

Endorsed on 7th November 2012

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2012)M003

**Minutes of the DSG Socio Economic Sub Group meeting held at 1330 hours
in the Pentland Hotel (large lounge), Thurso on Wednesday 18th July 2012**

Present:

Derrick Milnes	DSG Socio Economic sub group chairman
Bob Eanshaw	DSG Chairman
Alastair MacDonald	Honorary member, DSG
Ronnie Johnstone	Church of Scotland
Trudy Morris	Caithness Chamber of Commerce
John Green	Caithness Voluntary Group
Koreen MacDougall	Caithness Partnership
Eann Sinclair	Caithness & NS Regeneration Partnership
Sandy Mackie	Scrabster Harbour Trust
Roger Saxon	Highland Council

In addition:

Alex MacLeod	Highland Council
George Farlow	Highland Council
Andrew Sumner	DRS
Austin Skinner	DRS
Ian Redmond	DRS
June Love	DSG Secretariat, Dounreay
Roger Hardy	Managing Director, Dounreay
Ken Nicol	Socio Economic Manager, Dounreay
Alastair J MacDonald	Change Director, Dounreay

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting. He noted that a number of visits had taken place to Georgemas railhead over 17th and 18th July. DSG members had visited on 18th July and as a result DRS provided a short update presentation. He welcomed Andrew Sumners, Austin Skinner and Ian Redmond, DRS and thanked them for attending the meeting.

2. DIRECT RAIL SERVICES VISIT AND PRESENTATION

DRS provided a short presentation - DSG(2012)C061 refers. A discussion followed the presentation. Of note:

- DRS indicated they have engaged with rail haulers and held subsequent meetings with local haulier, D Steven & Son.
- DRS were looking to offer a cost effective solution for businesses in Caithness for transport of freight.
- George Farlow questioned whether there would be an issue with width of loads. Andrew Sumner responded that he didn't expect this to cause any issues but if there was something specific to let him have details. George Farlow asked

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- whether the service would be capable of transporting wind turbines. Andrew Sumner replied that he was in talks with a number of renewable companies.
- DRS were in discussion with NDA and Scottish Government with regards restrictions on the line and therefore to build a robust service some investment may be required.
 - Andrew Sumner noted that local labour had been utilised in the construction of the railhead and following discussion he would discuss with Koney (the company who maintains/services crane) to explore whether local labour could be used. It was suggested that local labour should be used for crane operation as well as maintenance and DRS should also consider local labour for driving the trains.
 - Alastair MacDonald (Dounreay) asked what investment was required on the rail line. Andrew Sumner responded that the loops previously laid for freight services had been taken out. To provide a useful service it may be that some of these loops would need to be re-instated. Roger Hardy asked what the cost would be to re-instate loops. Andrew Sumner replied that it would be dependent on the state of the loops which had been taken out – if the infrastructure was still there it may cost in the region of £300K per loop.

Derrick Milnes thanked DRS for inviting the group to visit the site and for the presentation provided. He noted that the Chamber members had visited on 17th and the Caithness Transport Forum had also visited the site earlier on the 18th.

3. APOLOGIES

Apologies have been received from:

- Debbie Gray, North Highland College
- David Flear, DSG Vice-chairman
- Murray Lamont, North Highland Tourism
- Deirdre Mackay, Sutherland Partnership
- Anna MacConnell, NDA

4. MINUTES OF LAST MEETING

The minutes of the last meeting – DSG/SESG(2012)M002 – had been circulated to members in advance of the meeting. These were accepted as a true record of the meeting and this was proposed by John Green and seconded by Eann Sinclair.

No issues were raised from the minutes.

5. PROGRESS ON ACTIONS

Progress on actions had been circulated to members in advance of the meeting. Of note:

- DSG(2012)M002/A006: Roger Hardy to identify whether socio economic elements had been included in the contract.

Roger Hardy noted that there had been no socio-economic elements in the contract recently awarded to Graham Construction for the encapsulation plant. Ronnie Johnstone noted his disappointment with the response. He felt the DSG, along with the Chamber, had held previous discussions to explore what could be included in contracts which would bring about local benefit without breaching procurement legislation.

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- DSG(2012)M002/A020: Eann Sinclair to provide DSG with summary of employment statistics.

Eann Sinclair noted that this was now available and he would circulate the summary.

All other outstanding actions would be progressed by the secretary.

6. COMMUNITY FUND REQUESTS

The community fund requests were discussed in detail. Questions were raised on a number of requests and these would be clarified before endorsement was given. A summary of endorsed requests will be available following clarification on the questions.

7. SOCIO ECONOMIC ACTIVITIES – UPDATES

Derrick Milnes noted that the CNSRP progress update had been circulated to members in advance – DSG(2012)P011 refers. Of note:

- The socio economic impact study had now been finalised and published on CNSRP's website.
- Dounreay had produced a socio economic plan.
- Funding had been secured for the feasibility study into the re-alignment of the Berriedale Braes to ensure it is 'shovel ready'. This had been a great example of partnership working.
- Dounreay had seconded June Love to HIE for 50% of her time to support inward investment activities.
- HIAL were producing a business development plan for Wick airport

There was a general discussion on the requirements of Wick airport. Eann Sinclair noted that the business plan, due in September, would cover priorities for the airport in terms of requirements, ie hangar, fog, unscheduled traffic, etc. Roger Hardy noted it would be important for HIAL to engage with businesses. There had been a number of occasions recently where business meetings had been cancelled because of the inability of planes to land at Wick.

Alex MacLeod noted that Rob Gibson, MSP had met with Keith Brown, Transport Minister and he would provide feedback from that meeting. Alex noted that it would be useful if Rob Gibson was copied into any correspondence relating to the airport and its progress with the business plan.

Trudy Morris stated that there was a shortage of air traffic controllers and there were changes being made to the opening of the airport at the weekend, ie Saturday would be open on request and would open later on Friday because Eastern Airways outbound flight is scheduled for 1045 hrs. She agreed with Roger Hardy in relation to engaging with business to ensure the business plan captured all requirements.

Derrick Milnes asked whether Chamber members were aware of the Saturday closing. Trudy responded that they would be informed shortly. Alex MacLeod noted that Rob Gibson had just received (yesterday) this information and had immediately written to Keith Brown.

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Roger Saxon asked if temporary cover for air traffic control could be explored. Trudy Morris responded that air traffic controllers were trained for specific airports, they were not cross-trained.

Eann Sinclair noted that it had been a useful discussion and that it was helpful that everyone was looking at the airport as the next priority for transport infrastructure.

It was agreed that DSG would write to HIAL supporting business development plan and suggesting that they actively engage with businesses. Roger Hardy would write on behalf of Babcock International Group to illustrate the effect on business when flights are cancelled at short notice.

Roger Hardy noted if the airport had ILS some of the cancelled flights would have been able to land. Having systems in place would mean that training would be required for the pilot and for the air traffic controllers.

Trudy Morris noted that Europcar would be opening up an office at Wick airport to lease cars. Europcar were also looking to have a presence at Scrabster harbour. If consumers booked via the Chamber websites they would receive 10% off the cost of hiring a car and there was a 20% reduction for Chamber members.

The change of name for the airport was now in place – its new name was Wick-John O'Groats airport. Flybe and Eastern Airways were marketing this and new signage would be erected at the airport shortly and the name change officially launched. Wifi would also be available in the airport.

Roger Hardy noted that passenger numbers were up on previous years and also the number of chartered flights had increased.

Action: DSG/SESG(2012)M003/A001: Secretary to draft letter to HIAL outlining support for the production of the business development plan.

Action: DSG/SESG(2012)M003/A002: Roger Hardy to write to HIAL illustrating the effects on business at the cancellation of flights.

Derrick Milnes then invited updates from around the table. He noted that Anna MacConnell had tendered her apologies but had provided a written update as follows:

- National Nuclear Archives – status remains the same as last DSG meeting. The business case is going through a governance procedure. ERDF have invited NDA to put forward a Stage 1 application towards the public areas, including the North Highland Archive. Discussions have been ongoing with North Highland College on the potential to create archiving technician apprentice places. Full planning permission will be sought when the governance process for approval is complete.
- Berriedale Braes Technical Design Study – A letter of offer has been sent to Transport Scotland offering £100,000 towards the cost of the study. This will allow the procurement of the study to get underway immediately.
- DSRL socio economic plan has been approved and the approach taken in it welcomed by the NDA.

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- NDA has been approached by a utilities company seeking to use NDA land for a project with potential socio economic spin-off and NDA are working with them to try and secure a solution.
- NDA has been approached by a private company seeking a testing area for new renewables technology and again NDA are working with them to see if that can be accomplished.

Ronnie Johnstone welcomed Babcock's support at the recent RNLI fayre. A Babcock's minibus had been ferrying passengers to and from the events. It was also noted that a number of the new PBO secondees had been involved on the day.

Trudy Morris noted that the Chamber had received 12 applications for the Innovation Challenge. These would now be screened with six going forward for judging. She thanked NDA and Babcock International Group for their support.

George Farlow noted that the Crown Estate had launched a Coastal community fund with £1.4M being allocated to the Highlands and Islands. Eann Sinclair confirmed that Crown Estates, following discussion with DSG, had intimated they would be attending CNSRP Advisory Board meetings in future to ensure regular communication. It was suggested that the Coastal community fund should be further explored with Crown Estates at the next CNSRP Advisory Board.

Action: DSG/SESG(2012)M003/A003: Eann Sinclair to put Coastal Community Fund on next CNSRP Advisory Board to explore this with Crown Estates.

8. DOUNREAY SOCIO ECONOMIC PLAN 2012-2015

Ken Nicol handed copies of the Socio Economic Plan (2012-2015) to members. He noted the following:

- Development of a socio economic plan is a contractual agreement with NDA.
- Plans have developed over the years and have become more focussed.
- The plan was submitted to NDA on 30th June and subsequently approved.
- Next step was to invite comments from various stakeholders. Copies had been provided to CNSRP, DSG and the Dounreay Unions.
- The plan sets out how NDA, Parent Body organisation and Dounreay Site Restoration Ltd would work together to support regeneration activities.
- Members were encouraged to go back to their respective organisations and illicit comments.

Alastair J MacDonald noted that this was the first time NDA had contractualised socio economics. With this they had obligated the site to ring-fence £500K for socio economic activities.

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Roger Hardy noted that to achieve the deliverables in the plan there had been names against the different elements to ensure accountability. These were as follows:

- | | |
|-------------------------------|----------------------|
| • Renewables | Ken Nicol |
| • Nuclear decommissioning | Alastair J MacDonald |
| • Non-nuclear decommissioning | Shona Kirk |
| • Back office support | Collette McMullen |
| • Creative Industries | Roger Hardy |
| • Advanced manufacturing | Malcolm Smith |

Roger Hardy noted there was a lot of work to be done and some of these projects would have a long gestation period. Some would be successful, others would not. Some of the work to be undertaken would be in support of others, while some would be started from scratch and some may be related to Babcock work. He also stressed if anyone had any ideas which they felt would be useful to pursue they should pass this information on for consideration.

Ronnie Johnstone noted that on page 14, section 3.3.2 talked about the socio economic elements in DSRL's contracts. Given the discussion earlier he felt that the wording of this paragraph did not say a lot and he asked for clarity to make it clear what the site would and would not do in terms of this subject.

Roger Hardy noted that it was difficult to set criteria which would give preference to local people/businesses. Alastair J MacDonald stated that the site would write a case study on the use of local labour with one particular contract on the site to see how it compared with contracts outside of Dounreay.

Roger Hardy noted that a recent contract (Expression of Interest) had yielded no interest from the local supply chain. Ken Nicol noted examples where there had been socio-economic benefit from recent procurement.

Trudy Morris said that what business needed was an understanding of what the Tier 1 contractor's required. It was becoming apparent within the renewable sector that developers only want to engage with the Tier 1 contractors. There was a need to educate local companies on the requirements from Tier 1 contractors and get some local companies collaborating for bigger pieces of work. She said she would welcome help on this from Dounreay.

Ken Nicol suggested that members take the Dounreay Socio Economic Plan away and provide any comments/views by mid August. The secretary agreed to circulate the plan electronically.

Action: DSG/SESG(2012)M003/A004: Secretary to circulate an electronic version of the Dounreay Socio Economic Plan 2012-15 to all DSG members.

Action: DSG/SESG(2012)M003/A005: DSG members to provide comments/views on Dounreay's Socio Economic Plan by 17th August. All comments should be sent to the DSG secretary who will collate all comments for consideration.

9. CORRESPONDENCE FOR NOTING

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Derrick Milnes noted the following correspondence received since the last meeting:

- DSG(2012)C042: DSG letter to JCI to ask about current status of apprenticeships. A response had now been received – see DSG(2012)C049.
- DSG(2012)C044: DSG letter inviting John Rowlands of ROMAR to attend a sub group meeting. ROMAR had donated £10,000 to the Dounreay Communities Fund on the back of a contract award at Dounreay. No response has been received as yet.
- DSG(2012)C047: A response from Crown Estates following DSG meeting on the 18th January. This was now being progressed through Eann Sinclair, CNSRP.
- DSG Review working group had held an initial meeting and a note for the record had been circulated. The next meeting would take place on 13th August.

10. ANY OTHER BUSINESS

- Eann Sinclair noted that the launch of the Marine Energy Park would take place on 30th July. John Thurso and UK DECC Minister, Greg Barker would attend. The event would take place at North Highland College and invitations had been sent out by the HIE Chairman.
- Sandy Mackie noted that ASCo had recently purchased 50% of the Scrabster Port Services. This was a vote of confidence in the developments at Scrabster and would support the aspirations to capture more of the West of Shetland oil related work.

Scrabster Harbour Trust's phase 1 development was making good progress and attention would be given to Phase 2 to develop the land at Scrabster farm as an oil and gas base going forward. He noted there may be some potential in exploring some opportunities with Direct Rail Services.

Roger Hardy asked if using Scrabster would have a cost advantage. Sandy Mackie responded that the steam time is 12 hours from Scrabster and this equated to a positive cost advantage.

- George Farlow noted that the first planning review meeting would be held at North Highland College on the 19th July. One of the planning applications being reviewed was the Forss wind park.

11. CLOSE

There being no further business Derrick Milnes thanked everyone for their time and closed the meeting.

Derrick Milnes
DSG Socio Economic sub group chairman
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ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2012)M003/A001: Secretary to draft letter to HIAL outlining support for the production of the business development plan.

DSG/SESG(2012)M003/A002: Roger Hardy to write to HIAL illustrating the effects on business at the cancellation of flights.

DSG/SESG(2012)M003/A003: Eann Sinclair to put Coastal Community Fund on next CNSRP Advisory Board to explore this with Crown Estates.

DSG/SESG(2012)M003/A004: Secretary to circulate an electronic version of the Dounreay Socio Economic Plan 2012-15 to all DSG members.

DSG/SESG(2012)M003/A005: DSG members to provide comments/views on Dounreay's Socio Economic Plan by 17th August. All comments should be sent to the DSG secretary who will collate all comments for consideration.

ACTIONS ONGOING FROM PREVIOUS MEETINGS

DSG(2012)M002/A018: Anna MacConnell, NDA to continue to keep DSG updated on progress of national nuclear archives.

DSG(2012)M002/A019: Bob Earnshaw, Thurso Community Council, to provide update to DSG on status of Tesco's proposed new store at the old mart, Thurso.

DSG(2012)M002/A020: Eann Sinclair to provide DSG with summary of employment statistics.

DSG(2012)M002/A027: Nigel Lowe, NDA to discuss taking forward outline planning for the National Nuclear Archives with the project team.

DSG(2012)M002/A029: Nigel Lowe to discuss socio economic elements in contract (in relation to National Nuclear Archives) with project team.

DSG(2012)M002/A031 – DSRL and HIE to discuss requirement for trades and skilled people.

ACTIONS COMPLETE SINCE LAST MEETING

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 complete – discussed at socio economic sub group meeting on 25th April. New actions assigned.

DSG(2011)M006/A033: Roy Kirk to speak to George Farlow re potential local business for the supply of wood fuel. **Action complete:** "Highland Councillor George Farlow met with HIE Area Manager for Caithness and Sutherland, Roy Kirk, to discuss an action from a previous meeting of the Dounreay Stakeholders Group.

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The overall position of the Forestry Industry in Sutherland and West Caithness was discussed, specifically noting the high level timber extraction from the counties and the current higher global price. There was a perception that this level of activity however has challenges for the area with inordinate damage to single track roads, particularly over peat; resulting transport issues; visual pollution and virtually no community benefit from employment for example.

Difficulties in considering a sustainable future for the industry were noted and that a desirable outcome might be that a Forest Plan be prepared for Caithness and Sutherland - however, given our remit, a forest plan for the Dounreay Travel to Work Area should be considered. A report on timber extraction by rail exists and that can be made available.

A possible way forward could be via the Caithness and North Sutherland Regeneration Partnership or a pilot scheme by the Highland Economic /Environmental Forum. They welcomed the launch of the Highlands and Islands as a bio-energy region.”

DSG(2011)M008/A026: DSG to send Nicola Sturgeon details of Dunbar hospital.
Action complete – closed out and will revisit following consultation.

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.
Action complete.

DSG(2012)M001/A010: DSG to write to JCI to explore ways of continued recruitment of apprentices. **Action complete** – see DSG(2012)C042.

DSG(2012)M001/A021: Koreen MacDougall to raise the issue of the roads north of Inverness at the next Caithness Transport Forum. **Action complete** – DSG(2012)C032.

DSG(2012)M001/A022: Anna MacConnell to provide information on the expected timescale for developing a business case for the National Nuclear Archives. **Action complete** – discussed at socio economic sub group on 25th April and new action assigned.

DSG(2012)M001/A024: DSG to write to Tesco to ask them what progress was being made on the new build at the railway station. **Action complete** – see DSG(2012)C011. Updates requested via Bob Earnshaw, Thurso Community Council.

DSG(2012)M001/A028: Secretary to invite Richard Stoneham to next sub group meeting to provide an update on the Pensions Office. **Action complete** – written update provided at socio economic sub group meeting held on 25th April.

DSG(2012)M001/A029: Secretary to draft letter to Crown Estates following up discussions held on the 18th January 2012. **Action complete** – see DSG(2012)C003 – Response now received from Crown Estates (DSG(2012)C047).

DSG(2012)M002/A001: June Love to write to HIE to clarify DSG membership. **Action complete** – Roy Kirk has confirmed HIE will no longer attend sub group meetings (CNSRP will represent) but HIE will continue to attend full DSG meetings.

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DSG(2012)M002/A002: Secretary to write to NDA requesting a presentation at the June meeting to describe the difference between the old contract and the new one. **Action complete** – confirmed on 21st May 2012.

DSG(2012)M002/A003: Secretary to write to BDP requesting a presentation at the June meeting to outline what was in the bid for site decommissioning and commitments made to socio economics. **Action complete** – confirmed on 14th May 2012.

DSG(2012)M002/A004: Secretary to write to Alan Ogg, ETEC to reschedule presentation on ETEC following its official opening. **Action complete** – emailed on 15th May deferring presentation until ETEC was officially opened.

DSG(2012)M002/A006: Secretary to write to all members asking for volunteers to take part in small working group to take DSG review forward. **Action complete** – working group identified (David Flear, Eann Sinclair, John Deighan, Alan Scott and Anne Chard).

DSG(2012)M002/A006a: Roger Hardy to identify whether socio economic elements had been included in the contract. **Action complete:** Roger Hardy confirmed that there had been no socio-economic elements included in the contract for the encapsulation plant.

DSG(2012)M002/A017: Koreen MacDougall, Caithness Partnership to provide a written update on progress with Berriedale Braes. **Action complete** - press release issued on 22nd June 2012.

DSG(2012)M002/A021: Eann Sinclair to send June Love website link to economic study when published. **Action complete:** <http://www.cnsrp.org.uk/wp-content/uploads/Socio-economic-Impacts-of-Dounreay-Decommissioning-Final-Report.pdf>

DSG(2012)M002/A022: Secretary to invite John Rowlands, ROMAR to next DSG socio economic sub group meeting. **Action complete** – see DSG(2012)C044

DSG(2012)M002/A023: June Love to update funding rules with amendments as discussed. **Action complete.**

DSG(2012)M002/A024: June Love to finalise funding application and publish, along with rules, on website. **Action complete.**

DSG(2012)M002/A025: Secretary to contact DRS to identify a suitable date for interested stakeholders to visit DRS' terminal at Inverness. **Action complete** – invitation sent to all DSG members to visit Georgemas on 18th July 2012.

DSG(2012)M002/A026: Eann Sinclair to put Wick airport on agenda for CNSRP Executive Board to discuss priority actions for agencies. **Action complete** – this was raised at CNSRP Executive Board in April 2012. Eann Sinclair picking up issue with HIAL.