

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2012)M004

Minutes of the DSG Socio Economic Sub Group meeting held at 1330 hrs in the Pentland Hotel (large lounge), Thurso on Wednesday 7th November 2012.

Present:

Derrick Milnes	DSG Socio Economic sub group chairman
Bob Earnshaw	DSG Chairman
David Flear	DSG Vice-chairman
Ronnie Johnstone	Church of Scotland
Trudy Morris	Caithness Chamber of Commerce
Sandy Mackie	Scrabster Harbour Trust
Eann Sinclair	CNSRP
John Green	Caithness Voluntary Group

In addition:

June Love	DSG Secretariat
Anna MacConnell	NDA
Alastair J MacDonald	Change Director, Dounreay
Ken Nicol	DSRL
Fergus Clarke	Aon Hewitt (Pensions)
Richard Stoneham	Pensions office

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting and introduced Fergus Clarke and Richard Stoneham from the Pensions Office to the meeting. He noted that Aon Hewitt had recently bought over the Pensions Office from Babcock International Group and the group would receive an update later in the meeting.

2. APOLOGIES

Apologies have been received from:

- Roger Hardy, Managing Director, Dounreay.
- Andrew Commin, ERI
- Debbie Gray, North Highland College

3. MINUTES OF LAST MEETING

The minutes of the last meeting – DSG/SESG(2012)M003 – had been circulated in draft for comment prior to the meeting. The minutes were accepted as a true reflection of the meeting and this was proposed by Trudy Morris and seconded by Bob Earnshaw.

4. PROGRESS ON ACTIONS

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

- DSG(2012)M003/A001: Nigel Lowe, NDA to discuss with DRS traffic management for commercial freight at Georgemas junction. **Action complete.** It was confirmed

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that Anna MacConnell and Tom Curry (Direct Rail Services) are in discussion with Transport Scotland regarding traffic management at Georgemas.

Anna MacConnell noted that discussions with Transport Scotland had been positive and they would provide a number of options relating to safety measures for consideration.

- DSG(2012)M003/A002: Anna MacConnell, NDA to discuss Georgemas with
- DSG(2012)M003/A001: encourage Transport Scotland and DRS to consider how to address the issue of traffic management. **Action complete** – see action DSG(2012)M003/A001.
- DSG(2012)M003/A003: Secretary s DR treW n()1(r)-4(o)1(v)10(i)4(d)1(e)1()-5(a)1()-5pareentationor

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under the impression that the business case was with DECC and the Treasury but this did not now appear to be the case.

David Flear added that the response received and the time this was taking needed to be raised formally. He felt that the DSG had to take a more pro-active role in this to make sure the NNA would come to fruition and be sited in Caithness.

Trudy Morris asked if the NDA knew why the EDRF application had been unsuccessful. Anna MacConnell responded that it appeared to be the evidence of need of demand. David Flear asked whether The Highland Council had been involved in writing up the application as he felt they could have demonstrated the demand. Anna MacConnell responded that information on the North Highland Archive from Highland Council had been used.

Sandy Mackie added that the DSG should consider asking what the scope of the project is that the NDA Executive is currently considering. Anna MacConnell responded that as far as she was aware the business case had not changed,

David Flear noted that he and Bob Earnshaw had discussed the archives with David Batters on a recent visit to Caithness.

It was agreed that further clarity on the scope of the business plan and timeline should be requested. Anna MacConnell said she would invite the Project Manager to a DSG meeting to update the group.

Action: DSG/SESG(2012)M004/A001: DSG to write to the NDA asking for clarity of the scope and timeline for the business plan for the National Nuclear Archives.

Action: DSG/SESG(2012)M004/A002: Anna MacConnell, NDA to arrange to invite the NNA Project Manager to a DSG meeting.

5. COMMUNITY FUND REQUESTS

Derrick Milnes noted that a number of applications had been endorsed via correspondence. DSG(2012)C077 refers. The secretary noted that Ken Nicol had been on annual leave at the time and had therefore not taken part in the assessment of these applications. Ken Nicol declared an interest in The Pentland Canoe Club application.

A number of funding applications were tabled for discussion and these were endorsed with one being considered for an increase in funding dependent on other funding commitments.

6. PENSIONS OFFICE UPDATE

Derrick Milnes handed over the Richard Stoneham and Fergus Clarke to provide an update on the acquisition of the Babcock's Pensions Office.

Richard Stoneham thanked the group for accepting their request to attend this meeting. He recapped on the sale of the Pensions Office from UKAEA to Babcock International Group and the involvement of Aon Hewitt in a review of the present services and systems in place.

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Given Babcock Int Group is an engineering company it had been felt that it was in everyone's best interests to sell to Aon who specialise in Pension provision.

Fergus Clarke, Head of Business Development for Aon Hewitt, stated that they had been working with Babcock International Group since November 2010 to initiate a review of the existing processes and Babcock had made a substantial investment to improve the systems and processes now in place.

In parallel Aon Hewitt have ambitions to take their capability and spread into the public pensions provision and they approached Babcock earlier this year to discuss the sale. Philip Behan (Babcock) had been very clear when negotiating the sale that a commitment had to be made to continue to base the service in Caithness and the press statements had made it clear that Aon were committed to remaining in the area and utilising the experience and expertise of the existing staff. It was expected that all staff would transfer across to Aon, including Richard Stoneham, on completion of the Sale at the end of November.

Aon's business plan is based upon bringing more opportunities to Forss, remaining in Forss and also to bring more work with, hopefully more employment, coming through. Discussions had already started with a number of local authorities and these were at an advanced stage.

Trudy Morris said that the Chamber of Commerce welcomed Aon to Caithness and looked forward to working with them in the future. She asked if the contract for the NDA Pensions was secure. Richard Stoneham responded that the contract currently runs to 2016 and he and Fergus were in discussion with the CNPP to novate the contract to Aon Hewitt.

Ronnie Johnstone added that he had raised the question originally about Babcock taking over the Pensions provision and therefore was pleased with the sale to Aon. However, he remained cynical but welcomed the fact that the Pensions office was now under the direction of an established pension provider. Fergus Clarke responded that he welcomed cynicism because it was always good to challenge and debate. He added that internally there had been robust discussions and the initial presentation to Aon's global Chief Executive had been challenged hard as to whether the development in the Public Sector was the sensible thing to do. He stressed this was not a short term move and was a long term investment.

David Flear stated that he felt the sale of the pensions office proved the quality service provided. Richard Stoneham agreed that there was a dedicated and quality workforce and it was hoped to build on this expertise.

David Flear asked whether Brownhill Road premises had transferred to Aon. Richard Stoneham confirmed that the property remained with Babcock.

Derrick Milnes thanked both Fergus and Richard for attending the meeting and providing a positive update.

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Comments had been taken on board where appropriate and the document had been revised. In addition, an appendix had been added to capture all comments and responses were also included.

The plan was now due to be published shortly and work was now in hand to deliver the plan. A new plan would be worked up to be delivered to the NDA at the end of March 2013.

In addition, Ken Nicol provided members with a monitoring report which outlined progress of the deliverables within the socio economic plan. The monitoring report would be useful to DSG members to track the progress.

Bob Earnshaw noted that a breakdown of the costs had been included in the plan. From memory he thought there had been a number of activities included in the funding that had not been previously within this budget. He questioned why the DSG, stakeholder relations, Dounreay.com and visits sat within a socio economic budget.

Alastair MacDonald (Dounreay) confirmed that there had been a change which reflected the dialogue with NDA at the time of competition.

David Flear asked why Dounreay.com could be shown as socio economics when it was a public information office. Alastair MacDonald responded that this reflected discussions with the NDA and that Caithness Horizons was now established which could provide this type of information. The group disagreed because Caithness Horizons was a museum which provided historical information and Dounreay.com was an important community facility which provided information on what was happening on the site at the present time. David Flear noted that he thought that Dounreay.com was an extremely valuable asset for the site and he found, in a DSG capacity, it was useful to pop in to get up to date information as required. He also noted that anytime he visited there were always visitors in asking for up to date information.

David Flear also noted that in the appendix there was a response regarding Caithness Horizons which was not accurate. Highland Council did not own Caithness Horizons (as a business) but did in fact continue to own the building. Ken Nicol said he would amend the comment on this.

Ronnie Johnstone said that the DSG shouldn't be surprised at the cost breakdown. Alastair MacDonald responded that this reflected the reality of the situation with a lot of the service provided now sitting in the socio economic budget. He added that if there was demand for funding, over and above the £500K, it would be considered, however presently there was no demand for funding coming through.

David Flear asked whether any projects were coming through. Ken Nicol responded that DSRL had recently received one application for a small amount of funding and this had now been agreed.

Eann Sinclair noted that there were 3 or 4 projects coming through CNSRP for potential co-funding for partners.

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Bob Earnshaw asked if more projects came through would Dounreay have funding available. Alastair MacDonald responded that the £500K was a variable figure dependent on NDA's approval.

Bob Earnshaw re-iterated David's views on Dounreay.com. He felt this was a valuable facility and it would be extremely disappointing if this was shutdown. Alastair MacDonald confirmed that the lease was due for renewal in February 2014 and options would be considered before a decision would be made.

David Flear asked whether the site would discuss the options with DSG so that a cost value analysis could be carried out. He felt that DSG's inclusion in considering options would provide valuable input from a community value point of view.

Bob Earnshaw also noted that the Dounreay Communities Fund was now sitting in the socio economic budget. Given that BDP had decided not to continue its contribution to the community fund because they wanted to concentrate on job creation (ie socio economics) he found it difficult to understand why the £20K for community funding was in this budget. Alastair MacDonald responded that there were no plans to change this and the funding would continue to be available for community projects.

Eann Sinclair said he was pleased to see a more joined up approach to funding applications for either NDA or Dounreay funding. The formation of a Dounreay Socio Economic Board meant that applications would be joined up and more coherent. He reminded members that while the site had a ring-fenced £500K there was a wider context with NDA and PBO funding also being available. Anna MacConnell responded that this would continue regardless of who carries out the due diligence. However, she pointed out that no projects were coming forward.

David Flear asked how the Dounreay Socio Economic Plan integrated with CNSRP. He felt it was worrying if there were no projects coming forward. Alastair MacDonald responded that the deliverables within the Dounreay plan would be incorporated into the CNSRP programme and once all partners had provided their contribution to the CNSRP programme any duplication of effort would be discussed and a way forward, as to who delivers what, will be agreed between the partners. Eann Sinclair added that the Dounreay Socio Economic Plan was the most defined at present from the public partners. His priority would be to identify the priority projects and get these to a level where they are considered by all partners and taken forward to agreed activities with people accountable for delivery.

David Flear asked whether there were detail on the 4 projects already identified. Eann Sinclair responded that the Delivery Team meets every month and these will continue to be progressed through that meeting.

Bob Earnshaw asked for confirmation that the £500K was a flexible sum and further funding would be realised if required. Alastair MacDonald responded that this was the case but would be discussed and agreed with NDA. Alastair added that by including the breakdown of costs within the plan was the site's intention to be as transparent as possible.

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Trudy Morris noted a statement in the monitoring report and asked that it be clarified as the Chamber of Commerce would be paying for the service provided. Ken Nicol agreed to amend the monitoring report.

Action: DSG/SESG(2012)M004/A003: Ken Nicol to amend monitoring report to reflect Chamber's comments.

David Flear noted that there was a section on featured projects within the Plan. While he thought it had been clarified he asked whether this integrated fully with the CNSRP programme. Ken Nicol noted that all activities within that section resulted in discussion papers going forward to the CNSRP so that partners could also input into these to ensure a full picture of requirements going forward. At present three discussion papers had been circulated to CNSRP (these papers covered operation and maintenance of marine renewables, off-shore wind and skills) for input.

David Flear noted that it was good to see the Chamber of Commerce being included in supplier days.

Derrick Milnes thanked those from the site for providing the monitoring report. He felt it was a useful document to allow DSG and others to see how progress is being made. Eann Sinclair asked whether this report would be updated regularly. Ken Nicol responded that it would be and that a monitoring report would come forward to these meetings. In addition, new website pages were being worked on at present to ensure that this type of information was widely available.

David Flear noted that the NDA had provided substantial funding for some projects and yet did not promote these locally. Anna MacConnell responded that the NDA simply did not have the resource to highlight all projects supported by the NDA nor quantify results in detail.

Alastair MacDonald added that the site had agreed that instead of producing the annual site Decommissioning supplement it would now become a Caithness supplement highlighting all the things that have happened in the area over the past few years and looking forward. Dounreay would provide the resource for this and in addition had provided people resource to North Highland Initiative to support some communication activity in the tourism sector. Anna MacConnell noted that in the first instance the Dounreay communications provision could concentrate on the projects that had been funded by NDA.

8. UPDATES ON SOCIO ECONOMIC ACTIVITIES

Derrick Milnes noted that the CNSRP progress report had been provided – DSG(2012)P016 refers. Eann Sinclair noted the following:

- The Crown Estates would be holding an open day in Thurso on 28th November. This would take the form of a 'market staff' approach with developers also in attendance.
- SSE had advertised training opportunities recently and North Highland College was working with SSE on this.

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- There was upwards of 60 jobs retained or created over the past few months and this did not include the recent announcement of UK Renewables Directory who plan to open an office in Caithness.
- A review of the CNSRP programme had been undertaken between Dounreay and CNSRP to integrate the Dounreay Socio Economic Plan deliverables into the CNSRP programme. The revised programme would be tabled at the next Advisory Board meeting.

Ken Nicol asked if there was anything to report on Fusion. Eann Sinclair confirmed there was no progress but would ask HIE if anything was forthcoming.

Action: DSG/SESG(2012)M004/A004: Eann Sinclair to ask HIE what progress is being made with Fusion projects.

Bob Earnshaw re-iterated concerns regarding no projects coming through. Anna MacConnell responded that there was a lot of good community projects coming through the Caithness & North Sutherland Fund.

Derrick Milnes then invited others round the table to provide updates.

Trudy Morris noted that the Chamber of Commerce:

- would be attending the NDA's supply chain event in Bolton on 22nd November. A directory of nuclear capabilities was being created for this event.
- were in discussion with Babcock to deliver retail training and 24 retailers had signed up for this event.
- submitted a proposal to CNSRP to take over the Caithness Transport Forum from the Caithness Partnership.

Eann Sinclair confirmed that funding had been agreed for this but was currently trying to contact Highland Council to get an update from the meeting which was going to discuss this.

Trudy Morris also noted that the North Highland Regeneration Fund, which the Chamber is now managing, would hold its AGM on the 9th November in the Pentland Hotel.

John Green noted that the Caithness Partnership's AGM would be held shortly and he hoped that agreement would be reached to keep the Partnership going.

David Flear noted that he had provided stakeholders involved with the Magnox competition a short briefing on the experiences from Dounreay. Anna MacConnell said she had been in contact with some of those involved who had been following up with some questions.

9. **CORRESPONDENCE SINCE LAST MEETING**

Derrick Milnes noted the following correspondence had been provided:

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- DSG(2012)C067 - DSG's response to HIE's consultation on Broadband.
- DSG(2012)C069 - DSG's letter to HIAL supporting business plan.
- DSG(2012)C076 - NDA's site stakeholder group briefing for October.

John Green noted, in relation to Broadbroad, that John O'Groats exchange was outdated and Broadband was very poor.

Trudy Morris noted that Wick airport had recently been renamed Wick/John O'Groats airport and asked that everyone check their websites etc to ensure that the name change was reflected.

10. ANY OTHER BUSINESS

- **DSG Review**

David Flear tabled DSG(2012)C079 (Review of DSG). He noted that he was currently awaiting a meeting with Vulcan to progress recommendations relating to that site.

The paper had been circulated in advance and provided recommendations going forward. He noted that a gap in the capability of members had been identified and it was essential to try to attract members who had experience in nuclear waste, health, safety and environment. It was proposed that the use of the public spaces should be utilised to bring further expertise to the group.

Ronnie Johnstone asked whether pre-meetings were required. David Flear responded that this mainly reflected on the site restoration sub group so that members could have an early discussion to identify areas of concern from papers presented.

Anna MacConnell noted a comment made previously by an ONR representative who had asked that an opportunity be provided for questions to be raised in advance of meetings to allow those present to provide a response in full. David Flear said that the sub group meetings allowed questions to be raised in advance of main meetings and that part of the DSG's remit was to provide oversight and scrutiny. The secretary noted that DSG had a protocol so that if there were technical questions to be raised these could be done in advance of the meeting to allow observers to respond in full. She agreed to resend the protocol out to members as a reminder.

Action: DSG/SESG(2012)M004/A005: Secretary to resend DSG protocol out to members.

Members agreed the recommendations from the review.

- **Scottish Government's consultation on procurement.**

The secretary noted that DSG had responded to this consultation. Trudy Morris also noted that the Chamber had provided views to the Scottish Chambers who were in discussions with Scottish Government on the bill.

There being no further business Derrick Milnes formally closed the meeting.

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Derrick Milnes

DSG Socio Economic sub group chairman

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ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2012)M004/A001: DSG to write to the NDA asking for clarity of the scope and timeline for the business plan for the National Nuclear Archives.

DSG/SESG(2012)M004/A002: Anna MacConnell, NDA to arrange to invite the NNA Project Manager to a DSG meeting.

DSG/SESG(2012)M004/A003: Ken Nicol to amend monitoring report to reflect Chamber's comments.

DSG/SESG(2012)M004/A004: Eann Sinclair to ask HIE what progress is being made with Fusion projects.

DSG/SESG(2012)M004/A005: Secretary to resend DSG protocol out to members.

ACTIONS ONGOING FROM PREVIOUS MEETINGS

DSG(2012)M002/A018: Anna MacConnell, NDA to continue to keep DSG updated on progress of national nuclear archives. **Action ongoing** – regular updates being provided.

DSG(2012)M002/A029: Nigel Lowe to discuss socio economic elements in contract (in relation to National Nuclear Archives) with project team. **Action ongoing** – will be considered by Project Team at appropriate time.

DSG(2012)M002/A031 – DSRL and HIE to discuss requirement for trades and skilled people
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DSG (2012)M003/A020: Eann Sinclair to put Coastal Community Fund on next CNSRP Advisory Board to explore this with Crown Estates. **Action complete – on Advisory Board agenda for next meeting.**

DSG(2012)M003/A021: Secretary to circulate an electronic version of the Dounreay Socio Economic Plan 2012-15 to all DSG members. **Action complete** – emailed to all DSG members on 19th July 2012.

DSG (2012)M003/A022: 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. **Action complete** – all comments received by 17th August were incorporated and are currently being considered.