

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2019)M001

Minutes of the DSG Socio Economic Sub Group meeting held on Wednesday 30th January 2019 at 1330 hours in the Pentland Hotel, Georgina Suite, Thurso.

Present:	Derrick Milnes	Wick and Thurso Trades Council (chair)
	Roger Saxon	DSG Chair
	Alastair MacDonald	Honorary member, DSG
	CLlr Matthew Reiss	The Highland Council
	Ronnie Johnstone	Church of Scotland
	Trudy Morris	Caithness Chamber of Commerce
	Sandy Mackie	Scrabster Harbour Trust
	CLlr Struan Mackie	The Highland Council
	Ron Gunn	CHAT
	Eann Sinclair	CNS Regeneration Partnership
	Davie Alexander	Wick and Thurso Trades Council
	Thelma Mackenzie	Thurso Community Council
	Willie Mackay	The Highland Council (Site Restoration Chair)
In attendance:	Dawn Clasper	DSG Minute Secretary, Dounreay
	June Love	Stakeholder Relations & Socio Economics Manager
	Anna MacConnell	NDA Socio Economic & Stakeholder Relations Manager
	Simon Middlemas	PBO Support for Socio Economics

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting. He introduced David Alexander, Wick and Thurso Trade Union Council representative and Simon Middlemas, on behalf of Cavendish Dounreay Partnership, who was in attendance to provide a short update on the recent announcement about future employment for DSRL after the decommissioning programme was complete.

2. APOLOGIES

Apologies were received from:

- Bob Earnshaw, Honorary member, DSG
- Debbie Murray, North Highland College
- David Flear, Honorary member, DSG
- Linda Bremner, Association of Caithness Community Councils
- Murray Lamont, North Highland Tourism

3. MINUTES OF LAST MEETING

Derrick Milnes noted the minutes of the last meeting - DSG/SESG(2019)M003 - had been circulated to members in advance of the meeting. The minutes were accepted as a true reflection of the meeting. This was proposed by Roger Saxon and seconded by Ron Gunn.

No issues were raised from the minutes.

4. STATUS OF ACTIONS

Derrick Milnes noted that an updated status of actions had been circulated to members in advance. The following was noted:

- **DSG(2018)M002/A016:** Cllr Struan Mackie to find out how much of the City Region Deal (£370M) had been spent (or earmarked) outside of Inverness. **Action complete:** Cllr Mackie provided members with a copy of the Highland Council paper.

Cllr Struan Mackie stated that he had received the majority of information for Caithness and the Dounreay travel to work area. In terms of committed projects there has been 1.225 % spent in the Dounreay travel to work area. A FOI request had been submitted for Ross-shire, Sutherland and Nairnshire and this was awaited.

There were a number of projects in the City Region Deal that Highland Council had been asked to consider. Highland Council, Scottish Government and the UK Government Treasury have gone through a number of options and it appeared that the majority of capital expenditure spent was concentrated in the Inverness area. There were questions around how much new money would be part of this deal and over 60% appeared to be getting spent on existing capital projects for the Highland Council or the Scottish Government. Councillors would be asking Treasury what criterion was in place for deciding whether a project is put forward.

It appeared that projects would broadly be supported if a case was made that could demonstrate an increase in tax revenue but the detail of this was not yet specified.

Having spoken to senior figures in Treasury and Scottish Government they appear keen to see programmes move forward with a new round of the City Region Deal. At present, it was likely that Moray would be the first recipient of a 'regional only', deal, a development that Highland could use as precedent to drive forward a case for Caithness and Sutherland. Cllr Mackie noted that he was having further meetings with Jamie Stone, MP regarding lobbying and all MSPs were provided with a letter encouraging them to support a phase 2 by broadening out to the areas rather than being centred around the City.

Roger Saxon noted that he believed that funding from the City Region had only offset funding that would have come out of the HC's capital spend programme. The belief at the time was that this would allow savings within the capital spend programme to be released to support other projects but this did not appear to be the case.

Discussions then centred around what type of projects could be submitted for a phase 2 of the region deal and it was felt that this should be done in parallel with the CNSRP priority projects to look at where potential funding could add value to those projects identified as having the most impact for job creation in the future.

June Love asked for clarity around who was the main contact for the City Region Deal as there needed to be a cohesive approach for Caithness & North Sutherland. Cllr Struan Mackie responded that each of the local authorities has a lead contact point, for all projects across Highland Council, it was Stuart Black. Cllr Mackie also noted that the report provided had felt that the communication had been poor.

It was noted that Inverness had been good at putting forward a programme that had the potential to unlock future economic opportunities. The Longman roundabout would receive over a third of the total fund which included reclaiming land to make this a robust business case and demonstrated this would be positive for all of the highlands.

There appeared to be 10 'buckets' to bid in to including such things as Science Skills Academy, Affordable housing, Fit House, Castel project, Fibre, WIFI, land reclamation, health investment, transport, air access and growing business. Cllr Mackie felt that the area should push for full fibre network and fit homes, noting that if this was integrated with the NHS redesign model and Community based hub the argument could be made to get funding for these projects.

Cllr Matthew Reiss agreed with Cllr Mackie's comments. He added that the new Highland Council Chief Executive, Donna Manson had spent a lot of time in Caithness and had subsequently held a meeting on Thursday 31st January to go over the budget queries and to meet senior school teachers. The fibre network had the opportunity of being the biggest benefit across Caithness and North Sutherland. It was recognised that there was a couple of Inverness projects which did indirectly benefit the Highlands such as the Longman Roundabout and if the incinerator projects goes ahead this would be utilised throughout the H&Is area.

June Love felt it would be useful if the Councillors and CNSRP worked together to come up with a collective list of potential projects for funding. Derrick Milnes noted that it might be useful to request a meeting with Stuart Black. June Love noted this should come through the CNSRP Advisory Board and that the DSG representative could raise these points.

DSG/SESG(2019)M001/A001: Roger Saxon to raise City Region Deal at the CNSRP Advisory Board.

DSG/SESG(2019)M001/A002: Cllr Struan Mackie and CNSRP programme manager to look at potential funding opportunities for Caithness and North Sutherland within the next round of the City Region Deal funding.

Gillian Coghill felt that it would be possible to identify projects that fell into each of the different topics for funding.

Cllr Mackie commented that there was also a wider issue relating to Highland Council whereby the recognition of Caithness and North Sutherland being a priority area (because of the Dounreay rundown) had been lost. He felt this was a massive oversight in Highland Council's thinking when it came to applying for city region deal funding for the area. He felt it would be appropriate to ask Highland Council to set out how they view Caithness (and North Sutherland) going forward.

Cllr Struan Mackie added that the reason that he asked for clarity around a possible phase 2 funding was to explore what potential projects would be considered. As an example, tourism was a big element within the region (and wider H&Is) and Inverness viewed this as being a success story. However, there was a real need to consider the road infrastructure and this is the type of thing that should be considered for city region deal funding. By looking at this a funding application could demonstrate that this investment would lead to increase VAT receipts and fuel duty – this was an example of how a wider economic case could be made if initial funding to invest was released.

Cllr Mackie further noted that the Caithness Councillors were thinking about holding a Caithness seminar/meeting to bring funders together at the earliest opportunity with an invitation being extended to Stewart Black and an open invitation to Lord Duncan.

DSG/SESG(2019)M004/A003: Cllr Struan Mackie to continue to update DSG on city region deal and the potential Caithness seminar/meeting.

Simon Middlemas noted a comment made regarding a 14% drop in the population in the area and asked where this information came from. Cllr Matthew Reiss thought this was from data provided by the NHS but would seek to clarify this.

DSG/SESG(2019)M004/A004: Councillor Matthew Reiss to provide information where the figures of depopulation had originated from.

Ronnie Johnstone thought that the depopulation figure was produced centrally and expected to see further declined in school rolls in the coming years. Thelma Mackenzie noted that the NHS report was broken down into age ranges and she believed this was where the figures had come from.

- **DSG(2018)M002/A012:** Cllr Struan Mackie to discuss with The Highland Council requirements for planning applications relating to NDA funding. **Action complete:** Cllr Struan Mackie reported that Highland Council had not looked for planning gain and this was unlikely to be requested. Highland Council had noted that if there was a flurry of planning applications from the site this support could be explored.
- **DSG(2018)M003/A014:** June Love to ask for an update on the SSG websites from NDA. **Action complete:** Anna MacConnell responded the decision on websites was that there was no longer a requirement for site stakeholder group websites to transfer to .gov.uk website.

5. DOUNREAY COMMUNITY FUND

Derrick Milnes noted that a summary of all funding applications had been provided to members in advance of the meeting. He reminded members to declare an interest where appropriate. The applications were reviewed and recommendations were made.

Derrick Milnes noted the funding application for the Thurso Christmas tree and while he was not opposed to this request he wished to raise with members as this could have the potential for a number of funding applications coming in to the fund for Christmas trees across the travel to work area.

Following discussion, it was agreed that this particular application was submitted under exceptional circumstances as normally the purchase of a Christmas tree would have been well advanced and it appeared that it had been slight confusion as to who had responsibility for organising the tree. Thelma Mackenzie stated that the Community Council did not have funds for such things and that previously the tree had been provided free of charge from the forestry commission.

It was noted that a new group had been set up and were ambitious and were looking at the whole of the Christmas offering, including tree for 2019.

Thelma Mackenzie on behalf of the Thurso Community Council thanked the DSG for the donation of funds.

Ronnie Johnstone noted Derrick Milnes' point about setting precedents and suggested that the agreement for this request had been exceptional and was provided without prejudice which allowed no commitment for future similar applications. This was agreed.

6. DOUNREAY UPDATE

Derrick Milnes noted that a written update from the Dounreay Socio Economic Alliance had been provided to members in advance of the meeting (DSG(2019)P002). He invited Anna MacConnell and June Love to pick out the key highlights from the report.

Anna MacConnell noted:

- NDA has committed £1M funding to Wick Harbour Authority, this also required to go through the HIE Leadership team for consider of HIE's funding commitment.
- Nucleus had recruited additional staff which takes the number of full time equivalents to 35. The additional staff will allow the migration programme of work to be completed in a reasonable timeframe as there had been considerably more consignments per week that had been expected.
- The NDA was undertaking a study of the wider public value of Nucleus with the University of Central Lancashire (UCLan) based interviews which had taken place as well as an online questionnaire. David Flear on behalf of DSG had been interviewed by Rick Wylie and these would be fed into the overall final report. It was expected that this report would be available at the end of April.
- There were a number of funding requests being made to the NDA which had resulted in a paper being developed to present to the NDA Executive Board to discuss a strategy for dealing with the unprecedented funding requests currently being asked for.
- Andrew van der Lem (NDA) would be visiting Dounreay and the surrounding area shortly and would be visit some areas where projects were being developed. A stakeholder dinner was also being held with DSG representatives being invited to attend.

Trudy Morris asked whether the requests for NDA funding were those included in the CNSRP Priority programme or whether these include projects relating to Wick and Thurso town development, John O' Groat Mill and Mey "Invictus" Highland Games. If other projects were being included she queried whether these would be coming from the CNSRP Delivery meeting for discussion. Anna MacConnell responded that they have spoken to CNSRP Programme Manager but the projects outside the priority programme, were at very early enquiry stage and were included in the report to NDA Executive to illustrate all the projects.

Davie Alexander asked when the ground work for the Community Sports Hub had been carried out and whether this project was ongoing. Anna MacConnell responded that this had happened last summer and that the project was still live with ongoing discussions with Sports Scotland.

Derrick Milnes noted the positive presentation provided to DSG on the North Highland College potential campus redevelopment. He asked if the project fell within the CNSRP priority programme given that skills was one of the enabling projects. He added that the DSG would fully support this project going onto the programme.

Eann Sinclair responded that he had held a meeting with Donald MacBeath and discussed the requirements for a business case with projected figures that could be taken forward via the CNSSRP Delivery Group.

Roger Saxon noted the update on the NDA Executive funding paper and the large amount of funding over a relatively short timeframe. He asked whether it was felt possible to support all the requests

currently on the table. Anna MacConnell responded that the socio economic budget for a financial year was £2M and this was for all the Magnox sites and Dounreay. The funding requests for Dounreay were considerably more and did not include any requests coming from the Magnox sites.

Roger Saxon asked how would NDA prioritise and who would make the decision if there was a choice (example) between the space project and North Highland College. Anna MacConnell responded that as noted previously this was an exceptional ask from this area for NDA funding and that decisions would be required by the NDA Executive as to the prioritisation of funding.

Eann Sinclair stated that there needed to be some thought about priority areas within the NDA estate. Roger Saxon asked what the rationale was for Dounreay and Magnox sites to be combined for socio economic funding, while Sellafield appeared to have its own funding mechanisms. Anna MacConnell noted that funding mechanisms will change when the Magnox contract goes back in-house under the NDA. At that point, there was potential that Dounreay would have its own funding mechanism. Roger Saxon noted that if some of projects were covered by additional funding requests into the City Region Deal would NDA be more willing to support. Anna MacConnell noted that timing would also be a factor. Over the last several years there has been limited ask and it may be that following the next 4-5 years funding requests would reduce substantially. Eann Sinclair commented that it was unlikely that all the projects will progress at the same rate of progress and therefore funding may be staged over different financial years.

Gillian Coghill noted that if the redevelopment of the North Highland College became a reality how would this be taken forward to co-ordinate with other needs, ie student accommodation, tie in with the NHS redesign developments, etc. It would be important that these were considered in a co-ordinated approach to ensure the best value for everyone. Eann Sinclair noted, with reference to student accommodation, UHI had a partnership agreement with a private sector provider of student accommodation. The Dornoch campus had been involved with student accommodation and North Highland College (Thurso campus) would also be exploring how Thurso could be next in line to consider this.

Roger Saxon noted that, following on from the successful visit to Japan by David Flear, the DSG's business meeting had discussed how the momentum of that success could be kept going. There were a number of organisations involved in the Japanese exchange but no-one appeared to want to take this forward to ensure continuity. While he believed that DSG could have some involvement with this, he felt it was not for DSG to lead and thought it sat better with NDA and/or Scottish Government. He asked Anna MacConnell if NDA had an appetite to take this forward with the involvement of other relevant stakeholders so that continued success stories from Caithness (and North Sutherland) were being communicated with Japan. Anna MacConnell responded that there were a number of actions sent through from Keith Franklin, DTI in Tokyo and these had been sent out to Scottish Government as there were different actions for different people/organisations. Anna MacConnell further added that some of the work in Japan was about also supporting new business and that part of post-Fukushima work had been to relocate many hundreds of people and help them set up new enterprises and transition to new skills. There had been really good work done in the area and therefore there was learning that could be shared by both countries.

Derrick Milnes noted that the lead organisation with the Japanese exchange was the NDA and asked whether this was something the NDA would move forward with. DSG could provide support where appropriate to do so. Anna MacConnell noted that there was a secondment from Japan to Dounreay, in April, for 6 months and while his interest was a technical one it may be that he would like to learn about the community input. June Love noted that she was aware that when David Flear

and Craig Brown returned from Japan there had been some thought around the educational side of this exchange.

Trudy Morris noted the comment made on the total budget for socio economics being £2M for this financial year. She asked if there was any indication of what the budget would be next financial year. Anna MacConnell responded socio economic funding for 2019/20 had not yet been received.

Dounreay update: June Love noted:

- Dounreay was currently restructuring the organisation and by April 2019 there would be seven directorates, including Assurance, Security and Resilience, Operations, Programme Delivery, Strategic Programme, Business Services and Organisational Excellence. This was unlikely to affect a large amount of staff as they would simply be moving, as a department, to report to one of the Directorates listed.
- Dounreay would be reporting an underspend for socio economic funding this year as there had been little in the way of CNSRP projects which required funding this year. A request had been made to NDA to allow the accrual of the surplus funding into next financial year.
- The Dounreay Socio Economic Board (DSEB) had agreed to support an airport study relating to exploring a PSO (public service order) model. The Chamber of Commerce was leading on this on behalf of CNSRP.

Trudy Morris noted that the Wick John O'Groats airport was critical to a number of projects currently being pursued and it was apparent that the airport was quite fragile. This piece of work was being taken forward now so that if airlines ceased to operate the argument was already there for a PSO route. The funding from Dounreay allowed for an aviation consultant to explore the various options that this could have. Once the outcome of this work had been finalised how this would be taken forward in partnership with others would be considered.

Cllr Struan Mackie asked if the air discount scheme had been communicated and whether this would continue. Trudy Morris confirmed the Air Discount Scheme (ADS) would be extended but this did not include business travel. She noted that there may be a number of actions arising from the consultant's report on the PSO work and it would be good to have an opportunity to explore this further and ensure there was a joined up approach to whatever outcome came forward.

Gillian Coghill commented that £20M invested in to Nucleus especially as it was sited on Highland Council land near the airport for ease of access should also be highlighted. June Love noted that the Caithness Transport Forum was the group that looked at transport in its entirety and DSG was represented on the group along with a number of other key stakeholders.

- The Dounreay Socio Economic Board meeting was scheduled to meet in February. Discussions would continue on the potential frontloading of the socio economic budget.
- Dounreay was currently waiting for Highland Council to make a decision on future funding of Caithness Horizons. DSRL had written with a commitment for a three year funding package but based on Highland Council match funding this. Budget considerations from the Highland Council were awaited.

Ronnie Johnstone sympathised with the difficulty of budget cuts and constraints and noted, as a fan of Caithness Horizons, they had soldiered on for 10 years to keep the facility open. While it would

be tragic to see Caithness Horizons lose funding, he felt that DSRL had to also consider whether this funding could be released to more deserving causes.

Cllr Struan Mackie noted he had been involved in some discussions with Caithness Horizons about getting on a firmer financial footing however it appeared that it was recognised that the facility would not be sustainable without an element of public funding. However, he noted that this was Thurso's town hall and every effort should be made to make it available for public use.

Derrick Milnes stated that some of the issues with Caithness Horizons were that they expected funding from public bodies to go on forever which was simply not the case. Roger Saxon commented that it had always been recognised that museums and galleries were going to be deficit funded and would always require a subsidy from public funding. HighLife Highland had indicated, after a review of the facility, they could take it over but would need the same level of funding that Caithness Horizons already receive with additional upfront funding to make some maintenance upgrades. Anna MacConnell noted that HLH could take it on but would still require match funding from another source other than Highland Council. Anna MacConnell commented that she wanted to re-assure Ronnie Johnstone that NDA funding would not be going towards that unless it was a one off funding request.

Cllr Struan Mackie felt that Caithness Horizons had fallen victim to one of the national agencies not committed to Caithness with the withdrawal of Visit Scotland who were tenants in the facility providing funding.

David Alexander asked about the recent announcement of Cavendish Nuclear being awarded the contract for the demolition of DMTR. He thought that as Cavendish Nuclear ran the site it appeared suspect that they also won a contract. June Love responded that the Parent Body Organisation, Cavendish Dounreay Partnership consisted of three companies - Cavendish Nuclear, Jacobs and Aecom. The Parent Body Organisation managed the site and Cavendish Nuclear (as well as the other two companies involved with the PBO) can tender for Tier 2 contracts. If this is the case all PBO secondees excuse themselves from the tendering process and assessment of tender bids are made by DSRL staff only. Such contracts are subject to scrutiny from the Nuclear Decommissioning Authority.

7. CDP JOBS

Derrick Milnes noted that they had welcomed the recent announcement that CDP would be offering employment opportunities for DSRL staff when their employment at the site comes to an end which was a positive move by the Parent Body Organisation, but it raised a number of questions. Simon Middlemas had been invited to this meeting to provide an update and opportunity to get some clarifications.

Simon Middlemas gave an update on the Cavendish Dounreay Partnership Socio Economic strategy and also the potential for a Cavendish Dounreay Partnership Engineering Hub to be considered in the future. The existing CDP Socio Economic strategy has been in place since 2015. The new version had the same elements with some additional points, which were agreed by the CDP Board in November 2018. He pointed out that this was only the strategy and was therefore describing the 'what' and did not have the detail of 'how' and 'when' as this required further work and agreements.

All support provided by CDP was focused on working in partnership with CNSRP and its activities. CDP's role is not to replace Dounreay jobs but, by working alongside the CNSRP, assist the area in adapting to the eventual completion of Dounreay decommissioning. The one area where CDP could provide direct support to future job opportunities was the potential creation of a nuclear services

business in the area; a Caithness Engineering Hub. This nuclear project has been on the CNSRP programme and discussed in many forums for the last four years as the Cavendish Nuclear Caithness Support Office. Cavendish Nuclear also provides funding for him to additionally support CNSRP, their Major Projects and the associated Key Enabling Activities, which was over and above whatever support comes from Cavendish Nuclear (Tier 2) and Dounreay.

CDP's new strategy included potential support to key enabling activities and the focus of potential jobs for DSRL workforce following the closure of the site. The recent announcement offering all employees' employment was also included within the strategy.

Roger Saxon noted that within the strategy there was a potential for CDP to consider funding apprentices/graduates and asked if these would be in addition to the Dounreay apprentices and graduates. Simon Middlemas responded that this would be separate from any DSRL employees.

David Alexander asked if it would be CDP that employs apprentices/graduates rather than DSRL and, if this was the case, would they be based in Caithness. Simon Middlemas responded that they would eventually be employed by CDP/one of the partners and could be based anywhere, including Caithness if the Engineering Hub proved to be a feasible opportunity.

Roger Saxon asked if the jobs beyond Dounreay offer would be ongoing or would this only come into force after people had effectively lost their job at Dounreay. Simon Middlemas responded that he expected that when roles were coming to an end and individuals were being taken through a voluntary or redundancy programme, that these jobs would be offered. David Alexander asked if this was for every skill discipline on the site. Simon Middlemas responded that was the case.

Cllr Struan Mackie asked for clarification on the apprentice and graduate opportunities identified in the strategy and whether they would be locally based. Simon Middlemas responded that he expected that they would be local to this area.

Cllr Willie Mackay asked whether there would be reskilling support to help match alternative employment and whether, if individuals wished to start up their own business, assistance would be provided to them also. Simon Middlemas responded that while the detail was still to be developed, he would expect that all individuals leaving site when their job came to an end would be afforded opportunities to upskill to allow them to seek future employment, whether with CDP or alternatives. Dounreay already provide funding into the Chamber of Commerce to support people who wish to start a business to develop business plans.

Roger Saxon asked what would happen if NDA decided to take the site contract back in house to the offer to jobs beyond Dounreay. Simon Middlemas said this was something that he could not answer, but David Alexander believed that if NDA took back ownership of the site, that this offer of employment would not go ahead.

David Alexander stated that it could be seen that CDP were offering alternative employment to simply reduce a large redundancy liability. Simon Middlemas responded that some employees would obviously want to take their redundancy package, but others would be seeking future employment; this would be for individuals to consider carefully before making a personal decision. However, the reason for the offer was a very practical one; retention of skilled staff by providing future employment options.

Trudy Morris asked if the jobs with all the three CDP partners would be based in Caithness. Simon Middlemas responded if the CDP Engineering Hub became a reality, a number of these jobs would be in the local area, but others would not.

As regards the specific proposals of an Engineering Hub and Manufacturing Alliance in the area that outlasts the Dounreay decommissioning programme, Simon Middlemas was at pains to point out that this was early days, although the concepts had been widely briefed over the last 4 years to organisations such as CNSRP.

For the engineering hub, a draft business case was produced some time ago estimating a nominal 250 new jobs, but this contained several significant assumptions. Further work was required and employment projections would need to be based on the current market opportunities and unitisation rate so this number may change and could vary significantly. Simon Middlemas added that nuclear decommissioning was a worldwide market and nuclear skills in general are in short supply. A Caithness engineering hub could allow some people to stay in the area if they wished to do so.

Sandy Mackie asked whether the potential manufacturing element of the engineering hub would see a mixture of CDP, DSRL staff and a consortium of other local companies. Simon Middlemas responded that this is still early days, but the early model being envisaged could utilise the skills and experience of the local companies, working in consortium with CDP parent companies who can provide the leverage for local companies to access other markets that might otherwise be out of reach.

Roger Saxon noted that Rolls Royce was a local business and appeared to be looking at Small Modular Reactors and wondered if this would be something that would add value to an engineering consortium. Simon Middlemas responded that Rolls Royce was a private company and it would for them to decide how they wished to grow their business.

The nuclear services engineering hub was one of six major projects on the CNSRP programme and the CDP announcement did not replace the CNSRP project, but was the CDP contribution to the CNSRP programme. He re-iterated that the immediate future work programme is purely a desktop exercise to develop the present concepts and underpin any assumptions to ensure that it made sound commercial sense; otherwise it would not be taken forward.

It was hoped that the necessary agreements would be in place shortly to allow the desktop exercise (which currently was estimated to take two years) to get started to prove there was a sound business justification to take the engineering hub forward whilst not affecting safe decommissioning at the site. One of the most important phases of any business case development would be significant engagement required with the NDA and regulators.

Overall it was estimated that it would take around 5 years to take the engineering hub from concept to reality.

Derrick Milnes thanked Simon Middlemas for the presentation and said it was very useful.

8. CNSRP UPDATE

Derrick Milnes noted that a written report (DSG(2019)P007 refers) had been provided. Eann Sinclair provided an update:

- A technical review was the design for the Wick High Water protection gate had been undertaken by HIE and Wick Harbour Authority had been asked for a number of clarifications resulting from the review. This was part of HIE's due diligence going forward to reach a decision on investment.
- Beatrice Offshore Wind Farm was going very well with 50% of turbines now installed. Images of the inside of the newly renovated harbour buildings had been provided to CNSRP and it was on track to be opened in the spring.

June Loved asked if there was a timeline on the decision for HIE on the Wick Harbour Authority High Water Gate. Eann Sinclair responded that they are still waiting on the Harbour Authority to submit the business case. CNSRP partner HIE had provided them with the technical review and some issues required to be addressed.

- A9 Berriedale Braes enhancement project - still no exact date but we expect this to be summer 2019.
- CDP Engineering hub was on the CNSRP programme as Nuclear Services and this project referred to both the major nuclear service opportunities which also included Rolls Royce.
- Feedback from Sykes Homeworking was that Caithness and Sutherland has had most uptakes of jobs within the Highlands and Islands. It was believed there were currently around 50 in the system.
- Dounreay Pension Office had moved from Forss Business Park to the Thurso Business Park. On the other side of the Thurso Business Park, BT has been announced as one of the critical hubs for the UK with all staff now on permanent BT contracts.
- BT Open Reach had announced they are recruiting more apprentices.
- Lockheed Martin had participated in the Sutherland Jobs event explaining how to get involved in a career in space.
- The Newton room, based at North Highland College, had not completed construction and the official opening will be in March 2019.

David Alexander noted that the CNSRP report was showing that most projects were either amber or red and asked whether this was normally. Eann Sinclair responded that the report had been like that for around 9 months which was a reflection on some of the earlier discussions. The report traffic light approach was to allow tracking of progress from one period to another. Some of this was impacted, as an example, because the tidal energy did not get its contract for difference and therefore the next phase of the Meygen project had stalled.

David Alexander asked what was meant by other sectors and local marketing in the jobs breakdown. Eann Sinclair responded that this included manufacturing such as Ashley Ann, batteries (Denchi Power), creative Industry's and life sciences as well as the local market which included plumbers and electricians and the like.

Trudy Morris noted, with regard to Meygen, the Chamber had written to the UK Minister, Claire Perry, about the Contracts for Difference scheme to flag up that off-shore wind should not have been in the same funding round as tidal because one was a developed technology while the other (Meygen) was emerging. This point had been re-iterated to government a number of times. Eann

Sinclair noted that the Crown Estate had announced their forward look of the next leasing round and the map of the future of offshore wind shows it in Moray Firth and East going into deeper waters but it also goes North East off the east coast of Orkney and along the North Coast so actually the further offshore wind pictures looked interesting.

Sandy Mackie provided an update on Scrabster Harbour Trust including the work being carried out on the St Ola project with a contract notice published on 11th January. This was advertising the work to get interest from contractors and then tender returns will be assessed to arrive at three contractors to go through a bidding negotiation process. On the basis of that programme SHT would select a preferred contractor in September and potentially the project construction work would commence in November and completed in spring 2021. This potential meant that this project would require funding of £17M to be in place. The Harbour Trust was investing up to £8.9M but that left a deficit of £8.1M. They were currently in dialogue with HIE, NDA and Dounreay for socio economic funding. He stressed that to continue the procurement process a clear idea of funding from all parties would be required by Easter.

Derrick Milnes noted that the DSG has written a letter of support for the Scrabster Harbour development (DSG(2019)C001 refers).

9. CORRESPONDENCE SINCE LAST MEETING

There was no further correspondence to discuss.

10. ANY OTHER BUSINESS

Derrick Milnes noted:

- The NDA draft business plan had been issued for consultation and members received a draft DSG response to this. The consultation would close on 6th February therefore members were reminded to return comments to the secretary as soon as possible.

DSG/SESG(2019)M004/A005: All DSG members to provide comments to June Love by Friday 1st February on the draft DSG response to the NDA Draft Business Plan.

- Cllr Struan Mackie stated that he was, following requests for clarification, pursuing why the Caledonian sleeper was not accepting the 26-30 rail card as this was supported to be a UK network wide initiative.
- Cllr Struan Mackie that we have been approached by a number of people in the Faroes in regards to twining with Scrabster. This was at an early stage of discussion and a steering group was being set up so that this could be business led.
- June Love noted that David Lowe, Deputy Managing Director would be departing from Dounreay shortly and that the March Public meeting would be his last.
- June Love noted that she had received correspondence regarding the state of the roads from Thurso to Dounreay. She noted that within the planning of the site phase 2 there was a number of new build constructions that were scheduled and these would require some form of traffic management plan. However, she felt it was useful to flag up concerns from those who use this road and suggested that perhaps Highland Council and Dounreay should discuss this to explore whether there was ways of working together to improve the roads. It was agreed that Cllr Struan Mackie would speak with the HC Roads Department and in turn a meeting would be set up with the Dounreay Construction Director.

Action: DSG/SESG(2019)M001/A003: Cllr Struan Mackie to contact HC Roads Department with a view of setting up a meeting with the Dounreay Project Director, Construction.

11. CLOSE

There being no further business, Derrick Milnes thank everyone for attending and formally closed the meeting.

Derrick Milnes
DSG Socio Economic Sub Group Chairman

21st February 2019

ACTIONS ARISING

DSG/SESG(2019)M001/A001: Roger Saxon to raise City Region Deal at the CNSRP Advisory Board.

DSG/SESG(2019)M001/A002: Cllr Struan Mackie and CNSRP programme manager to look at potential funding opportunities for Caithness and North Sutherland within the next round of the City Region Deal funding.

DSG/SESG(2019)M004/A003: Cllr Struan Mackie to continue to update DSG on city region deal and the potential Caithness seminar/meeting.

DSG/SESG(2019)M004/A004: Councillor Matthew Reiss to provide information where the figures of depopulation had originated from.

DSG/SESG(2019)M004/A005: All DSG members to provide comments to June Love by Friday 1st February on the draft DSG response to the NDA Draft Business Plan.