

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

Minutes of the DSG Socio Economic sub group meeting held on Wednesday 17 July 2024 at 1330 hours in the Naver Business Centre conference room and Microsoft Teams.

Present:	David Alexander	Thurso and Wick Trades Council (chair)
	Roger Saxon	DSG Site Restoration sub group deputy chair
	Trudy Morris	Caithness Chamber of Commerce
	Cllr Struan Mackie	Highland Council (DSG Chair)
	Peter Faccenda	Focus North Programme Manager
	Sandy Mackie	Scrabster Harbour Trust
	Eann Sinclair	HIE
	Gillian Coghill	Buldoo Residents Group
	Cllr Michael Baird	Highland Council
	Debbie Miller	UHI North, West and Hebrides
In addition:	Tina Wrighton	Stakeholder & External Relations Manager, NRS Dounreay
	Magnus Davidson	Socio Economics Manager, NRS Dounreay
	Jeremy Gilmour	SE Business Development, NDA
	Dawn Clasper	DSG Minute Secretary, NRS Dounreay
	Declan Gunn	NRS Dounreay Graduate
	Ken Nicol	Observer
	John Deighan	Observer

1. WELCOME AND INTRODUCTIONS

David Alexander welcomed everyone to the meeting. He welcomed Ken Nicol and John Deighan who are observing the meeting today, they have applied to become co-opted members of the DSG, this had been approved by the DSG business meeting members and their endorsement will be ratified at the next public meeting in September.

2. APOLOGIES

Apologies were received from:

- Ron Gunn, CHAT
- David Calder, Head of Sustainability & Socio Economics, NRS Dounreay

3. MINUTES OF PREVIOUS MEETING

David Alexander noted that the minutes of the last meeting - DSG/SESG(2024)M001, April 2024 – had been circulated to members in advance. He stated that given the public meeting in June had been cancelled these minutes had not been ratified.

He invited members to raise any issues from the minutes. The minute was accepted as a true reflection of the meeting. This was proposed by Trudy Morris and seconded by Gillian Coghill.

4. STATUS OF ACTIONS

David Alexander noted that the status of actions had been circulated to members in advance of the meeting. Of note:

- DSG/PM(2024)M01/A01: Mac MacGill to provide the group operating framework. **Complete.** Dawn Clasper email issued to DSG members on 16 July with the NDA/NRS structure.

Eann Sinclair commented that the NDA/NRS structure was easier understood after explanation, with David Alexander responding that due to a delay there was a desire to issue it as promptly as possible. Tina Wrighton noted that this structure will be liable to change, and Dounreay will be able to provide more information upon appointment of the new Managing Director.

- DSG/BM(2023)M019/A001: Cllr Struan Mackie to write to Association of Caithness Community Councils to give a presentation on what the DSG does at the next meeting. **This has been superseded with a new action DSG/BM(2024)M007/A002.**
- DSG/BM(2024)M007/A002: Focus North advisory board to share information focussed on third party sector and community organisations including the DSG. **Ongoing: This will take place in the Autumn.**
- DSG/BM(2024)M007/A003: Dawn Clasper to share the Notification of intent to review Scotland's higher activity radioactive waste policy framework and invitation for pre-consultation views with DSG members. **Complete: Email issued to members on 16 July asking to comment.**

David Alexander commended that the majority of the actions have now been closed due to the DSG Business meeting fortnightly and the ongoing efforts from Tina Wrighton and Dawn Clasper in the background.

5. DOUNREAY COMMUNITY FUND REQUESTS

David Alexander noted that the Community Fund report has been circulated in advance. He reminded members to declare an interest if there was any involvement from members in these projects.

Funding applications were reviewed, decisions and further clarifications were agreed on for each application.

6. DOUNREAY SOCIO ECONOMIC ACTIVITIES

David Alexander stated that a written update had been provided – DSG/SESG(2024)P016. Magnus Davidson, Socio Economic Manager, was invited to provide key highlights from the paper.

- The Dounreay Socio Economic Annual Review is being drafted and expected to be published in Q2 2024/25.
- NRS Dounreay had developed a new draft socio economic strategy at the end of 2023. The publication of the draft had been deferred to align with Group Key Target

requirements for 2024/25. The DSG will be consulted as part of this process with input from the NDA consultation also included, before being finalised.

- NRS Dounreay continue to work with different groups and in the previous quarter two projects were funded.
 - Highlands and Islands Enterprise - Focus North Programme Manager, £124,830
 - Highlands and Islands Enterprise – Science Skills Academy Thurso Newton Room, £128,000

In 2023/24 Dounreay committed £1.3m, leveraging an additional £7.07m of private sector investments into Caithness and north Sutherland.

- The 2022 census data is being analysed by the socio economic team for its implications on Dounreay activity, of which the first tranche of sub-regional data was released in May and will continue throughout the year. He noted significant demographic challenges which impact the employment base, which has implications for Dounreay's activity.
- Work on developing the socio economic benefits realisation related to the new Lifetime Plan (LTP) has recommenced after a contract related hiatus, it is expected that the work will be finalised by the end of the calendar year.
- In partnership with Focus North, Dounreay is engaging with key energy sector stakeholders within Caithness and north Sutherland on skills development and workforce planning to mitigate the risk of skills gaps and shortages. There have been discussions internally and externally on how we can mitigate the impact on our own business and other sectors.
- Due to Industrial action and resourcing on site there has been less STEM activities ongoing. Millar Academy undertaking goblin car racing and Noss Primary School 55 pupils completed their CREST award last year.

Trudy Morris asked if the recruitment could be shared with the DSG Socio Economic sub group members.

ACTION: DSG/SESG(2024)M02/A01: Dawn Clasper to share Dounreay vacancies with DSG socio economic subgroup members going forward – will also share most recent vacancies.

David Alexander asked why there are vacancies arising from staff leaving to go to other sectors. Magnus Davidson responded that there is a national skills shortage across many sectors, increasing the competition for skilled workforce. The local skills challenge is also impacted by the population size, peripherality, and diminishing employment base of the area, and socio economic challenges related to attracting and recruiting staff inwards. Meaning there is a more competitive environment between employers.

Gillain Coghill noted the UK Subsidy Control Regime update and asked why this would be a risk to Dounreay's socio economic grant funding capabilities. Magnus Davidson responded that UK Subsidy Control Regime has replaced European law on State Aid, post Brexit, and the new legislation increases administrative burden on Dounreay and socio economic applicants. He invited contribution from Declan Gunn, leading on Dounreay's subsidy control work, who noted that the new legislation has a wider scope, and a new focus on domestic competition, compared to European law.

This position was endorsed by Eann Sinclair who noted that HIE have a similar challenge, although they have expertise in subsidy control, are working closely with Dounreay on the issue, and are aiming to create schemes that can be shared with NRS Dounreay and other public sector funders.

Gillian Coghill asked what the difference in mandatory and non-mandatory spend within the procurement update. Magnus Davidson responded that mandatory spend is related to maintaining legal obligations or site licence conditions which includes regulators, CNC, and security, whilst non-mandatory spend is work that we undertake with the supply chain related to decommissioning activity.

Gillian Coghill asked if work was being done on assessing if the Inverness and Cromarty Firth Green Freeport would have an impact on skills in the area. Discussion was undertaken on possible risks and opportunities identified by various members; however, it was early in the green freeport process and time would be needed to see if these were realised.

Sand Macky requested, in the context of the sub group, further information on whether the Dounreay lifetime is included in population modelling and what impact this may have on policy areas such as housing, education, and healthcare.

Magnus Davidson responded that the forecasting model assumes fertility rate, mortality rate and some hindcast assumptions on migration, and that it takes no consideration of employment shocks such as Dounreay closure or new industries being developed. He outlined that the area is facing economic opportunities not recognised in the modelling which may mitigate some of the challenges, although the census data, which measures current population rather than forecasts, shows depopulation. He noted that Dounreay continue to undertake detailed analysis of socio economic data to inform activity of the site.

David Alexander noted that the Socio Economics team are working with the commercial team to improve how Dounreay sets, assesses and monitors social value, he asked if this was a success. Magnus Davidson responded that it is probably too early to tell, although there have been some benefits starting to be realised. He noted that the procurement process takes time, as does realising social value, in addition to some frameworks still operating under a previous model. Therefore, social value assessments set in the previous year may only now start to be delivering, although the pipeline has some promising social, economic and environmental outcomes due to be delivered.

Peter Faccenda agreed with Magnus Davidson and noted that it will take time as this is a newer and difference, although he thought over the long term this will have a strong effect.

Magnus Davidson reminded the group that social value only affects contracts above a certain threshold, and some social value benefits will not be as publicly facing as others, such as those related to carbon reduction or those being delivered by companies out with Caithness and Sutherland. Eann Sinclair noted that this also applies to Caithness companies going out with the region but delivering social value locally.

Sandy Mackie asked regarding the funding for the Newton Room what the output has been over the last three years. Magnus Davidson responded that he would need to check the detail, but it had been significant enough that Dounreay were confident in funding three years, although he had included in the conditions of the grant agreement that greater collaboration with Focus North partners would be required.

Roger Saxon asked how the STEM budget relates to the Newton Room. Magnus Davidson noted that the Newton Room would be a distinct budget line in the socio economic programme whilst the STEM budget is used as resource for NRS Dounreay STEM ambassadors time and upgrading of equipment.

David Alexander asked Jeremy Gilmour if there was anything he would like to add. Of note:

Jeremy Gilmour noted the Dounreay Review they are doing the same from NDA and will recognise the significance of contribution of Dounreay and the DSG in the published report.

On subsidy control the NDA is impacted in the same way, but nationwide, and that they have appreciated the support of a collaborative approach to subsidy control. He noted it does provide some challenges and the NDA have welcomed discussion on development of new schemes which will alleviate that pressure. He thanked Eann Sinclair and Declan Gunn for their support.

He also noted that the NDA part fund the space port development and is pleased to see in the Focus North report with HIE support moving towards to the benefit realisation part of the project.

David Alexander thanked Magnus Davidson and Jeremy Gilmour for their updates.

7. FOCUS NORTH UPDATE

David Alexander noted that a written update had been provided – DSG/SESG(2024)P014. He invited Peter Faccenda to provide key highlights from the paper.

The following update was provided by Peter Faccenda. Of note:

- Wick Airport PSO activity is focussed on income generation and decarbonisation.
- The Industry Forum is being led by David Calder, NRS Dounreay and Rob Heaton, West of Orkney Windfarm as co-chairs. There is a strong desire by the group to collaborate on the skills, talent and future needs of the constituent organisations. The first output will be to generate a detailed skills map, followed by infrastructure requirements.
- There is a first cohort of Net Zero Nation of 15 organisations and businesses who have started a yearlong programme of carbon accounting and decarbonisation planning from the 9 July 2024.
- Peatland Restoration training 'For Peats Sake' to commenced in September.
- Peatland Restoration work continues with two pilot schemes are being progressed due to start in August and September. Both preferred contractors were local business and interest from them, and other local potential providers will be included in training to develop more capacity and opportunities for peat restoration activity.

David Alexander thanked Peter Faccenda for his update and invited questions from members. Of note:

Gillain Coghill commented that it was good that the UNESCO World Heritage Site could be decided by the end of July and that it could create huge opportunities with the peatland restoration. Eann Sinclair agreed with Gillian Coghill and noted that there has been a long period of time to get here, and World Heritage Status would be great news although peatland restoration initiatives are happening in parallel and will start to converge if awarded. Peter Faccenda noted there is a significant number of careers and land based work that can come from this.

Gillian Coghill noted the Highland Place Standard survey being undertaken by Highland council and asked if anyone could take part in. Peter Faccenda answered that yes anyone could take part.

Gillian Coghill noted the recent press for the mast for the space port, she asked if the permission should have been in place previously. Eann Sinclair noted that the permission for an antenna array was in place as part of the original planning, however it was decided that Ben Tongue would be a better location by the operator and that there is also already other infrastructure in place there. He also noted the construction is on track for the main site and with the roadway to be finished in the next four weeks weather permitting, which will lead to the commencement of the launch pad, with the infrastructure completed by Christmas and on track to have the first launch at the beginning of next year.

8. CORRESPONDENCE SINCE LAST MEETING

David Alexander noted that there was correspondence for this reporting period.

9. ANY OTHER BUSINESS

David Alexander opened this to members there was no other business from members.

- David Alexander wanted to extend his thanks to Sandy Mackie for his involvement in this forum and to wish him well in his retirement.

10. CLOSE

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

David Alexander
DSG Socio Economic Sub Group Chair
24 July 2024

ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2024)M02/A01: Dawn Clasper to share Dounreay vacancies with DSG socio economic subgroup members going forward – will also share most recent vacancies.