

**DOUNREAY STAKEHOLDER GROUP  
SOCIO ECONOMIC SUB GROUP**

**Minutes of the DSG Socio Economic Sub Group held on Wednesday 20 July 2022 at 1330 hrs In the Pentland Hotel, Thurso / via Teams.**

<b>Present:</b>	David Alexander	Wick and Thurso Trades Council (chair)
	Roger Saxon	DSG Chair
	Cllr Struan Mackie	Highland Council (DSG Chair)
	Giles Huby	UHI North Highland
	Trudy Morris	Caithness Chamber of Commerce
	Sandy Mackie	Scrabster Harbour Trust
	Ron Gunn	CHAT
	Eann Sinclair	HIE Area Manager, C&S
	Peter Faccenda	CNS Regeneration Partnership (Deputy sub group chair)
	Gillian Coghill	Buldoo Residents Group
<b>In addition:</b>	June Love	Dounreay Socio Economic Manager
	Jamie Reed	NDA Director of Socio Economics
	Dawn Clasper	DSG Minute Secretary, Dounreay

## **MINUTES**

### **1. WELCOME AND INTRODUCTIONS**

David Alexander welcomed everyone to the meeting.

He noted that two new councillors have been appointed to the DSG, Cllr Karl Rosie and Cllr Andrew Jarvie, while Cllr Willie Mackay would remain on the DSG. At this point the allocation to the sub group for both Cllr Rosie and Jarvie have yet to be agreed and both had been extended an invitation to the two sub groups being held today. David Alexander also noted that a Councillor representative from North Sutherland was still awaited.

### **2. APOLOGIES RECEIVED**

Apologies had been received from the following:

- Neil Smith                      NDA Business Development
- Cllr Karl Rosie                Highland Council
- Cllr Andrew Jarvie          Highland Council

David Alexander noted that Neil Smith has recently left the NDA. His replacement was due to be announced shortly.

### **3. MINUTES OF LAST MEETING**

David Alexander noted that the minutes of the previous meeting – DSG/SESG(2022)M01 – had been endorsed at the public meeting held in June 2022. He invited members to raise any issues from the minutes. No issues were raised.

#### 4. STATUS OF ACTIONS

The status of actions had been circulated to members in advance of the meeting. David Alexander noted that the majority of actions had been completed with a few outstanding ones following on from the meeting with Maree Todd, MSP.

Of particular note:

- DSG(2022)M02/A14: Jamie Reed to report back on the extent that NDA uses fair trade across the NDA estate. Jamie Reed noted that this was still being progressed with their procurement section.

David Alexander invited members to raise any questions or clarifications on the status of actions. No issues were raised.

#### 5. COMMUNITY FUND APPLICATIONS

David Alexander noted that the Community Fund report had been circulated in advance. He reminded members to declare any conflicts prior to discussion on any of the applications. No conflicts were raised.

Funding applications were reviewed and following discussions, decisions were made on each funding application.

#### 6. DOUNREAY SOCIO ECONOMIC ACTIVITIES

David Alexander noted that a written update had been provided – DSG(2022)P23 refers. He invited June Love to provide key highlights from the paper.

The following update was provided by Jamie Reed and June Love. Of note:

- The report now covered both NDA and DSRL socio economic activities.
- Dave Calder had been appointed as DSRL Head of Sustainability and Socio Economics and would take up his new post on Monday 8<sup>th</sup> August.

Dave, in his present capacity, had been invited down to see the ISH project at Sellafield. Jamie Reed explained that ISH (Industrial Solutions Hub) was a new initiative led by Copeland Borough Council. The aim was to market the area's skills and also provide support to the supply chain. It is hoped that the one stop shop will become a major exporter of nuclear training, encourage entrepreneurs to develop their ideas and boost jobs locally.

- The NDA continued discussions with HIE on the Space Hub Sutherland project. Jamie Reed added that NDA was awaiting the final business case application to allow an assessment to be made. It was expected that the full application would be available in early August.
- The majority of projects provided with grant funding were on track and delivering funding conditions to schedule.
- NDA would once again be sponsoring the Highland Mey Games and NDA CEO along with DSRL Board Chair would be attending. DSRL also provided sponsorship for both Mey Games and Halkirk Games.

- NDA had completed social impact studies across the NDA estate. These were due to be issued by the end of July.
- DSRL and the Caithness Chamber of Commerce had set up a small working group to look at procurement and support to the supply chain alongside other topics such as skills.
- DSRL recruitment had been placed on pause for 3 months unless there is a known specific skills or role shortage that cannot be recruited internally. The pause does not include apprentices or graduate recruitment.

David Alexander thanked Jamie and June for their update and invited questions.

- Trudy Morris noted that recruitment had been paused for 3 months noting this was something the Chamber had been pushing for a while. However, she felt that 3 months was not long enough to allow supply chain support, talent attraction and other skills discussions to develop further.
- Trudy Morris noted the working group set up between the Chamber and DSRL stating that this was set up to look at a number of things, procurement being one such subject. She added her frustration that despite flagging up issues around the local supply chain some weeks ago there now appeared to be one local company looking to reduce their workforce due to project progress being delayed on site. It was felt that the site did not react quick enough to consider whether there could be a more robust supply chain offering.

It was noted that the site had indicated some financial constraints with its annual budget limit, and it was felt that there needed to be some transparency of the budget so that stakeholders could understand where these constraints lie. It was understood that the workforce pay rise, energy and materials costs would have an impact but the amount of work coming out to the supply chain was minimal and the local supply chain were struggling to win work outside the county because with rising costs to energy and materials they could not be competitive with companies located close to or in the central belt. The Decommissioning Framework Services contract was launched with promises of a continuous pipeline of contracts, but this had not materialised.

Further discussion centred around the development of the Life Time Plan that was not due to be complete until April 2024 and it was felt that unless there was a good pipeline of contracts coming from the site during the Near Term Work Plan phase other local companies may run into difficulties.

Jamie Reed stated that while he did not know the details of the local supply chain there was similar stories with SMEs in other areas of the NDA estate noting that the rising costs of materials and energy were causing problems for sites.

Peter Faccenda noted that CNSRP had set up a meeting with Josh George (Organisational Excellence Director) to explore all aspects of recruitment and how Dounreay could support wider community recruitment needs.

Members around the table requested an urgent meeting with Dounreay Managing Director, Commercial Director and the Organisational Excellence Director to discuss these topics. It was

agreed that the DSG working group set up to look at Dounreay/Magnox joining and Vulcan would attend this meeting once set up.

**Action: DSG/SESG(2022)M02/A001: June Love to request a meeting between DSG Working Group and Dounreay to discuss supply chain issues, budget and skills.**

- David Alexander noted that at a recent London conference he had spent some time with Mark Rouse who had taken time to explain Fit For Future that was currently being developed. While he understood the concept having discussed this in detail he asked whether members would find it useful to invite William Lindsay to the next sub group meeting to allow him present this to the group. This was agreed.

**Action: DSG/SESG(2022)M02/A002: June Love to invite William Lindsay to next DSG Socio Economic sub group meeting to provide a briefing on Fit For Future.**

- David Alexander asked how North Coast Visitor Centre was getting on. He noted that Covid had delayed the opening of the facility but that it had re-opened in November and he would like an update on how this was developing. June Love said she had received a project update in June 2022 and would circulate this to members for their information.

**Action: DSG/SESG(2022)M02/A003: June Love to circulate update on progress for North Coast Visitor Centre.**

## **7. UPDATES ON SOCIO ECONOMIC ACTIVITIES**

David Alexander noted that a written CNSRP update had been provided – DSG(2022)P024 refers. He added that he was aware that CNSRP was undertaking a revisioning exercise at present and there was a need to consider what the role of the CNSRP Advisory Board was. The role of the Advisory Board was something that DSG had responded to previously.

Peter Faccenda stated he would take the paper as read and reported:

- Space Hub Sutherland was moving forward and will hopefully break ground later this year.
- Pentland Offshore Wind Farm were in discussion with some developers regarding the potential of the ports in the region. Scotwind leasing round had been completed with all leases offered and signed.
- May Gen Tidal had received a contract for difference for an extra 28 megawatts of power production which will allow them to develop further turbines.
- Incubation hubs were being considered in ERI UHI and it was believed that this would provide a number of opportunities to come together and have wider discussions on recruitment and expanding the (general) workforce. It would provide long term opportunities for employment and maximising these opportunities.

Peter Faccenda noted that CNSRP were in the process of reviewing their remit and how they work together, the purpose of the partnership and the core values. This was to allow the partner organisations to become a closer working team.

- Regarding Wick PSO, the flights were operating, and passenger numbers were starting to recover. The Highland Council have recruited a Contracts Project Manager who took up post in early July and part of that role would be to look at maximising development of the airport.

Trudy Morris noted that there would be a change in the timetable from August. This took into consideration feedback from passengers and businesses to provide connectivity to onward flights. She noted that the timetable could be flexed to take into account better connectivity. Peter Faccenda added that changes were made in consultation with the user group and passengers. Those affected by the change of timing had tickets changed and had received no negative feedback.

Cllr Struan Mackie asked if there was a possibility to look at inter-connectivity as currently any ongoing passengers still required to depart the security area to pick up hold bags and then return through security for onward flights. He also noted that code sharing could be a discussion going forward with the Project Manager. He added that the continued operation of the airport was a good example of a lot of work from the Chamber of Commerce and other organisations.

Trudy Morris noted that Eastern Airways were discussing the possibility of an Edinburgh flight but further work was required to develop and underpin the route. She also noted that Eastern Airways had indicated that where a passenger missed a connecting flight, Eastern would put them on the next flight at no extra cost.

- Cllr Struan Mackie noted that the legacy (PBO Engineering hub) continued to be on the programme albeit that it had morphed into something different. June Love added that the whole concept of this project needed to be revisited to reflect that the PBO was no longer in the area but there was still potential for office accommodation required. Cllr Mackie stated that, at a recent meeting with the DSRL Board Chair (in the context of the Dounreay/Magnox joining) had raised re benefits for Dounreay joining with Magnox. The Board Director had been encouraged to look where benefits could arise in terms of Dounreay carrying out work on behalf of the NDA estate and the potential to join this with an off-site accommodation hub may be something that should be explored.

Eann Sinclair noted if there was an interest from a high level this may be an opportunity to accelerate this. Cllr Struan Mackie responded that Dounreay would require accommodation and there was a gap within the community for state of the art (fit for purpose) office accommodation. He suggested that if the site's accommodation strategy as being revisited whether it could look towards a campus type solution that would incorporate office accommodation with a non-DSRL business and community element. If this could be worked up in partnership with others there was more of an opportunity to bid into other funds to support this.

Peter Faccenda cited the Inverness Campus as an example. It started with a couple of investors as anchor tenants and that then allowed others to add and build further capacity.

Giles Huby asked if this ties in the Caithness Place-Based initiative as they seem to be looking at similar things. Cllr Struan Mackie noted it was similar.

Sandy Mackie noted that Highland Council may not fully fund this, but they do have access to levelling up funds. He suggested that a hub was something that could be put forward for the levelling up fund to be made possible. Peter Faccenda agreed and noted that the challenge was about the capacity to put together the idea and progress this into a project.

Jamie Reed believed that the levelling up fund and the money allocated may be changing. He thought the way the money would be accessed would change and the group would need to seek

confirmation on how funding will be accessed in future. As an example of levelling up, Jamie Reed noted that for just under £1m of NDA funding in North Wales £38m had been secured from the Welsh government replacing European funding for a tidal energy project and about 100 jobs associated with this.

Peter Faccenda felt this was something that needed to be done in terms of pulling together project proposals. The importance was having projects ready to go when funding streams were available.

Cllr Mackie added that this was something that could be multi-partner led and if that were not the case then there was a need to identify an individual with the skill set to take forward and deliver. He worried that a lot of people with development capability were being re-employed in other sectors and business development was something that was not being nurtured. While the local community development organisations had funding they did not necessarily have the skills to undertake business development activities.

- Giles Huby noted that the Green Freeport bid was submitted with a total of five Green Freeport bids in for Scotland now in the process. Two sites will be awarded Greenport status later this year.

Cllr Struan Mackie noted that this had synergies with the STEP bid, noting that if Cromarty were unsuccessful it would be useful to understand the reasons so that any perceived weaknesses were address for future bids.

While noting that the Cromarty bid had positive support there was a need to be re-assured about the benefits of this for Caithness & NS as it could be a detrimental impact on local harbours if a successful bid led to incentives in one location with disbenefits to others.

Having been a member of the bid consortium for 2 years, Giles Huby confirmed that the Opportunity Cromarty Firth bid specifically wanted to avoid that happening and for their Green Freeport to benefit the entire Highlands. He noted that the Green Freeport chair had met with CNSRP and provided a brief and noted there has been some consultation. He noted that the bid submitted was for Inverness and Cromarty Firth Green Freeport and once the outcome was known further discussions would be held with other ports in the area.

June Love noted that there had been an initial discussion with both Scrabster and Wick harbours but there had been no follow-up or further engagement. She noted that the Norwegian model distributed benefits across a number of harbours ensuring each one benefited. Giles Huby responded that the team working on the bid had been concentrating on ensuring a strong bid was submitted for that region on time. He expected that future dialogue would be more robust if the bid was successful.

Peter Faccenda noted it would be fantastic if the Highlands was successful as he believed there would be potential to develop further local opportunities. He noted this was a strong bid as Cromarty with commercial interests embedded in it and this is what CNSRP needed to learn from and get commercial interest lined up within projects as that has a bigger chance for success.

- In terms of the Advisory Board, David Alexander stated that he felt that the organisations around the table should be there to hold the agencies to account in delivering projects. Chair of the Advisory Board, Cllr Matthew Reiss had stepped down as Chair and it was confirmed by Peter

Faccenda that Raymond Bremner, Leader of the HC would take over this role.

## 8. CORRESPONDENCE

David Alexander noted that there was nothing to report at this time. All correspondence received had been circulated to members and had been dealt with.

## 9. ANY OTHER BUSINESS

Prior to opening up to members, David Alexander noted the following:

- Representatives of the DSG working group that had been set up to look at joining of Dounreay and Magnox and also the Vulcan decommissioning had met with new MOD Project Director, Glenn Dawkins and Commander Ian Walker, Vulcan on 13<sup>th</sup> July.

This had been an informal meeting as it was an opportunity to meet Glenn for the first time in person although he had attended the last public DSG virtually. We discussed the timeline of the work that was required and the plan is that the NDA will complete an outline business case by the end of this calendar year. This would go through NDA governance and if a decision to proceed was given a full business case would be developed thereafter. The group explored where/when DSG could provide input on topics such as social value and emphasise areas that are very important locally, like using local supply chain. One question raised that was unclear requires clarification is the 'value of Vulcan' today, The NDA social impact studies provide details of the benefits from Dounreay but there appeared to be no information on this for Vulcan. A request was made for Vulcan to provide some data on this.

**Action: DSG/SESG(2022)M02/A004: June Love to ask Commander Ian Walker to provide information on the social impact of Vulcan as it currently stands.**

Because the business case is something that NDA was developing it was felt that it would be useful for the working group to meet with NDA to understand the timelines for the production of outline and full business case and explore where DSG could provide comment/input.

**Action: DSG/SESG(2022)M02/A005: June Love to ask NDA to meet with DSG working group to discuss timeline for outline and final business case product for Vulcan decommissioning.**

- The DSG Chair and Vice-chair had attended a meeting of the NDA SSG Chairs in Manchester at the beginning of July. David Peattie, NDA CEO was there along with a number of other NDA colleagues. Given some of the mixed messages regarding Dounreay/Magnox joining the opportunity was taken to ask David Peattie to provide further re-assurance that the joining of these two entities did not mean substantial change for Dounreay in terms of organisations structure, budget and workforce. This was raised again because of Magnox board minutes that had been published on the website and in terms of discussions with individuals who had voiced concerns. David Peattie was quite clear in his response, he said "My position on Dounreay joining with Magnox is crystal clear. Dounreay will always retain its uniqueness and ring fenced funding."

Today we had a follow up meeting with Lawrie Haynes and Paul Vallance. The meeting was very positive and Lawrie Haynes outlined the following:

- Dounreay joining with Magnox – the only plan is to simplify the governance and streamline Boards.

- The joining will become a 'NewCo' entity bringing a total of 4 operating companies under the NDA Group.
- Expect to be complete by April 2023.
- Magnox will hold regulatory licenses and for both Magnox and Dounreay under Gwen Parry-Jones (Magnox CEO).
  - Under plans for licenses and permits held will be the responsibility of holding highest level of safety, environment and security.
- NewCo Board – Gwen Parry-Jones and Mark Rouse will be part of that Board.
  - DSRL board will dissolve.
- Dounreay site will not change its name
- Dounreay staff will transfer to Magnox to become Magnox employees under TUPE arrangements
  - Consultation with Unions on TUPE arrangements
  - No change to T&Cs
  - No change to Pensions
  - No redundancies voluntary or otherwise during transition.
- Dounreay will handle its legalities during the transition until it joins with Magnox / 'NewCo'.
- Joining Magnox/Dounreay has opportunities for learning and sharing
  - More opportunities for jobs
- Do not expect to see any organisational changes
- Mark Rose supported by Gwen Parry-Jones may decide to change some things but this would fit under Fit For Future that has commenced at Dounreay.
- No change to socio economic remit

David Alexander noted that one of the topics discussed was the need to demonstrate what benefits this would bring to Dounreay. The discussion was quite positive with emphasis on exploring this sooner rather than later. This was something that DSG needed to actively pursue and given earlier discussions on local supply chain this was something that needed to be borne in mind as these discussions progressed.

Other discussions centred around:

- NDA/Magnox and Dounreay were working on further updates for workforce and stakeholders.
- A video with Mark Rouse and Gwen Parry-Jones nearing completion and would be issued to staff (will be also shared with DSG).
  - Stressed need for clarity across all organisations
- Discussed potential to consider some work at Dounreay that could show local benefits from working across Magnox sites.
- Emphasised the need for consistent messages as rumour mill starts as soon as there is a gap.
  
- On a different topic, safety was briefly discussed and it was pleasing to hear that the site had taken a pro-active stance on this and appeared to be getting to grips with these issues. Lawrie Haynes would be visiting site along with ONR CEO, Mark Foye on 14<sup>th</sup> August.
  
- David Peattie would meet up with DSG Chair/Vice-chair on his visit to Caithness on 5<sup>th</sup> August.
  
- A number of attempts had been made to co-ordinate a suitable date for all DSG members to meet to discuss the DSG review. This had proved difficult due to summer holidays and therefore the business meeting had agreed to consider the recommendations, taking on board the

previous comments from DSG members and to outline a way forward. This had been discussed and agreed at the business meeting held on Tuesday 19<sup>th</sup> July and the document would be tidied up and circulated to members with specific questions to allow DSG members an opportunity to provide further comment prior to actions being taken. It was stressed that it was important for all DSG members to respond to this and once it was circulated members would be given until the end of August to respond. Currently work was ongoing to develop a simple form to allow members ease to complete.

**Action: DSG/SESG(2022)M02/A006: All DSG members to provide comment on the DSG review to DSG Secretariat no later than 29<sup>th</sup> August 2022.**

- Lastly, as DSG vice-chair an email had been sent to Josh George asking about the progress in a replacement for the DSG Secretariat. The job descriptions had been drafted and that the new person should be identified by the end of August.

David Alexander invited members to raise any further topics. Of note:

- Ron Gunn noted members of CHAT would meet with Humza Yousaf MSP on 15<sup>th</sup> August.
- Cllr Struan Mackie noted that the NDA travel policy is not to use internal flights. June Love believed there was an exception for Caithness. Cllr Mackie asked if this could be written into the travel Policy as this is more sustainable for NDA/DSRL and DSG to fly in many respects.

**Action: DSG/SESG(2022)M02/A007: DSG Chair to write to NDA to request clarity on flights to/from Caithness in terms of NDA's sustainability policy.**

- Peter Faccenda noted that while at present there was HC Ward Managers for both Caithness and Sutherland but that there was a potential to combine these two posts into one. He felt that this would be far too large an area for one person to cover and suggested that DSG write to HC emphasising the need to retain both posts.

**Action: DSG/SESG(2022)M02/A008: DSG Socio Economic Sub Group Chair to write to Highland Council regarding the need to continue with Ward Managers for both Caithness and Sutherland.**

There being no further business, David Alexander thanked everyone for attending and formally closed the meeting.

**David Alexander**  
**DSG Socio Economic Sub Group Chair**  
26 July 2022

**ACTIONS ARISING FROM THIS MEETING**

DSG/SESG(2022)M02/A001: June Love to request a meeting between DSG Working Group and Dounreay to discuss supply chain issues, budget and skills.

Action: DSG/SESG(2022)M02/A002: June Love to invite William Lindsay to next DSG Socio Economic sub group meeting to provide a briefing on Fit For Future.

DSG/SESG(2022)M02/A003: June Love to circulate update on progress for North Coast Visitor Centre.

DSG/SESG(2022)M02/A004: June Love to ask Commander Ian Walker to provide information on the social impact of Vulcan as it currently stands.

DSG/SESG(2022)M02/A005: June Love to ask NDA to meet with DSG working group to discuss timeline for outline and final business case product for Vulcan decommissioning.

DSG/SESG(2022)M02/A006: All DSG members to provide comment on the DSG review to DSG Secretariat no later than 29<sup>th</sup> August 2022.

DSG/SESG(2022)M02/A007: DSG Chair to write to NDA to request clarity on flights to/from Caithness in terms of NDA's sustainability policy.

DSG/SESG(2022)M02/A008: DSG Socio Economic Sub Group Chair to write to Highland Council regarding the need to continue with Ward Managers for both Caithness and Sutherland.