

DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP

DSG/SESG(2014)M004

Minutes of DSG Socio Economic Sub Group meeting held on Wednesday 12th November 2014 at 1330 hours in Pentland Hotel, large lounge.

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| Present: | Derrick Milnes | Wick and Thurso Trades Council (Chair) |
| | David Flear | DSG Chairman |
| | Alastair MacDonald | DSG Honorary Member |
| | Bob Earnshaw | Thurso Community Council |
| | Fiona Levack | Caithness Chamber of Commerce |
| | Eann Sinclair | CNSRP |
| | Ronnie Johnstone | Church of Scotland |
| | Clr Matthew Reiss | Highland Council |
| In addition: | June Love | DSG Secretariat |
| | Anna MacConnell | NDA Socio Economic and Stakeholder Relations Manager |
| | Ken Nicol | DSRL Socio Economic Manager |
| | Ken Linn | Head of Commercial Department, DSRL |
| | Mike Muir | Commercial Manager, DSRL |

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting. He thanked Ken Linn and Mike Muir for attending. Introductions were made round the table.

2. APOLOGIES

Apologies were received from:

- Debbie Gray North Highland College
- Trudy Morris Caithness Chamber of Commerce (Fiona Levack deputising)
- John Green Caithness Voluntary Group
- Jean Lipa Association of Caithness Community Councils
- Sandy Mackie Scrabster Harbour Trust
- Murray Lamont North Highland Tourism

3. MINUTES

The minutes of the previous meeting – DSG/SESG(2014)M003 – had been circulated in advance to members. The minutes were accepted as a true reflection of the meeting. This was proposed by Eann Sinclair and seconded by David Flear.

Derrick Milnes asked whether anyone wished to raise anything from the minutes. David Flear asked Anna MacConnell what the status was on the potential funding for a marine energy project. Anna MacConnell responded that the company in question no longer required NDA support at this time however she expected that they may come back at a later date.

4. ACTIONS

Derrick Milnes noted the status of actions. The following actions were discussed:

- DSG(2014)M003/A022: Anna MacConnell to consider whether there was value in considering a paper, similar to Sellafield's, summarising the positive contribution to the regional economy.

Anna MacConnell stated she had looked at the Sellafield report and had made some changes to an outline draft document she was proposing to develop. She had shared the outline paper with David Flear (DSG), Ken Nicol (DSRL) and Jon Philips (NDA) as a first draft for their input. She handed out copies of the outline paper to members at the meeting and encouraged members to provide her with comments on this as soon as possible. Anna noted that it was coming up to NDA's 10th anniversary and therefore this paper would cover all socio economic activities of the NDA since its inception but to also look at future requirements. Jon Philips was keen to take this paper to the NDA Executive Board early next year to provide a summary of NDA activity over the 10 year period. It was agreed that members should read the outline draft and come forward with any suggestions/comments as soon as possible.

David Flear stated that he had seen the draft outline in advance of the meeting and had felt that this was more appropriate than the Cumbrian paper. He also felt that re-stating what had already had been achieved would be useful. He asked Anna whether the £14M figure combined the socio economic funding and the £4M community benefit funding. Anna responded that NDA's policy was to include the funding for community benefit under socio economic benefit.

Action: DSG/SESG(2014)M004/A001: Members to provide any comments to outline draft paper on NDA's contribution to the economy of Caithness/North Sutherland by Friday 21st November 2014.

- DSG (2014)M002/A025: Eann Sinclair to provide a timeline of actions generated from the Tourism meeting.

Eann Sinclair stated that he now had a draft which would be circulated for comment shortly.

Derrick Milnes noted the actions which had been completed since the last meeting. These were as follows:

- DSG(2014)M003/A008: June Love to ask Ken Nicol to provide final process for funding applications once considered internally. Action complete: see DSG(2014)C059.

Ken Nicol noted that the process for funding applications was now complete and allowed for stakeholder engagement to take place. David Flear noted that while there was flexibility in the process to hold stakeholder engagement at certain times the formal process was useful to have. David Flear asked whether NDA was also aligned to this. Anna MacConnell confirmed this however she pointed out that the figures would be different in that NDA tended to fund larger projects and that informal discussion with DSG office bearers had proved valuable. However, she intimated that the process would be the same. David Flear re-iterated that DSG had no wish to make decisions but to provide input at an early stage.

- DSG(2014)M003/A020: June Love to invite Mike Muir, Commercial Department to next Socio Economic sub group meeting in November. ***This would be discussed under agenda item 5.***
- DSG(2014)M003/A021: Ken Nicol to consider how the DSG Socio Economic sub group chairman could be included in the consideration of funding applications for socio economic funding. Action complete: A draft proposal was provided to Business meeting on 1st August and is still to be taken through internal review. Action DSG(2014)M003/A008 takes this forward. (See

action 8 above).

- DSG(2014)M003/A023: DSG members to consider DRS's information and provide DSG secretary with comments for onward transmission to Trudy Morris to provide a joint Caithness Transport Forum/DSG response. Action complete: see DSG(2014)C055.
- DSG(2014)M003/A024: Anna MacConnell to explore with NDA the possibility of holding the NDA National event in Caithness. Action complete: Anna MacConnell fed back David Flear's comments to Kelly Anderson and Bill Hamilton, NDA. The next event will be held in Birmingham to coincide with a RWD event.
- DSG(2014)M003/A025: Eann Sinclair to provide information on the funding provided for MeyGen. Action complete: Scottish Enterprise provided a £7.5m project finance debt facility through its Renewable Energy Investment Fund (REIF) administered by the Scottish Investment Bank. The Crown Estate provided £10m of senior project finance. DECC and Highlands and Islands Enterprise are issuing £13.3m in the form of direct grants to MeyGen. The balance of £20.5m is a cash equity investment into Tidal Power Scotland Holdings Limited, the holding company of MeyGen. Atlantis is investing £10.8m and ScotEnt is putting £9.7m from REIF into the vehicle over the coming months. Once the investments are complete, Atlantis will hold 86.5% of MeyGen and ScotEnt will have a 13.5% stake.

5. PROCUREMENT PRESENTATION

Derrick Milnes handed over to Ken Linn and Mike Muir. Ken Linn thanked the DSG for inviting them along to the meeting. Mike Muir provided the presentation. See DSG(2014)C073.

Following the presentation, the following was discussed:

On transport services, David Flear asked whether DRS was involved in tendering for these contracts. Mike Muir responded that DRS could tender along with other transport companies. Commercial's experience was that road transport was by far the most cost effective.

David Flear responded that on the basis that DRS was trying to develop Georgemas he wondered whether DRS needed to be encouraged to be more commercial. David agreed he would take this through into the Caithness Transport Forum.

Action: DSG/SESG(2014)M004/A002: David Flear to raise DSRL transportation contract in relation to DRS at the next Caithness Transport Forum.

Eann Sinclair stated that it was good to have knowledge of the contract opportunities in advance because some of these may require infrastructure and these things take time. Mike Muir responded that given the amount of concrete waste containers required (6000) there was a good contract opportunity. Ken Linn noted that this could result in a mixed strategy for transportation. Eann Sinclair suggested it would be useful if the CNSRP partners could have advance sight of the opportunities going forward. Derrick Milnes felt there was a need for real consultation with the carriers and a cost benefit analysis undertaken.

Action: DSG/SESG(2014)M004/A003: Mike Muir to have a discussion with CNSRP representatives on potential opportunities which could also benefit the area in terms of required infrastructure etc.

It was noted that there was a number of construction projects coming up over the next 5-6 years. Mike Muir stated that the enabling projects would go through the local framework contracts. The dates within the presentation related to the first shovel in the ground as the contract and safety case documents are already underway.

David Flear noted that it was difficult to spin out developments if the facility is on site and asked that this be considered. Mike Muir confirmed that the batching plant would be off-site and emphasised that there was an opportunity for a local company if they chose to follow this up. Derrick Milnes noted there were a lot of construction projects already identified for the area and that this may have an impact not only locally but throughout the region. Mike Muir agreed and stated that consideration was being given to ensuring welfare facilities for construction workers (ie toilets, kitchen, etc) would have a shared facility.

David Flear stated that there was the potential for hundreds of construction workers coming into the area for certain contracts and felt this made a stronger case to ensure that recreation and accommodation was available in the area. This should be linked back to CNSRP to ensure any infrastructure required for on the CNSRP programme. Eann Sinclair noted that there was already a great deal of construction going on in the area including the SSE's substations at Spittal, and the forthcoming NDA Nuclear Archives and schools etc.

Eann Sinclair noted that within some contracts there was an ability to recruit apprentices, interns etc. He asked whether the long term unemployed had also been considered. Mike Muir responded that this was the case and DSRL would assess the suitability of people before they were employed through contractors. He added that he had been surprised at the quality and calibre of people coming forward and that there were still opportunities in the near future.

Ronnie Johnstone stated that the housing market was very static at present with people not committing long term to the county. As an example he noted that the MOD police who were currently recruiting were living out of a hotel. He asked that how, in the context of CNSRP and ongoing DSRL contracts, to build confidence in an area. Mike Muir noted that the nature of some contracts meant that those involved would commute. However, in his experience he had seen a mixed reception with both a travelling and static workforce.

Bob Earnshaw noted that this had been one of the better presentations provided and thanked Ken Linn and Mike Muir for their input. Derrick Milnes added his thanks.

6. DOUNREAY COMMUNITY FUND

Derrick Milnes noted that there were a number of applications for consideration. He reminded members to declare an interest.

There were no declarations of interest and the recommendations of each application were endorsed.

7. DOUNREAY SOCIO ECONOMIC PLAN

Derrick Milnes noted there had been two written updates from NDA.

- DSG(2014)C067: NDA Site Stakeholder briefing, October 2014
- DSG(2014)C072: NDA Site Stakeholder briefing, November 2014

David Flear noted that in the October update there was mention of the office block built in Cumbria. He noted that early discussions were taking place between DSRL and HIE to consider off-site

accommodation for DSRL staff which would in turn become a legacy for the future. He also noted that Chapelcross was one of the sites being considered for MoD waste.

Derrick Milnes invited Anna MacConnell to provide an update of NDA activities. Anna MacConnell noted the following:

- There would be a public event for the NDA Nuclear Archives on the 25th November. Invitations were in the process of being sent out and DSG members were being invited to the session prior to the public event.

There had been a change in the timeline for this project with the Commercial partner procurement taking place in May. While the contracts had originally been run concurrently they had now been decoupled so that the construction contract can go ahead if planning permission is granted. This was still on schedule to begin in March.

Within the commercial partner procurement scope had been added to include the Harwell archive as their current contract expires in 2015 and would require an extension of 2 years.

NDA believed that this project would continue on schedule.

David Flear thanked Anna MacConnell for previously updating him on this project and for the update at this meeting. He noted that he had queried the socio economic benefit within these contracts and it had been heartening to hear that both contracts would include elements of socio economics. Simon Tucker, Project Manager would be visiting Caithness in January and had agreed to provide further updates to DSG around that time. Anna MacConnell confirmed that socio economic elements had been built into both contracts

Derrick Milnes noted that a written report had been received by DSRL (DSG(2014)P024 refers). Ken Nicol provided a verbal update. Of note:

- The Dounreay Socio Economic Alliance (NDA/PBO/DSRL) was continuing to update and produce programmes and scopes for inclusion into the CNSRP high level programme. This included projects being taken forward by Cavendish Nuclear, DSRL and the NDA and included projects such as the Community Sports Hub, Business Development and the NNA. There would be other activities that the Dounreay Socio Economic Alliance would do but these would not feature within the CNSRP programme and progress would continue to be reported via the DSG.
- Dounreay would be contributing £3K towards the development and publication of the CNSRP's Annual review.
- There was a lot of work being done within the education and skills area with DSRL being involved in organising the 'Ready, Steady Work, event held in both Thurso and Wick. Work was ongoing to organise an Industry day for school pupils.
- DSRL had employed an intern who was working with CNSRP and Skills Development Scotland to produce information to allow signposting (for school pupils and others who were looking for employment) to those organisations who can provide support.

- A memorandum of understanding between DSRL and the North Highland College (UHI) was being developed.

Ronnie Johnstone asked what a Memo of Understanding meant. Ken Nicol responded that in simple terms DSRL might see opportunities where the North Highland College may wish to deliver nuclear related training and staff at Dounreay who may be able to help provide training on specific elements which would link into the promotion of the European Reference Site.

- Business development events were now being advertised within Dounreay to allow individuals to take advantage of these if appropriate.

David Flear asked whether this was relevant at this time given it was likely that the interim end state would change and the requirement would be to hold on to the workforce for a longer period. Ken Nicol responded that there would be a balance between the two given there was people already working on site who was running small businesses or starting up small businesses while under permanent employment.

- A paper on the potential spin outs of services within the Dounreay site had been developed and the recommendations of this paper had been agreed with the emphasis being on small business development support.
- The Caithness Chamber of Commerce would be taking forward a business development project which had been funded by NDA and DSRL. This complemented Business Gateway.

David Flear noted that this would tie in nicely with the North Highland Regeneration Fund, managed by the Caithness Chamber of Commerce, to offer up business mentoring. Anna MacConnell noted that the NDA funding for this project was not new money but was surplus funding leftover from another project.

David Flear noted that NDA were currently working with Scrabster Harbour on phase 1b and 2 of the project. He asked what these phases were. Anna MacConnell responded that phase 1b related to the Enterprise Park while Phase 2 was the Ola Pier.

Anna MacConnell noted that Scrabster Harbour Trust had recently announced receipt of a workboat which had been supported by the NDA. She added that this was not a socio economic project but had been provided on safety grounds and would be available for use for all traffic at Scrabster.

Derrick Milnes noted that a written update had been provided on the heritage activities – DSG(2014)C070 refers.

8. UPDATES ON SOCIO ECONOMIC ACTIVITIES

Derrick Milnes noted that CNSRP had provided a written update – DSG(2014)P023 refers. Eann Sinclair was invited to provide a verbal update. Of note:

- The jobs total was up around 107.
- The Meygen announcement had led to local supply chain announcements with JGC being awarded a major contract.

- SSE had recently announced that Wick harbour was the harbour of choice for operations and maintenance for the BOWL windfarms and a Memo of Understanding had been signed by Wick for MORL.
- A new helicopter hangar had now been established at Wick John O'Groats airport. While NVH's contract had now come to an end with Chevron for the moment it was hoped that having a permanent hangar at the airport would allow further work to be undertaken.

David Flear asked whether CNSRP was still on schedule to deliver the CNSRP programme by the December Advisory Board meeting. Eann Sinclair responded that he had been running a workshop, supported by Simon Middlemas, this week with further workshops planned for later this month to ensure that all those responsible was aware of the information required.

David Flear noted that Eann Sinclair had recently provided a CNSRP update to the full Highland Council. Given the recent press articles on child poverty and the comment made that this was because of the effects of the Dounreay rundown he felt it was important that Eann emphasised the new and retained job and the fact that the staffing at Dounreay remains constant for the time being. Eann Sinclair agreed adding that the timing for that would be when the detail of the Dounreay decommissioning plan was available. Eann Sinclair stated that Thomas Pragg had asked the question as to whether CNSRP should be making more of the Dounreay factor but there would be a fine balance of providing information to the wider audience. Once the decommissioning plan timeline was available there would be a need to re-emphasise that CNSRP was not going to slow activities down. Derrick Milnes added that it was extremely worrying to have articles on child poverty linked to the rundown of Dounreay at a time when Dounreay was not a factor. He noted that David Flear had responded on behalf of DSG to that article.

Bob Earnshaw asked what progress was being made with the Scrabster Harbour Enterprise Park. Eann Sinclair responded that he would be speaking to Sandy Mackie next week to allow work to progress on the programme. Ongoing support had been provided by NDA/HIE.

Fiona Levack, Caithness Chamber of Commerce reported the following:

- Make the Right Connections programme was currently being wound down and an 'end of project evaluation' was being undertaken.
- World Host Training was continuing with funding from Skills Development Scotland.
- The AGM for the North Highland Regeneration Fund would take place on 21st November 2014.
- DRS had announced a new commercial manager, Barry Erroll. DRS had offered to hold a small event at their depot in Inverness for both stakeholders and commercial clients. Trudy Morris had asked for a programme before making a decision on attendance. It was believed this would be held sometime in January 2015.

9. CORRESPONDENCE SINCE LAST MEETING

Derrick Milnes noted that a written update on the National Nuclear Archives had been provided – DSG(2014)C068 refers. This had been discussed earlier in the meeting.

10. ANY OTHER BUSINESS

Derrick Milnes asked if members wished to raise any other business. David Flear noted the following:

- Berriedale Braes: An update from the Highland Council had been received. A public exhibition on 2nd April which highlighted the preferred route and currently a stage 3 assessment was being completed to allow the publication of a draft statutory road order. This would be followed by a further public exhibition to present proposals (provisionally end of November). The HC had also emphasised that no dates had been provided on when the construction work was likely to commence and completed. David Flear noted that this would be something to discuss further via the Caithness Transport Forum.
- Floating wind turbines: A briefing document had been received from HIE. In summary HIE were looking at the feasibility of developing a test and demonstration site for floating wind turbines 6 miles off the coast. Having looked at various locations the North of Dounreay had been identified as a potential location for cable landfall. This project was at a very early stage and is currently looking at the feasibility and will include considerations on grid access, environmental constraints and market conditions to see whether this will become a viable project. Derrick Milnes declared a potential interest dependent on the position of the proposed turbines. Eann Sinclair noted that the HIE project team would be attending the CNSRP Advisory Board to provide an overview of the project.
- NDA National Event: The event had been held in Birmingham and had included discussions on NDA Strategy III as well as radwaste topics. The event ran slightly late and therefore there had been no update on Stakeholder engagement and Socio Economics. NDA had subsequently distributed the overheads that would have been used and a short briefing asking a number of questions. It was agreed that views from members would be useful to feedback to the NDA.

Action: DSG/SESG(2014)M004/A004: DSG Secretary to circulate NDA Stakeholder engagement and socio economics presentation to allow members to provide comments/views.

- June Love noted she had received information from Jean Lipa (Association of Caithness Community Councils) on ambulance services within the area. This was discussed with Ronnie Johnstone and agreed that the information provided would be left for the Community Councils to work through.
- Bob Earnshaw noted that the Caithness local development plan was out for consultation with sessions being held on 18th November in Thurso.
- David Flear noted that he would be attending Scottish Government's Scottish Nuclear Sites Meeting in Edinburgh on 20th November.
- Ken Nicol raised the issue of the Highland Council consultation on budgets. It was agreed that a response from DSG would be submitted raising the issue of maintaining and creating recreational facilities to ensure that the area is attractive to inward investment.

Action: DSG/SESG(2014)M004/A005: DSG Secretary to draft response to Highland Council's consultation on budget.

11. CLOSE

Endorsed on 14th January 2015

There being no further business, Derrick Milnes thanked everyone for their attendance and input and formally closed the meeting.

Derrick Milnes
DSG Socio Economic Sub Group Chairman
16th November 2014

ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2014)M004/A001: Members to provide any comments to outline draft paper on NDA's contribution to the economy of Caithness/North Sutherland by Friday 21st November 2014.

DSG/SESG(2014)M004/A002: David Flear to raise DSRL transportation contract in relation to DRS at the next Caithness Transport Forum.

DSG/SESG(2014)M004/A003: Mike Muir to have a discussion with CNSRP representatives on potential opportunities which could also benefit the area in terms of required infrastructure etc.

DSG/SESG(2014)M004/A004: DSG Secretary to circulate NDA Stakeholder engagement and socio economics presentation to allow members to provide comments/views.

DSG/SESG(2014)M004/A005: DSG Secretary to draft response to Highland Council's consultation on budget.