders had had ample opportunity to speak with both bidding participants and placed on record DSG's thanks to Caithness Solutions for their regular interactions with stakeholders throughout the competitive process.

Apologies were received from:

- Deirdre Henderson. Buldoo Residents group
- George Farlow, Highland Council
- Gail Ross, Highland Council (Willie Mackay deputising)
- Pauline Crow, Health Service
- Gordon Jenkins, North Highland College
- Cllr Rick Nickerson, Shetland Islands Council
- Cllr Steven Heddle, Orkney Islands Council
- Brian Mutch, SGRIP (Ian Leslie deputising)
- Stuart Currie, DNSR
- Stephen Saunders, ONR for Vulcan
- Stuart Chalmers, NDA (Anna MacConnell deputising)
- Michael Moreland, MoD Vulcan (Lt Cdr Rory Stewart deputising)
- Roger Wilson, SEPA

3.

The minutes of the last meeting – DSG(2011)M007 refers) had been circulated to all members in advance of this meeting. These were taken as a true reflection of the meeting and this was proposed by Derrick Milnes and seconded by Anne Chard.

There were no issues raised from these minutes.

Members had received an updated action status. Appendix 1 provides an update on all actions. Of note:

- 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.

Eann Sinclair noted that this action was ongoing. A draft report had been received and comments provided and he was currently awaiting receipt of the amended draft for consideration.

DSG(2011)M008/A022: Eann Sinclair to see if Caithness food and drink product is displayed within the HIE offices in Inverness.

Eann noted that this was in relation to local produce on display at Cowan House, Inverness (HIE's headquarters). Eann confirmed that there was a rolling programme for the display of local produce and Caithness produce was included in this display.

- DSG(2011)M008/A017: Secretary to write to Graham Construction to ask how many local people have been recruited so far and how many were expected to be employed throughout the duration of the low level waste project.

Action complete – A written response had been received as follows: “At present Graham Construction employ two direct local staff and one local operative through a labour supplier. This is three out of a total of thirteen = 23% local labour.

Our earthworks subcontractor currently employs two local operatives out of a total of thirteen = 15% local labour. They plan to employ another two local operatives after Christmas. We also presently have five local operatives employed by local service subcontractors. Combining these current numbers totals ten local labour out of a total of thirty-one on site = 32%.

Labour numbers will be fluid and will vary with regard to the changing activities and subcontractors on site. The future numbers of local labour employed will depend on the requirements of other subcontractors. These subcontracts have not as yet been signed.“

- DSG(2010)M001/A001: Stuart Hudson to update DSG on low level waste issues relating to policy (and including licensing issues) at the appropriate time. Action ongoing – see DSG(2011)C165 for latest update. Also a further update from ONR – see DSG(2011)C248.

Martin MacDonald, Scottish Government asked that the action (above) was closed out. He noted that this was an ONR matter and would be ongoing for sometime. Peter Dickenson responded that the licensing issue was a long term one which has not been resolved. ONR had consulted recently on bulk quantities of waste and this

was one of the issues related to this. It was agreed that this action could be closed out at this time and it would come back on the agenda at the appropriate time.

5.

Bob Earnshaw reported. The Vulcan update had been provided at the site restoration sub group meeting. At this meeting, members were updated on a Parliamentary statement stating that when Vulcan finished its current operations there would be no requirement to prototype future reactor cores. From 2015 there will be no nuclear reactor prototype but there could be future nuclear associated work until 2020. A final decision on the future of the Vulcan site will be made in 2014.

Michael Moreland also reported that the shore test facility continued to be shut down for planned maintenance. Operations are expected to commence in late 2011. Future programme is focussed on completing the required trials on the current reactor core.

Written reports were also received from ONR and DNSR. No issues from these reports were raised.

Bob Earnshaw invited Lt Cdr Rory Stewart to provide a verbal update.

Lt Cdr Rory Stewart noted that the planned shutdown was now coming to an end with the successful installation of new equipment for pre-fleet trials. It was expected that the plant would start up very soon.

Safety has been maintained and the site had gone over a year without a lost time accident and generally management is very pleased with progress.

Lt Cdr Stewart also noted that MoD had responded to various questions DSG had raised with Rolls Royce surrounding the future of the Vulcan site. *[Secretary's note: this will be tabled at the next site restoration sub group meeting to be held on 18<sup>th</sup> January 2012].*

Bob Earnshaw noted that Stuart Currie, DNSR had tendered his apologies but had submitted a written update as follows: DNSR's inspection programme has continued throughout 2011 and has shown pleasing results across disparate areas. The last inspection, in November, demonstrated that Operating Rules were set in relation to the Plant safety case and that appropriate Safety Mechanisms, Devices and Circuits were in place to provide the defence in depth expected of a MoD nuclear facility. DNSR's next Quarterly Review will be submitted in early January, with the next planned inspection due 24-26 Jan 12.

Stuart also took the opportunity to wish all members of the DSG a Merry Christmas and a safe and prosperous New Year.

The business meeting had been held on 11<sup>th</sup> November and all members have received copies of the draft minutes (DSG/BM(2011)M006 refers). Of note:

- The site restoration sub group had discussed the announcement made about Vulcan and had questioned Rolls Royce's attendance at DSG meetings. The business meeting discussed this and had written to Rolls Royce asking them to reconsider its membership to the DSG. A response had been received. *[Secretary's note: this will be brought forward at the next sub group meeting for*

*discussion.]*

- DSG had also written to ONR to seek further clarification on whether the removal of the emergency tug vessels are taken into consideration when carrying out risk assessments for the shipments of nuclear material.
- DSG has also agreed that the site restoration sub group will receive a written report from the independent chair of the Buldoo liaison meeting – a meeting set up under the planning conditions for the low level waste. Eleanor Scott is the independent chair.
- Dates for DSG and sub group meetings for 2012/2013 have been circulated to all members. Members were asked to put these dates into their diaries and to ensure deputies were available in times of absences.
- The DSG review had been endorsed by all members. The review will consider the role and remit of the DSG over the next decade. David Collier, external consultation, will carry out the review.

David Collier noted that he had carried out a number of reviews of stakeholder programmes including Sellafield and the NDA national stakeholder group. The objective was not to come up with specific answers but to help DSG, as a group, to agree and decide the main focus over the next ten years. David stated that he would be attending sub group meetings in January and would also hold telephone interviews with a number of members. He expected that the report would be available in draft for the March meeting.

John Deighan asked how the DSG meetings compared with other site stakeholder groups. David Collier replied that he would come to a view following attendance at the sub groups in January.

- Members were also reminded that if they were unable to attend (or send a deputy) to meetings it was important to let the secretary know. At times there is a lot of paperwork to be copied for members and it would negate wasted copies if the secretary knew how many people would be attending.

For completeness the actions from the Business meeting are referenced here:

DSG(2011)M008/A001: DSG Chairman to write to Rolls Royce asking them to reconsider their membership with DSG, including questions raised from the recent announcement of the future of Vulcan. Action complete.

DSG(2011)M008/A002: DSG Chairman to write to ONR seeking further clarification to actions DSG(2011)M007/A043 (re risk assessments for nuclear shipments in relation to removal of the emergency tug vessels. This letter should be copied to Michael Foxley, Highland Council, who was leading a working group on the removal of the emergency tug vessels Action complete – DSG(2011)C272.

DSG(2011)M008//A003: DSG Chairman to write to Deirdre Henderson to ask that Buldoo Residents Group consider alternative representation at DSG site restoration sub group meetings. Action complete.

DSG(2011)M008//A004: Secretary to request the LLW project team to provide information on the proposed geo-sphere enhancements. Action complete.

DSG(2011)M008/A005: George Farlow to provide Secretary with forthcoming dates for Highland Council and CHP meetings to ensure co-ordination between meetings. Action complete.

DSG(2011)M008//A006: Secretary to consider dates for 2012/13 for DSG and sub group meetings taking on board dates from various meetings including Highland Council and CHP. Action complete.

DSG(2011)M008/A007: DSG chairman to write to NDA asking for clarification at the earliest opportunity whether the preferred bidder wishes to attend DSG. Action complete.

DSG(2011)M008/A008: Secretary to draft response to David Collier providing the required information to allow the DSG review to commence on the 14<sup>th</sup> December. Action complete – DSG(2011)C268 refers.

In the absence of Councillor George Farlow, Bob Earnshaw reported. The site restoration sub group had met on the 2<sup>nd</sup> November – DSG/SRSG(2011)M006 refers. The minutes had been circulated in advance to members.

Of note, at that meeting:

- A Vulcan update was provided (recorded under item 5 of this minute).
- Two actions were passed to the business meeting to take forward – these were reported under the Business meeting update.
- DSRL had provided a written update for the meeting – DSG(2011)P056 refers.  
Of note:
  - On low level waste, Eleanor Scott had been appointed as independent chair of the Buldoo liaison meeting. There were still a number of issues raised by the Buldoo representative and it is hoped that the liaison meeting will make progress with the independent chair in place.
  - DSRL had received the British Council Safety 5-star Award for both health & safety and environmental management. The site and its contractors were congratulated on this significant achievement.
  - DSRL reported on a small pin-hole leak in the liquid metal destruction effluent plant at DFR which resulted in some very interesting media reporting. At the sub group meeting ONR confirmed that there had been no issues on the way the plant was run and this was simply a defect in a component which was detected and dealt with promptly.
  - DSG had submitted views to the NDA on the credible and preferred options for DFR breeder. A response from NDA was received and NDA have subsequently announced that the preferred option to transport the nuclear fuel to Sellafield has been endorsed as the way forward.

Bob Earnshaw invited Simon Middlemas, Managing Director, DSRL to provide an update. Of note:

- DSRL had received the sword of honour and globe of honour for safety and the environment which he was very proud of. The globe had been awarded to only three companies in the UK. He placed on record his thanks to both DSRL and the supply chain for these achievements.
- Good progress was being made with the destruction of NaK (sodium potassium) from the Dounreay Fast Reactor (DFR) and a milestone had recently been achieved with 80% of the destruction now complete.
- There was quite a lot of activity going on with the announcement of the preferred bidder and the transition arrangements now in place.
- The work on the security fence was progressing well and a number of local contractors were involved with this.
- The Buldoo Liaison Group had appointed independent chair, Eleanor Scott. Both DSRL and Buldoo agreed at the first meeting that Eleanor is a good chair and is trying to negotiate some tricky issues. DSRL had established a Low Level Waste Liaison Officer at the LLW site to ensure that near neighbours had easy access to someone if they had questions or issues to raise.

Bob Earnshaw continued with his report of the sub group:

- ONR had provided a written paper for the meeting – DSG(2011)P053 refers. Of note:
  - ONR had launched a strategy consultation with responses due by the 17<sup>th</sup> November. DSG had submitted a response.
  - ONR had also consulted on bulk quantities of nuclear material. A workshop was held in Liverpool, which was attended by DSG representatives and a response had now been submitted.

Bob Earnshaw invited Peter Dickenson, ONR to provide a verbal update. Of note:

- ONR's quarterly report was due to be published shortly and would be available for the January sub group meeting. Since the last report ONR had carried out a number of inspections against licence conditions. The site was always very attentive and quick to follow up recommendations.

Bob Earnshaw continued with highlights from the SEPA report. Of note:

- SEPA had provided a written paper for the meeting – DSG(2011)P055 refers.
  - SEPA had issued a variation to add CAR compliant conditions and limits for DSRL which came into effect on 9<sup>th</sup> November.
  - Two SEPA representatives had visited Buldoo residents to explain the consultation document which relates to the deposition of rock being dug out from the vaults for the low level waste facility.
  - The RIFE (Radioactivity in Food and the Environment) report had been published. It was noted that doses were down with the main attributor was

Caesium in game.

Roger Wilson, SEPA has tendered his apologies for this meeting as he was attending an NDA meeting. He had provided a written report as follows:

Low Level Waste Facilities – it is now anticipated that public consultation will take place in late February 2012

Dounreay Parent Body Competition – SEPA will be meeting with the Preferred Bidder on the 19<sup>th</sup> of December

Bob Earnshaw continued to the sub group report as follows:

- Members had received a short update on the particles clean up project. There had been a lengthy discussion at the last sub group meeting and SEPA's Paul Dale and Alex Elliot who is interim chair of the Particles Retrieval Advisory Group attended the sub group meeting to follow up any further questions. A response to the initial questions had been received and no further clarification was requested.
- There was also a discussion on the COMPARE 14<sup>th</sup> report. Shetland Islands Council had provided DSG members with a critique of the COMARE report and a brief outline of some of the critical responses it had received. Alex Elliot, COMARE chairman refuted the criticisms and a response from COMARE is available on their website. The COMARE chairman stressed that the committee's view was that they did not believe that any of the comments justified changes to the report's conclusions and recommendations. It was also noted that the COMARE report had been written by working closely with the KIKK report and information had been exchanged between the two organisations.
- Shetland Islands Council had also written to SEPA and the Cabinet Secretary, copied to DSG, on the remediation of radioactively contaminated sites. The concerns raised were that SEPA had adopted a major change in its policy toward the remediation of radioactive contaminated sites in Scotland without full consultation. SEPA responded that the policy was consistent with the radioactive contaminated land regulations 2007 (Scotland) and associated EC and IAEA basic safety standards. The policy was also consistent with advice from the Dounreay Particles Advisory Group and PRAG(D) to SEPA. The legislation states "where more detriment than good can be done to remediate a site". The SEPA Board had been consistent in its approach to radioactive contaminated land and there was no change in SEPA's policy for addressing this.

Martin MacDonald, Scottish Government, Radwaste team provided the following update:

- Scottish Government are reviewing the NDA's designation of Dounreay and have recommended that a modified direction be issued. A designation document would be drafted, reviewed and published shortly.

The designation is part of a UK-wide initiative and Scottish Government is reviewing designated documents for Chapelcross, Hunterston and Dounreay.

- The waste substitution consultation closed in March 2011 and Scottish Government had completed the analysis of responses received. There had been 12 responses, most of which were in favour of the substitution. The recommendation was currently with the Minister to sign off and it was expected that this would be complete late December/early January 2012.

John Deighan asked Simon Middlemas what the currently total of DSRL staff was. Simon Middlemas responded that he could not give an exact number but would provide for the minutes. [NB: As of November 2011 there was 869 DSRL staff and 1,210 contractors].

David Flear noted that he and other members had held a meeting with Rob Gibson and had raised the issue of the quotes in the media regarding the DFR leak. It had been a positive meeting and regular meetings would take place in the future.

For completeness the actions from the Site Restoration sub group meeting are referenced here:

DSG(2011)M008/A010: Secretary to put Action M007/A043 on agenda for business meeting to agree how to take this forward.

DSG(2011)M008/A011: SRSG members to email secretary with any questions relating to Rolls Royce and the announcement on the future of Vulcan.

DSG(2011)M008/A012: Secretary to put future of Vulcan site on DSG business meeting to discuss a way forward in addressing questions relating to Rolls Royce.

DSG(2011)M008/A013: Secretary to circulate ONR strategy consultation document to SRSG members for comment.

DSG(2011)M008/A014: Secretary to check with the NDA Stakeholder Manager on union representation at the National Stakeholder Group meeting due to be held in November.

DSG(2011)M008/A015: Secretary to ensure that minutes of sub group meeting is published on the website within 20 working days of the meeting.

DSG(2011)M008/A016: Secretary to circulate draft response on ONR's consultation on bulk quantities waste for comment.

DSG(2011)M008//A017: Secretary to write to Graham Construction to ask how many local people have been recruited so far and how many were expected to be employed throughout the duration of the low level waste project.

There being no further issues relating to the site restoration Bob Earnshaw passed over the Derrick Milnes to provide a socio economic update.

8.

Derrick Milnes provided an update. The Socio economic sub group had met on the 2<sup>nd</sup> November – DSG/SESG(2011)M008 refers. The minutes had been circulated in advance to all members. Of note:

- A letter had gone to the Crown Estates asking them for an update on progress. A response was still awaited.

- Alan Ogg, North Highland College, provided an interesting presentation on the Engineering, Technology and Energy. DSG has offered to help promote the Engineering facility as appropriate.

Derrick noted that it would be useful to invite Alan Ogg, North Highland College to a full DSG to provide the presentation of the Engineering, Technology and Energy Centre (ETEC).

- A number of community fund requests were endorsed and so far this year over £35,000 had been donated to local organisations and charities.
- A review of the Community fund rules for the coming financial year will be carried out at the January sub group meeting to ensure that it is still fit for purpose.
- CNSRP had provided a written update – DSG(2011)P054 refers. Of note:
  - Pleasing to see Scrabster Harbour developments are now well underway with phase 1 expected to be complete next year.
  - An internal transport infrastructure study has been commissioned which will focus upon the roads infrastructure linking ports and key businesses.
  - HIE will lead with NRIP-3 which is expected to commence before Christmas.
- DSRL were in the process of drafting their socio economic development plan which will be submitted to the NDA at the end of March 2012. This will be added to the sub group's agenda for January to provide input to the report.
- DSRL, in partnership with Babcock and the NDA, had opened a socio economic information room on the Dounreay site to ensure everyone is updated on the activities of the CNSRP. This information had been rolled out to other venues in Bettyhill, Wick and Thurso and will be updated on a regular basis.
- DSRL had also commissioned a study to investigate the skills required for maintenance and operation of wave and tidal devices. This study will feed into the Energy roadmap that the CNSRP is working on.
- Caithness Partnership has been keeping Berriedale Braes on the agenda.
- The Chamber of Commerce is progressing well with Make the Right Connections programme.

The following were invited to provide a verbal update:

CNSRP – Eann Sinclair

- Since the last sub group meeting the CNSRP Advisory Board and Executive Board had met. At the Advisory Board Scottish Power Renewables (SPR) had provided a presentation on the development at the Ness of Dunscauby. The CNSRP Advisory Board had agreed to set up a focus group which will commence in the New Year to provide input to SPR. If this is a positive step forward it is

hoped that other developers will follow suit.

- Discussions had taken place with a number of organisations in relation to skills, careers advice and employability issues. There had been a lot of changes both nationally and regionally to support young people getting into work. Job Centre plus, Skills Development Scotland and a few other organisations have met to consider the best way to provide career planning.
- Marine Energy Park is still on the agenda and work is ongoing to support this case. If successful Caithness and North Sutherland would be one of the first areas in the UK to be designated a Marine Energy Park.
- The Enterprise zone discussion continues. Scottish Government will announce the successful areas in the New Year and it is hoped that Caithness will be among those areas which will be designed with Enterprise zone status.
- The North Highland Regeneration Fund (NHRF) held its AGM in November 2011. This fund was established five years ago with funding from the NDA. Since its existence 264 jobs have been created or retained in the area.

DSRL – Simon Middlemas:

- DSRL, in partnership with NDA and Babcock, had established a socio economic information room on the Dounreay site. This was to allow DSRL workforce and the supply chain up to date information on the activities of the CNSRP.
- Speaking, as a Board member of Scrabster Harbour Trust, Simon Middlemas also reported that the work at Scrabster was going well and the first phase of redevelopment is due for completion in summer 2012. The redevelopment will provide deep water berths and a wide jetty for loading/unloading equipment, etc. Funding for the 1<sup>st</sup> phase development was provided by a number of organisations and all funders were thanked for their contributions.

Caithness Partnership – Koreen MacDougall:

- Discussions were ongoing with regards the Berriedale Braes. Keith Brown, MSP had responded to the Caithness Transport Forum's letter which had outlined the unique stretch of road and input from North Constabulary's Matthew Reiss. The dialogue is ongoing with all partners working together to ensure support for the re-alignment of the Berriedale Braes continues to be on the agenda.

NDA – Anna MacConnell:

- At the last meeting NDA reported the work being undertaken to review the requirements for long term storage of records. Yesterday (13<sup>th</sup> December) the result of that review was presented to the NDA Executive and they continue to carefully consider the future requirements. It is hoped that the NDA will be in a position to make a decision at the end of the financial year (end of March 2012).
- The Caithness and North Sutherland Fund (CNSF), associated with the low level waste facilities at Dounreay, was launched in October with a turf cutting ceremony with Rob Gibson, MSP and the handover of a cheque for £1M from Nigel Lowe, NDA Head of Programme to CNSF Chairman, John Henderson. Koreen MacDougall has been appointed as Vice-chair while David Shearer from Wick had been appointed as the fund administrator. To date there has been 13 applications received from a good geographic spread across the county. A

meeting due to be held on the 13<sup>th</sup> February 2012 will review these applications. Subsequent payments of £300K will be made over the next 10 years.

Caithness Chamber of Commerce – Trudy Morris:

- The Chamber launched its' 'Spend it Here' loyalty card at the Fun days in Wick and Thurso. Thanks were extended to Highland Council service points (Wick, Thurso, Bettyhill and Helmsdale) for their help in distributing the loyalty cards. The pilot scheme will run for 6 months and so far the take-up has been very positive.
- Two new websites were launched recently for Thurso and Wick towns providing information on retailers and other businesses. The websites will continue to be updated.
- Make the Right Connections programme is going well. Training has been provided to individuals to diversify into renewables and currently consideration was being given to doing some kind of training for food and drink.
- The Chamber of Commerce website was currently being given a facelift.
- Recruitment was underway for a graduate in the marketing and communications area to help with the Chamber's IT, communications and Invest Caithness initiatives.
- The Chamber would also be holding discussions with Stuart Robinson, IT infrastructure Manager who is managing the Superfast Broadband pilot scheme. The Chamber will discuss what is happening and feed in priorities for this area.

HIE – Roy Kirk:

- There had been a successful meeting with the Crown Estates with over 100 people attending various forums. In addition, Meygen had held public drop in sessions over a 2 day period in Mey which had been attended by over 100 people. It is pleasing to see that local companies are starting to pick up work in the renewables sector.
- A ward forum had been held in Tain last night (13<sup>th</sup> December) where Global International outlined their ambitious plans for Nigg.
- HIE continues to look at ways to strengthen communities and it is pleasing to see a number of social enterprises in Caithness and Sutherland that are being innovative and increasing turnover and revenue streams.

David Flear noted that he, Cllr Ian Ross and Stuart Black had met with Orkney Islands Council to look at mutual interests in the Pentland Firth. The meeting had been extremely positive.

David Flear also noted, from a Highland Council prospective, the Highland Council had once again funded the buses for the cruise ships.

David Flear noted that Roy Kirk had attended the Highland Council's ward forum in Tain. He said that everyone who is meeting in other ward forums should try and promote Caithness' prospective. Roy Kirk responded that he believed that Alastair Kennedy, Global, would be receptive to an invitation from the Highland Council to attend other ward forums. Global will ramp up their efforts and look towards offshore

wind contracts. Local companies should ensure they are in dialogue with Global to outline their capabilities.

Alastair MacDonald noted that he had attended the Crown Estates meeting and was left disappointed at the response received to the replacement of the locally based wind and wave tidal project manager. John Deighan, who had also attended the meeting, agreed that it was disappointing that there was no longer a local contact. Derrick Milnes responded that DSG had written to Crown Estates about this.

John Deighan noted that he and other representatives of DSG had met with Keith Brown, MSP about a month ago and had raised the issue of the Berriedale Braes.

Derrick Milnes continued with the socio economic sub group report:

- DSG had submitted a response to the Aviation Policy framework and also responded to SSE's consultation on the Orkney to Caithness 132 KV transmission line. It was also pleasing to see that SSE agreed to hold a public event in Caithness after announcing they were holding one in Orkney.
- DSG has written to Fergus Ewing, MSP to invite him to Caithness to discuss regeneration issues. A response has been received saying he would like to visit in the summer 2012.
- Members of DSG had attended the launch of the Caithness and North Sutherland Fund.

For completeness the actions from the DSG Socio Economic sub group meeting are referenced here:

DSG(2011)M008/A019: Secretary to take on board comments on Dounreay Community Fund rules and draft a revised document to circulate to members.

DSG(2011)M008/A020: Secretary to circulate round the detail of the new request not included in the written funding report. Action complete.

DSG(2011)M008/A021: Eann Sinclair to find out more detail of food and drink initiatives.

DSG(2011)M008/A022: Eann Sinclair to see if Caithness food and drink product is displayed within the HIE offices in Inverness.

DSG(2011)M008/A023: Secretary to put DSRL's Socio Economic Plan, 2012/13 on Socio Economic sub group agenda for January meeting.

DSG(2011)M008/A024: Koreen MacDougall to speak to Ken Nicol and Anna MacConnell re funding of design study into Berriedale Braes

DSG(2011)M008/A025: DSG to write to Fergus Ewing inviting him to visit Caithness. Action complete – DSG(2011)C264 refers.

DSG(2011)M008/A026: DSG to send Nicola Sturgeon details of Dunbar hospital.

9.

Bob Earnshaw noted that the NDA had announced that Babcock Dounreay Partnership (BDP) had been selected as the preferred bidder for the Dounreay site. Following this announcement on the 23<sup>rd</sup> November there had been a standstill period which had ended on 7<sup>th</sup> December 2011.

Bob noted that DSG welcomed the announcement and placed on record DSG's thanks to the NDA and both bidding participants – Babcock Dounreay Partnership and Caithness Solutions – for giving up a lot of their time to listen to stakeholders on a number of issues.

The site had now moved into a transition phase and Bob emphasised that BDP would not take over the management of the site until the 2<sup>nd</sup> April. While he recognised there was likely to be a number of questions for the new company he reminded members that DSG's role was to oversee and scrutinise the activities of the site as it is today and until the end of March the incumbent management team would remain in charge and DSG would continue to work with Simon Middlemas and his team until the share transfer on the 2<sup>nd</sup> of April.

Bob then handed over to Graeme Rankin, Head of Competition, NDA. Graeme thanked the DSG for the opportunity to provide an update and to introduce BDP to the community. He noted that this was a key point in the competition process with the announcement of the preferred bidder and while this was a significant milestone it did not represent the end of competition until the share transfer on the 2<sup>nd</sup> April 2012.

He added that members would hear from BDP in a few moments but there was a number of important points to make. The process had entered into the transition phase and for NDA, DSRL and the incumbent management team safety remained top priority. Graeme added that he was sure that Simon Middlemas and his existing management team would continue to operate the site safely while transition was taking place. He stressed that the current management team was still in charge of the site and would continue in that vein until April 2012.

The detail of BDP's bid would remain confidential and it was entirely at BDP's discretion how much information they provided at this time. Interactions between internal and external stakeholders will be organised through the NDA with Nigel Lowe leading this process. Nigel would be managing the transition right up to the point where the share transfer is signed on the 2<sup>nd</sup> April.

Before handing over to BPD Graeme stated that it had been a privilege to lead the Dounreay site competition over the last three years and in particular the interaction with local stakeholders in regards to the socio economic elements. The NDA were extremely grateful for the support of DSG and other stakeholders.

Graeme then handed over to Roger Hardy, BDP's Managing Director, designate.

Roger Hardy provided a presentation on BDP's aspirations for the closure contract for the Dounreay site. He also introduced three members of his executive team – Dyan Foss (CH2MHILL), Charles McVay (URS) and Malcolm Smith (Babcock) – who all provided a brief resume of their career paths.

Of note Roger Hardy outlined the following in his presentation:

- Safety, environment and security will be priorities
- Interim End State is in the range 2022 to 2025.

- This is the first NDA Target Cost Incentive Fee (TCIF) contract in the UK.
- Penalties, liquidated damages, will be paid to NDA if the contract is not completed by the contractually specified date.
- BDP have aspirations to make the Dounreay site a European Reference site for nuclear decommissioning.
- BDP will work with all stakeholder partners and the community.
- BDP will work with individuals in DSRL to help plan their future.
- The sequence of decommissioning will change from the current lifetime plan.
- Visible skyline changes will take place in the latter years of the programme to ensure value for money.
- There will be redeployment of staff after share transfer – there is work that is being done now that will not be required but there is other work that is required.
- In the first year it is anticipated that there will be a small number of redundancies (in the 10s)
- During the next six years redundancies will be small (handfuls).
- Large scale redundancies will not happen until eight years into the programme in 2020.

Roger Hardy also noted that, following share transfer, Simon Middlemas would be appointed as Managing Director, Babcock Nuclear Ltd and would manage the relationships with a number of organisations including Key Accounts for EDF, MOD, International and NDA.

He concluded that he, and his team, was looking forward to coming to site and working with the workforce.

Bob Earnshaw thanked Roger Hardy and his team for updating DSG at this time. He asked members if they wished to raise any questions reminding them that there may be some questions that would have to remain unanswered until share transfer was complete.

Alan Scott, Caithness Contractors Consortium, asked what BDP's strategy would be for the local supply chain. Roger Hardy responded that in many ways it would be the same as it is at the moment. For procurement the OJEU rules would continue to apply while the 'make/buy' matrix would be different. The change to make/buy was mainly as a result of the different sequencing of the decommissioning programme but at this time no further detail could be provided. Roger assured members that these changes would be shared with the supply chain at the earliest opportunity.

David Flear congratulated Graeme Rankin on his appointment as NDA Head of Programme and suggested that his promotion may have been something to do with his interactions with the Dounreay Stakeholder Group. Graeme Rankin thanked David for his kind words.

Bob Earnshaw thanked everyone for their input and looked forward to further interactions with BDP in 2012.

10.

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

One member of the audience asked what the future of Vulcan will be following the recent announcement of the future of the site. Lt Cdr Rory Stewart responded that while Vulcan and Dounreay sat side by side the two sites were completely different. The MoD position had been stated previously. There was a contract in place until

2015 and Rolls Royce were looking into new commercial opportunities for its workforce.

11.

Bob Earnshaw reminded members that the next meeting would take place on the 7<sup>th</sup> March 2012 with the Annual General Meeting starting at 1830 hours followed by a full DSG meeting.

He then invited members to raise any other questions or issues. No issues were raised.

Bob Earnshaw thanked everyone for attending and wished everyone a 'Merry Christmas and good New Year'.

With no other business raised the meeting was formally closed.

17<sup>th</sup> December 2011

## APPENDIX 1 – STATUS OF ACTIONS

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DSG(2011)M008/A009: Martin MacDonald, Scottish Government to send Secretary website link to site designation information

DSG(2011)M008/A015: Secretary to ensure that minutes of sub group meeting is published on the website within 20 working days of the meeting.

DSG(2011)M008/A018: June Love to invite Alan Ogg to provide the Engineering, Technology and Energy Centre (ETEC) presentation to the full DSG meeting in March.

DSG(2011)M008/A019: Secretary to take on board comments on Dounreay Community Fund rules and draft a revised document to circulate to members.

DSG(2011)M008/A021: Eann Sinclair to find out more detail of food and drink initiatives.

DSG(2011)M008/A023: Secretary to put DSRL's Socio Economic Plan, 2012/13 on Socio Economic sub group agenda for January meeting.

DSG(2011)M008/A024: Koreen MacDougall to speak to Ken Nicol and Anna MacConnell re funding of design study into Berriedale Braes

DSG(2011)M008/A026: DSG to send Nicola Sturgeon details of Dunbar hospital.

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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 is in progress and should be available by end of September.

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

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DSG(2010)M001/A001: Stuart Hudson to update DSG on low level waste issues relating to policy (and including licensing issues) at the appropriate time. Action complete – Latest updates can be found under DSG(2011)C165 and DSG(2011)C248. At the meeting on 14<sup>th</sup> December it was agreed that this action could be closed out as this was a long term issue. ONR would bring back to the table at the appropriate time.

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. Action complete - Roy Kirk met with Alan Miller on 22<sup>nd</sup> July – a number of actions are being taken forward.

DSG(2011)M006/A028: Secretary to draft letter supporting business use for the air discount scheme. Action complete – DSG has completed questionnaire distributed by Caithness Chamber of Commerce.

DSG(2011)M006/A032: June Love to circulate date of Highland Council on community benefit workshop when available. Action complete – this was a meeting of Highland Council members and officials.

DSG(2011)M007/A006: Secretary to update progress on actions and circulate to all DSG members in time for DSG meeting on 14<sup>th</sup> September 2011. Action complete.

DSG(2011)M007/A007: All DSG business meeting members to review the protocol for questions, letters and website publication. Action complete – comments received from business meeting members.

DSG(2011)M007/A008:: Secretary to finalise agenda and relevant paperwork and distribute to members in time for meeting on 14<sup>th</sup> September 2011. Action complete.

DSG(2011)M007/A009: Secretary to circulate draft aims and objectives of DSG review to DSG working group for comment. Once finalised the draft paper will be circulated to all DSG members for endorsement. Action complete – draft paper went to working group for comments on 21<sup>st</sup> August 2011 and then circulated to all members for views. Subsequently endorsed by DSG Socio Economic and Site Restoration sub group meetings on 2<sup>nd</sup> November 2011.

DSG(2011)M007/A014: Secretary to request an update from John Owens, Rolls Royce on the number of apprenticeships for the coming year. Action Complete – four apprentices to be taken on this year (same number as last year).

DSG(2011)M007/A023: DSG to write to the Crown Estates asking for an update on progress. Action complete – DSG(2011)C259

DSG(2011)M007/A024: Eann Sinclair, CNSRP to write to Rob Gibson, MSP updating him on CNSRP's interaction with the Crown Estates. Action complete – Eann Sinclair and David Sutherland had provided a verbal update, via Gail Ross.

DSG(2011)M007/A025: Eann Sinclair to discuss the possibility of Caithness, Orkney and Shetland working together on issues relating to renewable energy, ie the inter-connection at the next Pentland Firth Leadership Forum. Action complete - Eann Sinclair confirmed he had raised this issue with the leadership team There was a further meeting to be held next week between Highland Council and Orkney Islands Council and this would be raised again

DSG(2011)M007/A026: Eann Sinclair to circulate paper on Enterprise Zones when complete. Action superseded – Scottish Government have asked for areas to be put up for consideration and this is being done through HIE.

DSG(2011)M007/A027: Anna MacConnell to Simon Tucker to get a full update on the National Nuclear Archives Action complete – update was provided in DSG(2011)M007.

DSG(2011)M007/A028: DSRL to provide more information on funding request for 2011/043. Action complete – discussed at Socio Economic sub group meeting on 3<sup>rd</sup> November 2011.

DSG(2011)M007/A029: DSRL to provide a paper on the criteria for assessing funding requests for the Dounreay Communities Fund. Action complete – discussed at Socio Economic sub group meeting on 3<sup>rd</sup> November 2011.

DSG(2011)M007/A030: June Love to put Criteria for Dounreay Community Fund on next sub group agenda. Action complete – on agenda for Socio Economic sub group meeting on 3<sup>rd</sup> November 2011.

DSG(2011)M007/A031: Secretary to request a presentation on the Engineering Skills Centre at the next Socio Economic sub group meeting. Action complete – discussed at socio economic sub group meeting on 3<sup>rd</sup> November 2011.

DSG(2011)M007/A032: Anna MacConnell to co-ordinate an update on the NDA competition with Graeme Rankin to Socio Economic sub group members (at an appropriate date in September) which will outline the plan for announcing the preferred bidder in November 2011. Action complete – meeting was held on 23<sup>rd</sup> August at 1830 hours.

DSG(2011)M007/A035: Secretary to write to Pauline Crow requesting the Highland Health Board short/long term plan for Dunbar hospital. Action complete – this is an agenda item on CHP on 16<sup>th</sup> August – the paper was deferred following a number of comments.

DSG(2011)M007/A036: Eann Sinclair to provide further clarification to the replacement of the Wave and Tidal Project Manager (Crown Estates) based in Caithness. Action complete – responses have been received and CNSRP will continue to progress this.

DSG(2011)M007/A037: All DSG Socio Economic sub group members to provide the Secretary with updates and additions for the key influencer's document. Action complete.

DSG(2011)M007/A038: Secretary to draft response to Meygen's scoping document on socio economics and circulate to members for comment /approval Action complete – DSG(2011)C229.

DSG(2011)M007/A039: DSG to write supporting John O'Groats as a destination for the Olympic torch. Action complete – action overtaken by events. It appears that agreement has been reached.

DSG(2011)M007/A040: Secretary to write to Roy Kirk, HIE requesting a meeting be organised for members of DSG Socio Economic sub group to meet with a representative from SDI to understand SDI's remit and how this impacts on Caithness and North Sutherland. Action complete – meeting with SDI scheduled for 1<sup>st</sup> September 2011.

DSG(2011)M007/A041: Secretary to write to Rob Gibson, MSP to invite him to meet with representatives of the DSG. Action complete – DSG(2011)C230.

DSG(2011)M008/A001: DSG Chairman to write to Rolls Royce asking them to reconsider their membership with DSG, including questions raised from the recent announcement of the future of Vulcan. Action complete.

DSG(2011)M008/A002: DSG Chairman to write to ONR seeking further clarification to actions DSG(2011)M007/A043 (re risk assessments for nuclear shipments in

relation to removal of the emergency tug vessels. This letter should be copied to Michael Foxley, Highland Council, who was leading a working group on the removal of the emergency tug vessels. Action complete – DSG(2011)C272.

DSG(2011)M008//A003: DSG Chairman to write to Deirdre Henderson to ask that Buldoo Residents Group consider alternative representation at DSG site restoration sub group meetings. Action complete.

DSG(2011)M008//A004: Secretary to request the LLW project team to provide information on the proposed geo-sphere enhancements. Action complete.

DSG(2011)M008/A005: George Farlow to provide Secretary with forthcoming dates for Highland Council and CHP meetings to ensure co-ordination between meetings. Action complete.

DSG(2011)M008//A006: Secretary to consider dates for 2012/13 for DSG and sub group meetings taking on board dates from various meetings including Highland Council and CHP. Action complete.

DSG(2011)M008/A007: DSG chairman to write to NDA asking for clarification at the earliest opportunity whether the preferred bidder wishes to attend DSG. Action complete.

DSG(2011)M008/A008: Secretary to draft response to David Collier providing the required information to allow the DSG review to commence on the 14<sup>th</sup> December. Action complete – DSG(2011)C268 refers.

DSG(2011)M008/A010: Secretary to put Action M007/A043 on agenda for business meeting to agree how to take this forward. Action complete – discussed at Business meeting on 11<sup>th</sup> November – DSG(2011)C272 refers.

DSG(2011)M008/A011: SRSG members to email secretary with any questions relating to Rolls Royce and the announcement on the future of Vulcan. Action complete – questions received from members.

DSG(2011)M008/A012: Secretary to put future of Vulcan site on DSG business meeting to discuss a way forward in addressing questions relating to Rolls Royce. Action complete – discussed at Business meeting on 11<sup>th</sup> November.

DSG(2011)M008/A013: Secretary to circulate ONR strategy consultation document to SRSG members for comment. Action complete – see <http://www.hse.gov.uk/nuclear/news/2011/attachments/vision-strategy.pdf> (emailed to members on 11<sup>th</sup> November 2011).

DSG(2011)M008/A014: Secretary to check with the NDA Stakeholder Manager on union representation at the National Stakeholder Group meeting due to be held in November. Action complete – invite for Unite the Unions went via Charlie Thompson. In future invites will be sent to Kevin Coyne.

DSG(2011)M008/A016: Secretary to circulate draft response on ONR's consultation on bulk quantities waste for comment. Action complete – DSG(2011)C269.

DSG(2011)M008/A017: Secretary to write to Graham Construction to ask how many local people have been recruited so far and how many were expected to be employed throughout the duration of the low level waste project. Action complete –

response received as follows: “At present Graham Construction employ two direct local staff and one local operative through a labour supplier. This is three out of a total of thirteen = 23% local labour.

Our earthworks subcontractor currently employs two local operatives out of a total of thirteen = 15% local labour. They plan to employ another two local operatives after Christmas. We also presently have five local operatives employed by local service subcontractors.

Combining these current numbers totals ten local labour out of a total of thirty-one on site = 32%.

Labour numbers will be fluid and will vary with regard to the changing activities and subcontractors on site. The future numbers of local labour employed will depend on the requirements of other subcontractors. These subcontracts have not as yet been signed.”

DSG(2011)M008/A020: Secretary to circulate round the detail of the new request not included in the written funding report. Action complete.

DSG(2011)M008/A022: Eann Sinclair to see if Caithness food and drink product is displayed within the HIE offices in Inverness. Eann noted that this was in relation to local produce on display at Cowan House, Inverness (HIE’s headquartes). Eann confirmed that there was a rolling programme for the display of local produce and Caithness produce was included in this display.

DSG(2011)M008/A025: DSG to write to Fergus Ewing inviting him to visit Caithness. Action complete – DSG(2011)C264 refers.