

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

Minutes of the DSG Socio Economic sub group meeting held, via Teams, on Wednesday 20th January 2021 at 1330 hours.

Present: Davie Alexander, Wick & Thurso Trade Union Council (Chair)
Roger Saxon, DSG Honorary member
Cllr Struan Mackie, The Highland Council (DSG Chair)
Trudy Morris, CEO Caithness Chamber of Commerce
Sandy Mackie, Scrabster Harbour Trust
Murray Lamont, North Highland Tourism
Eann Sinclair, HIE Area Manager
Peter Faccenda, CNSRP Programme Manager
Gillian Coghill, Buldoo Residents Group

In addition: Dawn Clasper, DSRL Minutes Secretary
June Love, Community Relations Manager
David Wallace, NDA Stakeholder Lead, Scotland
Steve Young, DSRL Organisational Excellence Director

MINUTES

1. WELCOME AND INTRODUCTIONS

Davie Alexander welcomed everyone to the meeting. He welcomed Steve Young and David Wallace to the meeting.

He thanked everyone for attending and noted the fact that sub groups had not been held since March 2020. He stressed, however, that the business meeting had been meeting every 2 weeks to ensure information was cascaded in a timely manner and any issues that needed urgent attention were considered at the business meetings.

Davie Alexander provided a brief introduction to Teams, for those members who had not used the virtual platform before and asked that members put their microphones on mute and use the 'hands up' button if they wished to speak.

2. APOLOGIES

Dawn Clasper, Minutes Secretary noted the following apologies had been received:

- Alastair MacDonald, DSG Honorary member
- Cllr Matthew Reiss, The Highland Council
- Debbie Murray, North Highland College, UHI
- Ron Gun, CHAT (SESG sub group deputy chair)

3. MINUTES OF THE LAST MEETING

Davie Alexander noted that the minutes of the last meeting (DSG(2020)M03 refers) were different due to not meeting as a committee. The minutes reflected questions raised and responses provided from various organisations and including both socio economic and site restoration subject matter. He noted that the minutes had been endorsed via email and therefore were not required to be endorsed at this meeting.

He invited members to raise anything from the minutes. No issues were raised.

4. PROGRESS ON ACTIONS

Davie Alexander noted that a status of actions had been provided within the paperwork. He noted that the actions had continued to be progressed and were reviewed at the fortnightly business meeting. Some actions had been put in abeyance as with Covid restrictions it would be unlikely that these could be undertaken in a timely manner. These would be reconsidered when Covid restrictions were lifted.

Davie Alexander invited David Wallace to provide updates on the following actions:

- DSG(2020)M03/A021: June Love to speak to Dave Wallace to explore a Teams meeting with Hazel Blears to discuss social value.

David Wallace noted this action was still outstanding and said he would progress following the meeting.

- Davie Alexander also noted DSG's interest in the evolving NDA Scottish Strategy and asked Dave Wallace for an update on this.

David Wallace noted that it was early days in the development of an NDA Scottish Strategy and data was currently being collated to help inform the strategy. Alan Cummings was the lead NDA sponsor for this and was keen to see it progress. The strategy aimed to ensure an integrated approach to economic, sustainability and growth opportunities including consideration of other sectors. Cllr Struan Mackie asked if NDA were linking in with CNSRP and HIE for some of the data gathering information required. Peter Faccenda noted that he had had early discussions on this ensuring that information readily available could be provided to inform the strategy.

5. COMMUNITY FUND REQUESTS

The community fund requests were tabled. Davie Alexander noted there were two applications for consideration and reminded members to declare an interest if they had any involvement with the two organisations. Dawn Clasper noted that one application had been withdrawn.

The one request that was still extant was considered and endorsed.

6. NDA/DSRL SE PROGRAMME

Davie Alexander noted that DSG had requested a Socio-Economic programme at the virtual public meeting held in October. Prior to Xmas, the DSG business meeting had received a high level programme which, in his opinion, was underwhelming. Having said that, they had discussed at a business meeting and had been assured that a full programme was being developed. Unfortunately, at that business meeting, Steve Young had tendered his apologies for personal reasons and therefore had been invited to this meeting to provide an update on the progress of the full programme. He handed over to Steve Young for an update.

Steve Young thanked everyone for the card received by DSG members offering condolences of a family bereavement. He noted that:

- during the last three months of 2020 a lot of work had gone into developing a programme of activities and sat alongside other workstreams, including site transition and the development to the Near Term Work Plan (and Life Time Plan) and that the SE programme needed to reflect some of these activities going forward. Effectively the NTWP/LTP will provide the resource profile and this is required prior to the SE programme being fully developed.
- Resource profile was not expected to diminish during the NTWP cycle (3 years) but the Life Time Plan and continued work on rolling NTWPs would inevitably start to see a reduction in skills going forward. The SE programme would provide activities based around the transformation programme, People Strategy and SE Plan and this was close to be finalised.
- The programme details a mixture of well defined activities, ie Skills audit while pipeline opportunities are fairly less defined. It was noted that opportunity planning was not so easily translated in terms of timelines.
- Nuclear Services hub continues to be progressed as per programme and the business case has initially focussed on accommodating staff (around 100 to 200). DSRL were working closely with NDA on this project. Primarily the accommodation would be for short-term requirements (due to Covid-19) for current DSRL staff with the longer term approach developing as NDA's work mobility strategy is developed. At the last Executive Meeting agreement was made to move to RIBA stage 0&1 to underpin the business case and programme further. A number of location options were also being considered at present.
- On other fronts, a number of planning scenarios have been developed for the Dounreay's programme business case and there had been much more focus on looking at these options in the context of socio economics and social value.

Davie Alexander asked if the SE programme would be integrated with the Near Term Work Plan programme. Steve Young confirmed that this would be the case.

Roger Saxon asked whether it was possible for the PBO to make redundancies before the site transition back under the NDA was completed. Steve Young responded that there was no plans for DSRL staff to be made redundant prior to transition. He added that he believed there would be a period of stability following site transition prior to any reduction of workforce numbers. The LTP would start to reflect the staffing profile required to deliver the decommissioning mission. The opportunity for Dounreay to become a 'lead and learn' site would offset resource planning for future years as long as the business case was robust. Steve Young added that in terms of the nuclear services hub a collaborative space could be developed over time.

Gillian Coghill stated that having a physical presence in the town would provide other benefits including the footfall in towns with support to small businesses. She felt that improving town centres would benefit the county as whole. Steve Young noted that DSRL was keen to see wider benefits flow into the town centre.

Eann Sinclair noted that there may be a requirement for other organisations to require accommodation in future years and having a nuclear services hub that was looking at a collaborative space may be beneficial for others.

David Wallace noted, in relation to Gillian Coghill's point, NDA had previous experience of this with some examples from Sellafield. Sellafield moved a number of their workforce into the centre of the town and this provided wider benefits. He added this was a model that worked and that the NDA understood this.

David Wallace also noted that, in relation to Dounreay being a lead and learn site, David Peattie CEO had stated at earlier DSG meetings that moving to the new model under the OneNDA provided opportunities for the Dounreay site for the longer term.

Steve Young continued with his update. Of note:

- Regarding the People aspects of the SE programme, the activities included People strategy and plan, Skills, resource profile and development of staff (for both on-site and (in the future) off-site). The pilot project for the skills audit had just been completed and feedback received. The pilot had provided a lot of learning and while procurement for the full audit was scheduled to commence this had been slightly delayed to ensure the lessons from the pilot project were well understood and the full audit procurement reflected this. In parallel with this, the People Strategy had now been agreed at the DSRL Board and the focus of this was to ensure successional planning alongside developing staff and preparing them for the future.

Gillian Coghill asked whether other organisations, such as North Highland College (UHI) were involved in the discussions relating to training and upskilling. Steve Young confirmed that a number of partners were discussing this and that a formal working group had been set up with NHC to explore such opportunities going forward.

Davie Alexander asked whether the pilot project for the skills audit had not been successful. Steve Young responded that it had been agreed to carry out a pilot to ensure that the data coming back was useful. It had been recognised early that a full skills audit of the site would have been a very expensive exercise had the output of the audit not given the correct information. Hence it had been a useful exercise to carry out a relatively small pilot project so that the learnings could be transferred into the wider audit with more certainty that the output would be useful and relevant. He added that he would prefer to delay the full audit for a few weeks to ensure that the scope of work accurately reflected the needs of the site and wider stakeholders.

Roger Saxon asked whether there would be an opportunity for potential spin out activities to undertaken some commercial type work and asked if there would be any barriers around this. Steve Young noted that this would be dependent on the commercial model going forward and at this time the potential opportunities were not that well defined. David Wallace noted that he did not see any barriers but these would be considered on a case by case basis as DSRL's plans evolved. Steve Young added that if a particular service was spun out to become a commercial entity then that activity would compete with other private sector companies for this work. Peter Faccenda noted that consideration would need to be given under state aid rules if a Government agency was undertaking commercial activities.

Eann Sinclair noted that there was a potential opportunity to attract some Fusion work to the area. Peter Faccenda responded that CNSRP were looking at this and a paper had gone to the CNSRP Executive Board for consideration to take this forward.

- Steve Young also noted the opportunities around high technical research projects and felt that Fusion was a good example of this. He also stated that other discussions were ongoing regarding hi-tech projects but that these discussions were in such an early stage. He added that DSRL had begun to explore the potential R&D requirements for site decommissioning and discussions had commenced with NHC on this subject.

Eann Sinclair noted that the NHC had previously taken forward DERC (Decommissioning, Engineering and Research Centre) based at Janetstown but had been unable to make a success of it. Sandy Mackie responded that he had been involved with this project and the issue had been knowing what the industry and site wanted. Steve Young agreed that the site needed to be better at horizon scanning to look at forthcoming R&D challenges.

Davie Alexander thanked Steve Young for his update and to members for their input. He noted he was a bit more heartened to hear the progress being made and looked forward to seeing the SE programme in due course.

7. DOUNREAY SOCIO ECONOMIC ACTIVITIES

Davie Alexander noted that DSG(2020)P02 was the collective NDA an DSRL Socio economic update. He invite the following to provide an update:

NDA: Dave Wallace noted the following:

- NDA had now announced that Mark Rouse would be MD for Dounreay on 1st April when the site transitioned back to the NDA. It was expected that other announcements would be made on new appointments to the executive team in mid-January.

Steve Young noted, that in his capacity as OE Director, work was ongoing with these appointments and arrangements were developed for new people to receive their site induction as soon as is possible. He added that some existing faces would remain while some would leave with new people coming in to take over some roles. Regular interface with the regulators had taken place and the regulators were relatively content that the changeover in management was a manageable task. He also noted that a number of letters of offers had been sent out last week.

Davie Alexander noted that DSG, when first notified of the transition programme, had felt it was rather ambitious in terms of timescale. He also noted that the MD's appointment was meant to have been in place long before others were selected to allow the MD to be part of selecting his new team. He added that it now appeared that with the delays already in place that some of the PBO secondees would have to remain in place for a long period to allow handovers and this would incur a substantial cost. Steve Young responded that those who may have an extended period at site would be very low and would be no longer than 3-6 months.

Dounreay: June Love noted:

- The updated report (Paper 2) reflected the SE programme and progress made on the various activities. She noted that the paper had been provided to members in advance and therefore she would take as read and asked whether members had any questions on the detail of the report or thoughts on the format of the paper.

Davie Alexander responded that he felt that the paper gave a good update on progress of activities and that it was a useful document as it reflected (in traffic lights) whether the activity was going according to schedule.

Trudy Morris noted that she and Eann Sinclair were speaking with David Hubbard (Dounreay) on Friday in terms of local supply chain and procurement activities. While she appreciated the site was under Covid restrictions she asked whether there was an opportunity for the supply chain to be preparing necessary paperwork to get some work moving while physical work was still restricted. Steve Young noted that David Hubbard was already exploring what was possible for the supply chain.

Steve Young also noted that DSRL was providing some resilience support to the NHS to support the roll out of the vaccines, noting that it was in the county's best interest to get the vaccines rolled out as quickly as possible to allow for the potential to returning to physical works in the near term.

8. UPDATE ON SOCIO ECONOMIC ACTIVITIES

Davie Alexander noted that a CNSRP written update had been provided – DSG(2021)P05 refers. Peter Faccenda noted the following:

- The CNSRP team had been enhanced thanks to funding from DSRL and the Business Development Manager (David Calder) and Project Manager (Shona Kirk) had now been appointed to support CNSRP activities. Both were on a fixed term contract and the resource provided will help with the development of the programme alongside other activities. He added that the programme was now evolving and a revised programme would be available shortly.

Davie Alexander asked whether Peter Faccenda had seen a difference since the appointment of the two new posts. Peter Faccenda said there was a good progress being made and having this resource available would allow other areas of activities to move at a faster pace.

Sandy Mackie noted that in terms of finance it may be advantageous to include the totality of funding alongside projects so that everyone was aware of the totality of the funding required to take projects through to completion. Peter Faccenda agreed and noted that the programme was currently being reviewed and the next stage would be drill down into the programme to be in a position to capture the resource (people and funding) requirements.

Davie Alexander noted recent updates on the Wick/JOG airport. Trudy Morris responded that commercial business at the airport was being impacted with uncertainty of what constitutes essential flights and HIAL needed to clarify this position. She added that at a recent meeting with Kate Forbes, Scottish Government Finance, the need for the PSO for the airport was an urgent one and needed to be factored into the coming budget. She also added that information from Wick harbour that had just been received showed that an offshore wind company had moved their operations to another harbour citing the lack of flights to/from Wick/JOG airport as a reason for the change. Trudy Morris emphasised the lack of a decision of a PSO going forward was having a detrimental effect on inward investment.

9. CORRESPONDENCE SINCE LAST MEETING

Davie Alexander noted that a number of correspondence had been issued to the sub group and emphasised that all correspondence had been dealt with through the business meeting at the appropriate time. The following was for noting:

- DSG(2020)C045: presentation provided for the October virtual DSG meeting.

- DSG(2020)C046: Scottish Government's response on HIE budget cuts. DSG(2020)C054 was DSG's response to this response and a request for a meeting to discuss. refers.
- DSG(2020)C047, C051 and C057: all related to DRS commercial freight trial. DRS had identified a date (wb 25th January) to carry out this trial albeit that stakeholder presence would have been limited. However with the Covid restrictions tightened and travel restricted DRS have had to postpone this and will revisit once restrictions are eased.

Trudy Morris noted the DRS correspondence that had been jointly received by Caithness Transport Forum and DSG. She added that a joint letter from her and DSG Chair requesting DRS to continue this trial on a virtual platform had been considered and DRS were originally going to look to undertake this wb 25 Jan. However with further restrictions in place this had been postponed. Peter Faccenda also noted that he had held discussions with DRS to understand the commercial arrangements that DRS were considering as it would be important to build this knowledge.

- DSG(2020)C056 was DSG's response to the UK Government's consultation on connectivity and this may be followed up with meetings over the next month.
- And lastly, DSG(2020)C058 was the NDA stakeholder update for December 2020.

10. ANY OTHER BUSINESS

Before opening up to other members, Davie Alexander noted the following:

- NDA had issued its draft business plan for 2021 onwards – a draft DSG response was doing the rounds right now for input from members. This would be finalised and submitted next week as consultation closes on 1st February 2021.
- As noted previously, there had been a lot happening over the year and he, on behalf of the business meeting, hoped members had felt they were being kept up to date. He stressed if any membership felt unsighted or was in need of clarification they could raise now or get in touch with the business meeting for an update/response.
- The next scheduled meeting (apart from business meetings) would be the March meeting which would start with the AGM and continue to a full DSG meeting. With meetings still to be held on virtual platforms it was felt that the full (public) meetings should focus on 1 or 2 specific topics. For March requests had been made for DSRL to provide an update on site transition and MOD to provide an update on decommissioning programme and timeline for new PIN for market engagement.
- Dates for future meetings were nearly completion and these dates would be issued to all members in advance of the AGM. The diary would provide dates for all sub groups and main meetings alongside other meetings with DSG involvement.

Davie Alexander then invited members to raise other topics. Of note:

- Murray Lamont noted the work that the business meeting had been doing to continue to update members and felt that this meeting had been useful in providing updates on relevant topics.

- Sandy Mackie noted that while efforts to develop the programme inside the 'Dounreay' fence good progress was being made on the redevelopment of the St Ola Pier. Due to Covid-19 there had been some delays on site which had caused a potential 3 month delay and was now on schedule to be complete in September 2021. The project was already delivering significant economic benefits with some work going to local companies while others were making use of hotels and local plant hire. He noted that Scrabster Harbour were extremely grateful for the investment provided by NDA and HIE. Once this work was completed the harbour would be looking to identify the next opportunity to further strengthen the harbour's business and continue to provide position economic impacts.

11. CLOSE

There being no further business, Davie Alexander thanked everyone for their attendance and input. He formally closed the meeting.

David Alexander
DSG Socio Economic sub group chair
25 January 2021