

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2016)M001

Minutes of the DSG Socio Economic Sub Group meeting held on Wednesday 20th January 2016 at 1330 hours in the Pentland Hotel (large lounge), Thurso.

Present:

Derrick Milnes	Wick and Thurso Trade Union Council (Chair)
David Flear	DSG Chairman
Cllr Matthew Reiss	Highland Council
Trudy Morris	Chamber of Commerce
Sandy Mackie	Scrabster Harbour Trust
Eann Sinclair	Caithness & North Sutherland Regeneration Partnership
Ronnie Johnstone	Church of Scotland
Alastair MacDonald	DSG Honorary member

In attendance:

Ken Nicol	Dounreay Socio Economic Manager
Graham Cameron	Head of Human Resources, Dounreay
Anna MacConnell	NDA Socio Economic and Stakeholder Relations Manager
June Love	Dounreay, DSG Secretariat

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting.

2. APOLOGIES

Apologies were received from:

- Bob Earnshaw DSG Site Restoration sub group chairman.

Councillor Matthew Reiss indicated he would need to leave the meeting early as he has Council business in Inverness.

3. MINUTES OF LAST MEETING

Derrick Milnes noted that the minutes of the last meeting – DSG/SESG(2015)M004 – had been circulated to members in advance of the meeting. There were no changes made to the minutes and it was accepted these were a true reflection of the meeting. This was proposed by Sandy Mackie and seconded by Eann Sinclair.

No issues were raised from the minutes.

4. PROGRESS ON ACTIONS

Derrick Milnes noted that an updated status of actions had been circulated in advance. Of note:

- **DSG(2015)M004/A001:** June Love to request an update from Crimson regarding transportation of archive documentation.

This action was ongoing – Anna MacConnell noted that Restore Ltd (who had bought over Crimson) were keen to attend the June DSG to provide an update. David Flear thought it would be useful to also invite Morrison Construction.

- **DSG(2015)M004/A012:** June Love to circulate local residents letter regarding the Community Sports Hub, collate views and draft a response including an offer of a facilitated discussion. **Action**

complete – see DSG(2016)C003.

- **DSG (2015)M004/A014:** Cllr Matthew Reiss to find out if Highland Council were offering upfront loans to LEADER applicants.

Matthew Reiss confirmed he had asked the question and was awaiting a response. [Secretary's note – following the meeting Cllr Matthew Reiss confirmed that no specific fund will be available but The Highland Council would consider short term flexible funding requests.

It was noted that all other actions relating to socio economic sub group were now complete.

No further issues were raised in regards to the actions.

5. COMMUNITY FUND REQUESTS

Derrick Milnes noted the funding applications received. He reminded members to declare an interest where appropriate. The applications were reviewed and recommendations were endorsed.

6. DOUNREAY SOCIO ECONOMIC ALLIANCE ACTIVITIES

Derrick Milnes noted that a written update had been provided to members – DSG(2016)P006 refers. He invited Ken Nicol and Anna MacConnell to provide verbal updates. The following was discussed:

- The Dounreay socio economic budget for 2015/16 had all been committed. An outline budget for 2016-2019 was in preparation with identified commitments and available funding. The Socio Economic Plan for 2016 – 2019 would be briefly discussed under Any Other Business.
- Cavendish Nuclear projects were progressing as per schedule. A number of other CNSRP projects underpin the Cavendish Nuclear business plan.
- NDA Archives: Anna MacConnell, NDA noted that construction of the NDA Archives was progressing on schedule. She noted that socio economic elements had been placed with both construction and commercial partner contracts. On the construction contract, Morrison Construction had taken on a trainee site manager who had been made redundant from the oil and gas industry and resided in Wick. The individual was being given training to qualify him as a site manager which will allow him to continue full time employment with the Company. Another young unemployed man had turned up at the site and volunteered to work for nothing. He had been taken on for a trial period and as a result is now working with Morrisons full time.

Morrison Construction had also been working with the local schools in the Wick area and had been approached by one of the schools to enquire whether the land around the archives could be used by the schools for outdoor educational purposes. The NDA saw this as a positive approach as the link between local schools and the archives was important. In addition, North Highland College students had visited the site as part of their learning experience.

The commercial contract was at an earlier stage but Restore was committed to deliver their socio economic remit. At present they were working at the Harwell site as they had taken over the contract for the running of the archive until such times that the records were transported to the new archives. Restore Ltd (who had previously bought over Crimson) was keen to come along to the June DSG meeting and provide a presentation by way of an update.

David Flear stated that David Batters had provided a presentation at the recent NDA National Event and the archives featured heavily in this presentation. The information received was taken very positively by those in attendance. He had also taken the opportunity to speak to Rob Higgins who had indicated that the NDA Archives Ltd Board would be visiting Caithness in April and that David had been invited to meet with him while he was in the area.

Anna MacConnell noted that Rob Higgins had been appointed as the Chairman of the Board for the archives along with Simon Tucker (Chief Executive of NDA Archives Ltd), Elizabeth Hodgson (Company Secretary), Sue Connell (ex-Harwell archivist and NDA consultant) and Lady Janet Balfour.

As well as the Board an Advisory Group would also be set up and Lord Lieutenant Anne Dunnet had accepted the invitation to chair this group. Restore staff would support Anne in this role as part of the contract to provide secretariat services.

- On CNSRP support, Ken Nicol noted that this continued to be provided to CNSRP through individual secondments and support to the CNSRP programme.

David Flear noted that it was good to see this continue.

- On direct funding for both NDA and Dounreay, Anna MacConnell noted that NDA had notionally set aside funding for Wick Harbour but this could not be approved until the business case had been provided and governance undertaken. Ken Nicol noted that about one third of the funding had been allocated to two CNSRP high priority projects – Wick Harbour High Water Protection Gate Investigation and HIE/Scrabster Harbour for cost comparison studies which would support the inward investment offering for the area. While funding had not been released for these as yet assurances that all work would be completed and paid for this financial year had been provided.
- David Flear asked what would happen if the funding could not be spend this financial year. Ken Nicol noted that funding from one year could not be rolled into the following year as the site contract did not allow for this. Therefore it was important to ensure that the funding committed this financial year was actually spent within that period. David Flear asked that the sub group be kept up to date with progress especially if these projects slipped and providing funding this financial year became problematic.
- STEM: Ken Nicol noted that an application had been received to continue support into STEM activities. The members felt that this had provided benefit in the past and should continue.
- Local benefit in procurement: Ken Nicol noted that a guidance paper was being developed to ensure local benefit in contracts.

Trudy Morris asked if this was purely for guidance or whether it would be made mandatory. Ken Nicol responded that it would be difficult to make it mandatory as each contract would be different in many aspects. He could however say that the document would be taken through the legal process to ensure it was not contradicting procurement regulations.

Trudy Morris asked for examples of contracts that could not include a socio economic benefit clause. Ken Nicol responded that the types of contracts that could not be affected were the likes of the supply of equipment parts. Trudy Morris asked whether someone would monitor the benefits coming through. David Flear added that DSG had been looking at the over-arching principles of this and would look to site management to ensure that this was driven down the organisation. He would expect to see reports coming to this meeting and DSG would monitor from that prospective.

Derrick Milnes asked whether DSG could see sight of the guidance document once it had gone through the internal process. Ken Nicol agreed that this could be done.

Action: DSG/SESG(2016)M001/A001: Ken Nicol to provide guidance document on community benefit in DSRL contract for the next sub group meeting.

Ronnie Johnstone asked (in regards to appendix 1 of the written paper) whether the benefit could be quantified. He added that almost everything could be reported as a community benefit dependent on views and interpretation. Anna MacConnell noted that when the previous Dounreay Commercial Manager was in post a menu of socio economic benefits (on a sliding scale dependent on size of contract) had been devised. She did not know why this could not be continued. Ken Nicol noted that within the guidance document there was a list of different level of benefits.

David Flear noted that the NDA Archives was a good example of bringing socio economic benefit into contracts. One of the things that the Dounreay Unions had continued to raise was to ensure apprenticeships and/or trainees benefitted from local employment opportunities. Anna MacConnell

added that having a menu of different level of benefits would allow the impacts to be measured and as an example of this she noted that the company who operated the catering contract at Dounreay had mentored seven North Highland College students which provided local benefit.

David Flear said that he was pleased to see that local benefit in contracts was being taken forward and a guidance document would be useful to show transparency. Sandy Mackie added that it was sometimes difficult to measure impacts but felt that by developing a matrix this would make it easier. While he recognised this would be a guidance document it was important to ensure it was not a tick box exercise.

Ronnie Johnstone stated it looked like a standard formula had been applied and felt it would be useful if DSRL could provide some idea of what they believed economic benefit was. David Flear added that it would be useful if DSG understood the principles of this. Ken Nicol responded that he would consider everything that had been discussed.

Action: DSG/SESG(2016)M001/A002: June Love to put procurement on next sub group agenda to allow a fuller discussion to take place and invite Head of Commercial

At this stage as Councillor Matthew Reiss had to leave the meeting. Before leaving he noted that he would be happy to support the arguments for the Berriedale Braes improvements and had also made enquiries about the landslip on the south brae. He also stated that Councillor Gillian Coghill was setting up a meeting with Scottish Water regarding the recent flooding at Halkirk. David Flear noted that he had done a similar thing when he was in Council and had brought together a number of organisations for a meeting. He agreed to phone Matthew Reiss and provide background information on that.

Action: DSG/SESG(2016)M001/A003: David Flear to phone Cllr Matthew Reiss about previous experience of meeting with Scottish Water to discuss flooding in Halkirk.

- **Asset transfer:** Anna MacConnell noted that discussions were ongoing regarding the siting of the Community Sports Hub at the Viewfirth. No decision had been made as the business case for the sports hub was awaited.

David Flear stated that DSG had received a letter from residents who had concerns about the site and this had been reported through at the December DSG (DSG(2015)C069 refers). A draft response had been circulated to members and this had now been finalised and had been sent back to the correspondent (DSG(2016)C03 refers). Ronnie Johnstone felt that the DSG chairman had been placed in a difficult position with regards the press asking him for comment. David Flear responded that given the fact that this related to NDA land and funding from Dounreay had been provided to support the planning application he felt that DSG did have a role to play. However, he noted that the letter had provided an invitation for the DSG Chairman to facilitate a meeting between the concerned residents and the chair of the CSH to see whether these concerns could be alleviated.

- **Education and Skills:** Ken Nicol noted:
 - The secondment to the National Skills Academy, Nuclear (NSAN) would cease in March.
 - The Engineering Day had been successful with over 60 individuals attending.
 - Adverts had gone out for the next intake of apprentices.
 - Discussions were ongoing regarding vocational qualifications for process industries operations.

David Flear noted that early engagement with Inverness College had taken place. He asked why this was being considered as he felt that North Highland College support should take precedent. Ken Nicol responded some students undertaking an HNC in Applied Science were carrying out a case study Dounreay and had approached him to provide information.

There being no further discussion on the Dounreay report, Derrick Milnes thanked everyone for their input and invited Graham Cameron, Head of Human Resource to provide a verbal update on the Dounreay People Plan.

Dounreay People Plan: Graham Cameron noted the following:

- In terms of the situation right now, a review was underway to determine where the site was now in terms of the revised decommissioning programme. Of the posts that had previously been confirmed as required 113 had now been successfully filled. While the revision of the decommissioning plan had thrown up some challenges to the recruitment process the review of the resource plan was expected to be complete by the end of the financial year.
- There were a number of ongoing activities in terms of apprentice recruitment. As part of the People plan review the site would be looking at the forward projection of requirement and how long current apprentice recruitment arrangements can be sustained. Apprentice recruitment was likely to be maintained this year and next but it was useful to review this to ensure that a natural end point was identified.
- The Graduate recruitment was ongoing and adverts would be placed for recruitment for next financial year. While it was not expected to take on the same numbers the site was encouraged by the number of local enquiries already being received.
- For the last few years the site had run a sponsored engineering programme through North Highland College. This had been reviewed and the site had decided to cease the scheme that currently exists but instead offer more vacation employment opportunities. . Some of the students who had been employed as work placement students had stayed in employment on a part-time basis while they continued with their studies. It was felt that this was a more productive way forward to meet the site's requirements and to support students.
- The site was beginning to lose some of their older employees and management recognised the importance of maintaining that Knowledge retention.
- On a more general front, a number of applications were still being received from the oil and gas industry with the majority being locally based.

David Flear noted that the maintenance of the £177M budget for the site over the next five years was a positive story and to see that commitment from the NDA was excellent. He felt this should be trumpeted as such. Eann Sinclair added that it was useful to point this out at the meeting with Fergus Ewing.

Eann Sinclair asked whether the People Plan would address the potential of the requirement for skills within the 2030-33 period. Graham Cameron responded that once the baseline changes to the decommissioning programme had been taken into account the people plan would reflect the interim end date. At present they were currently looking at resource for the 2030 date.

Alastair MacDonald said he was pleased to see those finding employment were local or those who resided here but had come back from oil and gas industry.

It was also noted that the CNC had been recruiting and anecdotal evidence was that one locally based applicant had been given two days' notice to travel to Harwell (at their own expense) for an interview. It was believed that local recruitment had taken place and therefore it was surprising that the individual had been asked to travel to Harwell.

Action: DSG/SESG(2016)M001/A004: June Love to ask CNC what for information on their recruitment policy.

7. CNSRP UPDATE

Derrick Milnes noted that a written report had been provided – DSG(2016)P001. Eann Sinclair noted the key highlights including:

- It was expected that SSE would reach its' final investment by the end of this financial year. Wick Harbour Trust and SSE were continuing their dialogue almost on a daily basis.
- Atlantis was nearly in the position where they now owned all tidal sites in the Pentland Firth. At present it appeared that they did not have an operational and maintenance strategy and CNSRP were

hopeful they could get involved and help inform this strategy.

- Various small scale contracts had been awarded for cost comparison and labour market studies. The Caithness Chamber of Commerce had won the talent attraction study and a further feasibility study had just been awarded for a potential inward investment project.
- The event, Jobs and How to Get Them, would be held on Saturday 6th February in Wick – a number of companies and organisations had committed to attend and this also involved SSE, Balfour Beattie and ABB.
- The overall value of the work SSE were carrying out at Spittal, Thurso and Noss head was valued at around £440M. The bulk of that work was being carried out by contractors coming into the area but over the span of the programme there it is expected that there will be approximately 700 of a workforce attached to it.
- Hexagon had announced the commencement of their environmental scoping study for a floating wind project off the coast at Dounreay. This was separate from the HIE project announced earlier last year.

David Flear noted he had been asked to comment on SSE project. He had responded that it was good to see the infrastructure of the substations being developed. He also felt that by having a robust grid infrastructure would mean that small modular reactors could be considered if there was a change of Scottish Government or a change in the existing Government's policy.

There being no further discussion on CNSRP activities, Derrick Milnes invited those around the table to provide updates.

Scrabster Harbour Trust: Sandy Mackie noted:

- A press release had been issued reviewing 2015 activities which had been a very successful period. In terms of socio economics and regeneration the jubilee quay for renewables and oil and gas had increased in arrivals and tonnage.
- While 2016 had started well the oil and gas industry was experiencing difficult times and it was hoped that the activity from the West of Shetland would continue.
- The next stage of the Meygen project was pivotal for the next stage of tidal energy. Scrabster Harbour Trust was hoping that Meygen would be in a position shortly to outline their plans going forward.
- On the development of the farm land – SHT continued to discuss this with HIE which feeds into CNSRP programme. HIE were looking at range of options for the development of this land.
- SHT priority for this year would be development of the St Ola Pier.

Alastair MacDonald noted the good progress being made at Scrabster and supported the work that has been done as a well planned development.

North Highland College: Debbie Gray noted:

- NHC was just about up to full complement in terms of engineering lecturing staff.
- Student accommodation was being considered in Dornoch and Thurso. It was expected that this would take place around 2018 at the latest.

Caithness Chamber of Commerce: Trudy Morris outlined:

- They had been awarded the Talent Attraction contract which would essentially be a needs assessment on industries in terms of what they require currently and projections for 3 and 6 years in the future. One of the companies for discussion would be DSRL. [Secretary's note: Graham Cameron

and Trudy Morris have now arranged a meeting to discuss this.]

- HIE was in the process of awarding a Digital Tourism contract which would look at how businesses engage with the consumer. The Chamber had bid for this work and was looking at a number of ways to get business geared up to take on how to work with consumer, destinations, etc. HIE was in the final stages of letting the contract and it was expected that the outcome of this will be agreed this week.

Sandy Mackie asked whether this was a mechanism to show existing business how to do it. Trudy Morris responded that this was the case, part of the contract was for the contractor to create a digital support plan for the area which would include how businesses come together.

Eann Sinclair noted that he had seen, via Twitter, that Venture North had been awarded Visit Scotland funding to create some short films of the area. This funding was to match NDA funding already awarded. He felt this might be something useful to tie into. He also noted that Fergus Ewing had been very supportive of NorthCoast 500.

- The Chamber was also being assessed for an Investors in Young People award. As the Chamber was trying to take this through the Developing the Young Workforce project, it had been felt that the Chamber should also look to be accredited and would lead by example.

Ken Nicol understood that the North Highland Initiative were developing an interactive map and it may be useful to link that team into the digital tourism project.

8. CORRESPONDENCE

Derrick Milnes noted a number of correspondence including:

- DSG(2015)C059: DSG response to GMB press release
- DSG(2015)C065: DSG support to Community Sports Hub
- DSG(2015)C069: Letter from local residents re Community Sports Hub
- DSG(2016)C003: DSG response to C069 (above).

Derrick Milnes noted that discussions on these topics had taken place earlier during the meeting.

- DSG(2016)C001: DSG Letter in support of Berriedale Braes. Derrick Milnes noted that DSG had written following correspondence to Ministers, MSPs etc from the Caithness Transport Forum. Rhoda Grant had responded and it was disappointing to find that the scheme was not yet in the capital programme. Discussions with Fergus Ewing indicated that because of the objection planning would need to go through the formal process and it was expected that funding may be included for 2018.

Trudy Morris said she was disappointed with this response and the Chamber was considering inviting Leaders of all political parties to visit Caithness for a Hustings. David Flear noted it may be useful to invite all prospective MSPs for the area to such an event and it would be useful to co-ordinate this to allow DSG members the opportunity to potentially meet with the prospective candidates.

9. ANY OTHER BUSINESS

- Derrick Milnes noted that the NDA had now circulated the draft Strategy III and draft business plan. Both of these were open for consultation and DSG would submit a response to both documents. Members were reminded if they had views or comments to make they should provide these to the secretariat as quickly as possible. The closing date for submissions was 15th February and therefore time was very short to collate all responses, draft and finalise a response.

Action: DSG/SESG(2016)M001/A005: All members to provide comments/views on the NDA's Draft Strategy III and Business Plan as quickly as possible.

Endorsed on 30th March 2016

- Ken Nicol noted that the 2016 Dounreay Socio Economic Alliance plan was currently being developed. It was expected that the plan similar to the current plan and would continue to concentrate on the themes and activities identified. He asked members to consider the current themes and activities and provide feedback as soon as possible.

Action: DSG/SESG(2016)M001/A006: All members to provide any views/comments on the key themes and activities for 2016 Socio Economic Plan. Responses to be received by 4th February 2016.

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

Derrick Milnes

DSG Socio Economic Sub Group chairman

24th January 2016

ACTIONS ARISING FROM THIS MEETING

DSG/SESG(2016)M001/A001: Ken Nicol to provide guidance document on community benefit in DSRL contract for the next sub group meeting.

DSG/SESG(2016)M001/A002: June Love to put procurement on next sub group agenda to allow a fuller discussion to take place.

DSG/SESG(2016)M001/A003: David Flear to phone Cllr Matthew Reiss about previous experience of meeting with Scottish Water to discuss flooding in Halkirk.

DSG/SESG(2016)M001/A004: June Love to ask CNC what for information on their recruitment policy.

DSG/SESG(2016)M001/A005: All members to provide comments/views on the NDA's Draft Strategy III and Business Plan as quickly as possible.

DSG/SESG(2016)M001/A006: All members to provide any views/comments on the key themes and activities for 2016 Socio Economic Plan. Responses to be received by 4th February 2016.