

**DOUNREAY STAKEHOLDER GROUP
SOCIO ECONOMIC SUB GROUP**

DSG/SESG(2018)M003

Minutes of the DSG Socio Economic Sub Group meeting held on Wednesday 31st October 2018 at 1330 hours in the Pentland Hotel, Georgina Suite, Thurso.

Present:

Derrick Milnes	Wick and Thurso Trades Council (chair)
David Flear	Honorary member, DSG (deputy chair)
Roger Saxon	DSG Chair
Alastair MacDonald	Honorary member, DSG
Bob Earnshaw	Honorary member, DSG
Trudy Morris	Caithness Chamber of Commerce
Ron Gunn	CHAT

In attendance:

Dawn Clasper	DSG Minute Secretary, Dounreay
Marie Mackay	Stakeholder Relations & Socio Economics Coordinator
Anna MacConnell	NDA Socio Economic & Stakeholder Relations Manager
Rick Wylie	University of Central Lancashire
Stephen Haraldsen	University of Central Lancashire
Gillian Coghill	Buldoo Residents Group (Observer)

MINUTES

1. WELCOME AND INTRODUCTIONS

Derrick Milnes welcomed everyone to the meeting. He introduced Rick Wylie and Stephen Haraldsen who were attending as a follow up to the research that had been undertaken last year on public value. They were back in the area because the NDA has asked that they look at Nucleus as part of this research. Derrick Mines also introduced Gillian Coghill, Buldoo Residents Group Chair who was observing the meeting. Introductions were made around the table.

2. APOLOGIES

Apologies were received from:

-) June Love, Dounreay Socio Economic & Stakeholder Relations Manager (Marie Mackay deputising)
-) Debbie Murray, North Highland College
-) Cllr Matthew Reiss, The Highland Council
-) Sandy Mackie, Scrabster Harbour Trust
-) Ronnie Johnstone, Church of Scotland
-) Cllr Struan Mackie, The Highland Council
-) Murray Lamont, North Highland Tourism
-) Linda Bremner, Association of Caithness Community Councils
-) Eann Sinclair, CNS Regeneration Partnership

3. MINUTES OF LAST MEETING

Derrick Milnes noted the minutes of the last meeting - DSG/SESG(2018)M002 - 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 Ron Gunn and seconded by David Flear.

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.

-) **DSG(2018)M003/A006:** June Love to request a meeting with Phil Craig and his successor at the earliest opportunity. **Action ongoing:** Request has been made to Phil Craig and this will happen at earliest opportunity (date to be identified).

Derrick Milnes noted that everyone should have seen the announcement of the new MD Martin Moore and that this action would remain open until a date had been arranged.

David Flear asked now that Eann Sinclair had been appointed as the HIE Area Manager would the CNSRP Programme Manager post be advertised as he would not be able to do both. Trudy Morris responded that this would be the case.

Action: DSG/SESG(2018)M003/A001: June Love to write to Eann Sinclair asking if the CNSRP Programme Manager position would be advertised.

-) **DSG(2018)M003/A012:** Cllr Struan Mackie to discuss with The Highland Council requirements for planning applications relating to NDA funding.

Dawn Clasper, on behalf of Cllr Struan Mackie provided an updated. The Caithness based planners do not have a specific protocol for planning gain in relation to Dounreay and no formal agreement was in place. The action request had been taken to the Planning Department Head's in Inverness and Struan Mackie was currently awaiting a response.

-) **DSG(2018)M003/A016:** Cllr Struan Mackie to find out how much of the City Region Deal (£370M) had been spent (or earmarked) outside of Inverness. **Action ongoing:** Cllr Mackie has received information and is currently exploring this.

Cllr Struan Mackie provided information regarding the City region deal.

The breakdown for projects is as follows;

- Newton Room (portion of £3m funding)
- Fit House Scheme (unclear if any sites have been earmarked for Caithness)
- WiFi (2 sites; Thurso and Wick)

Estimates (not withstanding FOIs that have been requested by Cllr Mackie) assume;

The breakdown for projects is as follows;

- FOI outstanding - NHC Newton Room (portion of £3m funding)
- No current expenditure - Fit House Scheme in Caithness
- c.£80,000 - WiFi (2 sites; Thurso and Wick)

It was agreed that both actions would remain open to allow Cllr Struan Mackie to provide further information.

Bob Earnshaw asked how the Capital Allocation, received by Highland Council, is distributed. If Inverness was going to get the vast majority of the City Region Deal then he hoped Council members from this area (and other areas outside of Inverness) would argue the case for the maximum Capital Allocation to areas out with Inverness. David Flear responded that the capital programme had been cut and therefore there was no extra funding. Having looked at this information, he could not see much in terms capital funding coming to Caithness.

Action: DSG/SESG(2018)M003/A002: DSG Socio Economic members to provide any comments on Cllr Struan Mackie's findings.

5. UPDATE ON ACHIEVING PUBLIC VALUE

Derrick Milnes noted that members should recall completing a questionnaire last year when Rick Wylie and Stephen Haraldsen had visited previously. This was in relation to some research being carried out looking at public value. A report from Rick Wylie had been provided to members in advance of the meeting.

Rick Wylie thanked everyone for the invitation to attend the sub group to provide an update. Rick provided some background to himself including his interaction with Lancashire school of Business and Enterprise at the University of Central Lancashire which was funded by the Samuel Lindow foundation.

He thanked the group for their collaboration when they had started on this journey of public value research nearly 2 years ago. He also thanked Anna MacConnell, June Love and David Flear for previous discussions and information drawing on the work carried out over 10 years again on the work undertaken in relation to the Buldoo residents and the low level radioactive waste store which had culminated in a European commission study using this as their first case study. That work had been extremely useful. The Chair of the foundation and the Policy Science Unit Chair are keen to see the public value research work completed with practical outputs that will be useful to those areas involved.

Rick Wylie went on to provide a short presentation describing the framework used to report on the collaboration, and how the input received demonstrates a positive impact. He noted he would provide the secretary with a copy of this presentation. See DSG(2018)C036.

The document provided to DSG members (Achieving public value) was an overview that Stephen Edderton had put together and that included a contribution from one of their colleagues - the strategy leader for European Space agency. Other case studies within this piece of work included National Nuclear Laboratory, NDA, URENCO and the European Space Agency (ESA) which was a large different type of organisation who also have to demonstrate the legitimacy of their activities in a political environment.

The Barber report (November 2017) argued that financial efficiency does not equal public value. Colleagues of ESA dealing with 22 countries and a 5 billion euros budget per annum tell us that the economic value when they request contributions from 22 countries is not enough anymore and there now needs to be a demonstrate that shows there is some kind of benefit to the citizens who are the voters. The Barber report argued the same type of issue that social value and inherited public spending wasn't adequately captured by economic calculus of money. The money argument was not sufficient for the Chief Secretary to the Treasury who came up with a definition of "If we

can't measure results, people will talk about what they always talk about: money. We need to track how we turn public money into results for citizens. We need to understand the impact each pound spent has."

So public value was essentially what the public values reflect society, relationships, prestige, esteem, and while money is important it is not all about this. What the research was starting to demonstrate was the projects were achieving public value it was simply not recognised as such.

From a Dounreay context, part one of the research looked at the past public value when Dounreay was at the leading edge of science, then forward onto the present decommissioning activities. The next phase was to look at the future and think ahead to the legacy which will be left after the site is closed. This essentially will produce a profile map based on the five value categories. Part two of this research would be looking at some public value issues again and arrange into past, present and future and early indications were quite revealing.

The five value categories had been classed as existence, safety, relations, motivation and esteem which are considered the main elements of human motivation. Looking at values from the past, most colleagues agreed with all the statements, including clear socio economic benefit, legitimacy, wide range of interest were appropriate considered in its development, recognition of the scientific and technical opportunities and the contribution to the dignity and identify of the area which was held in high esteem.

In summary:

-) There was very significant public value in all key areas for past and present.
-) Less so in the future – although it was still seen as significant
-) The changing profile reflects the site programme
-) There was a perceived lack of awareness and articulation of public value
-) There are implications for policy and practice.

Derrick Milnes thanked Rick Wylie for his presentation and that he found it very interesting especially having been involved with Dounreay activities over many years. He felt that listening to the presentation had brought it into perspective and had found it very useful and interesting.

David Flear noted, as an observation, that if this exercise was carried out again in the future further value would be identified – as an example the recent Dounreay Cavendish Partnership announcement about post decommissioning and the commitment for the future jobs for the DSRL workforce would provide more public value. At this time however it would be difficult to quantify this. David Flear asked that the press release from CDP be sent to Rick and Stephen as this shows some future intent and was a good example of something that at the time of considering the questionnaire had not yet been announced.

Action: DSG/SESG(2018)M003/003: Dawn Clasper to provide Rick Wylie with the Dounreay Cavendish Partnership press release.

Rick Wylie offered to do a short survey with stakeholders once the CDP announcement had been bedded down.

Roger Saxon asked what value was there to DSG and the wider community of this research and what the end outcome was, for example was it about changing policy. Rick Wylie responded that the work they were undertaking must be applied and have a value to the community. Public value was just not recognised and there was a need to present this in a way that was consistent with human

values. This would allow future activities to be targeted against certain values rather than just economical return.

Bob Earnshaw agreed with this commenting that there was recognition in society but to achieve public value it had to be viewed in different ways.

There being no further questions, Derrick Milnes thanked Rick Wylie and Stephen Haraldsen for the presentation.

Action: DSG/SESG(2018)M003/004: Dawn Clasper to send out the Public Value presentation to all members

6. 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.

7. 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(2018)P025). He invited Anna MacConnell and Marie Mackay to pick out the key highlights from the report.

Anna MacConnell noted:

-) NDA have committed £1M funding to Wick Harbour Authority, this would be taken to the HIE leadership team for consideration of HIE funding to support this project in the next couple of weeks.
-) NDA continues to support Scrabster Harbour Trust to investigate the affordability of the redevelopment of the St Ola Pier.
-) CNSRP partner, HIE had approached NDA regarding potential financial support to help build the proposed space port in Sutherland.
-) NDA were in early discussions with North Highland College regarding the potential campus development.
-) Anna MacConnell noted that, as there have been a number of large projects identified within the CNSRP programme, she has been asked by Andrew van der Lem (NDA) to produce a paper explaining the projects, information on timelines and approaches that could be applied so that funding mechanisms could be considered. This would be presented to the NDA executive board for discussion.
-) CNS Fund AGM was being held on Tuesday 6th November. Anna MacConnell reported that the CNS Fund were preparing a letter to NDA seeking an uplift to the CNS Fund in line with inflation.
-) Paul Vallance, NDA met with members of the DSG on Tuesday 23rd November. Following that meeting, Paul Vallance has now organised a meeting with Debbie Francis, MD of DRS to discuss the commercial freight trial at Georgemas.

David Flear noted that there had been a discussion with Bill Hamilton around inflationary costs for the community funding related to low level waste facility. This was something he had discussed with the SSG Chair involved in the LLWR near Drigg. It had been pleasing to hear that the chairman of CNS Fund was now progressing this and DSG would support this going forward. Trudy Morris commented that most of the windfarm community benefit funds have a funding uplift in terms of inflation and this was common practice.

Dounreay update: Marie Mackay noted:

-) June Love's secondment to HIE will now focus on UKVL Sutherland for the time being and that it had been made clear to CNSRP there was no additional resource to support the overall inward investment activity.
-) At present there was circa £238,000 uncommitted funding from the DSRL socio economic budget and discussions were ongoing with CNSRP to identify projects that could be funded this financial year. In addition to this, NDA were considering an increase in carryover funding which currently sat at £150K. Anna MacConnell responded that it had been investigated with the contract manager to see if whether this was possible. A letter from DSRL would be required as this would mean a contract change.

Action: DSG(2018)M003/005: June Love to write to NDA asking for an increase in the allowed carry over total for the DSRL socio economic budget.

-) DSRL and Highland Council representatives had met to discuss Caithness Horizons future funding [At this point Roger Saxon, DSG Chairman declared an interest in Caithness Horizons and left the room.] DSRL have agreed they would be willing to commit £75K for the next three years but only if Highland Council could match this commitment. Highland Council would take this forward and report back once a response had been received.

Anna MacConnell asked if Highland Council offered £40K would DSRL withdraw funding. Marie Mackay responded that it was unlikely that Caithness Horizons would be sustainable without the full funding.

David Flear commented that it was more likely that Highland Council would commit for one year at a time and this made the business case for CH less robust. The impact of Caithness Horizons not surviving would be that the Highland Council would still need to find funding to maintain the building. He felt that our local politicians should be arguing the value associated with this facility. The public value of this facility to the Highland Council and the nuclear industry could be seriously affected if the funding was not forthcoming.

Trudy Morris commented the tourist information office located in Caithness Horizons was due to cease and that the Chamber was in discussion Visit Scotland about being a partner to continue a tourist information offering. The closure of an information centre would have a huge impact on the town.

Derrick Milnes noted that if the Highland Council did not support continued support to Caithness Horizons then they would still need to find the money for the upkeep of the building. David Flear noted that, in thinking of the health service redesign, there would be a number of buildings vacated which would have a negative impact on the town.

Anna MacConnell noted that there had a suggestion at one stage that HighLife Highland could take

on the running of Caithness Horizons. Marie Mackay responded that this was still under review but early indications were that they could not run the facility for much less than the current funding. Bob Earnshaw commented that a three year commitment would be a problem for Highland Council as they tend to community funding year or year.

) The Graham Group had won the contract for the DCP store extension. Within their socio economic plan they have committed to providing 4 employment opportunities, work experience opportunities as well as supporting local educational events and working with the local supply chain.

Bob Earnshaw asked how the site would hold them to account to deliver. Marie Mackay responded as it was part of the contract this would be monitored and updates on delivering these outcomes would be required.

) Dounreay Cavendish Partnership had recently announced future employment opportunities for the DSRL workforce, beyond the interim end state of Dounreay. All partners within the Parent Body Organisation had indicated a willingness to offer transition training for employees or assist employees with new employment opportunities.

David Flear asked if this was just for DSRL staff or for contractors as well there would be a number of contractors still on site at interim end state. Marie Mackay responded that as far as she was aware that this was just for DSRL staff; it was very early days and therefore there was still a lot of work to do to define the details.

David Flear stated he welcomed the announcement and felt this must give comfort to a lot of people within DSRL. The question that DSG should be asking is what impact this would have on other contractors and operators in the community and would this offer be extended to take them on board as well.

Trudy Morris agreed that the opportunities for DSRL staff was a good one and there would be opportunities for the local supply chain as they have diversified into other sectors. Trudy stated that, in her initial discussion with Phil Craig on supply chain opportunities, the Chamber would work with the site when DSRL staff were becoming available because it may be the supply chain would look to employ them. This allowed a further element to employment if people did not wish to work for any of the three parents there was a potential opportunity to work within the local supply chain dependent on need. It was hoped that opportunities would be created that allow the supply chain to employ skilled people in the area. There was also a commitment from Simon Bowen (DSRL Board Chair) about a hub for Cavendish Nuclear in Caithness. She stated it was early days but acknowledged there was some talking to be had with the supply chain and the site on how this would be managed.

Derrick Milnes asked if this should be an action to go back to DSRL and ask about the contractor situation over the next few years to see the process being defined now could look at support to the supply chain as well. D Flear agreed this as something for the Chairman to link up and discuss with the new Managing Director once he was in post.

Roger Saxon noted that at a recent meeting with Paul Vallance this had been one of the discussion topics regarding DSRL consistently taking contractors in-house that ultimately builds a legacy which would potentially increase their redundancy liabilities in the future. David Flear noted that Paul Vallance was NDA and this initiative had been launched by the private company who are contracted to run the Dounreay site. Anna MacConnell noted that the offer that Cavendish Dounreay

Partnership was independent of the NDA as it is as a company in their own right. Roger Saxon said he realised this and it was a good announcement in terms of DSRL employees but as had been stated at the Paul Vallance meeting there had always been a danger that as decommissioning progresses people would leave as they could not see a future in the area. This guarantee by Cavendish Dounreay Partnership provided a bit more confidence to the workforce for the future.

Action: DSG/SESG(2018)M003/006: Roger Saxon to raise workforce employment to include contracts to the next Business Meeting to discuss how to take this forward with DSRL.

David Flear stated that he was disappointed that there had been no prior discussion with the DSG before the press release was issued. Roger Saxon noted he had been alerted prior to the press release going out. David Flear responded that, as the role of the DSG was to link the site activities with the community, it would have been useful to have asked for an early input. It was important that DSG engages with this initiative but to be able to respond to any questions there was a need to find out more detail.

8. CNSRP UPDATE

Derrick Milnes noted that a written report (DSG(2018)P027 refers) had been provided and that Eann Sinclair had tendered his apologies. He invited members to raise anything from the update and it would be actioned through for Eann Sinclair to respond.

-) David Flear noted that the majority of projects are showing yellow which means that broadly most projects were running behind which was a worrying trend. Trudy Morris responded that the issue was that the majority of projects were sitting with HIE and the focus had been on the vertical launch project. Eann Sinclair was now taking a more pro-active view on this and the allocation of project owns and that is why some projected had not moved forward. There was also further information to get from project owners around funding profiles. CNSRP had held a meeting last week on priorities and the other of what would be required in terms of timescales and funding. After consideration the BOWL project (offshore wind) came out tops with UK Vertical Launch a clear second in the priority list.
-) David Flear asked who the project owner of the North Coast 500 project? Trudy Morris responded that the North Coast 500 project was owned by HIE as this was looking at what public agencies could support around North Coast 500 and how they could enhance the NC500 route and increase footfall in the Caithness and North Sutherland area.
-) Derrick Milnes asked what would happen to the CNSRP post now that Eann Sinclair had been appointed as Area Manager. Trudy Morris responded that they would be looking to recruit for that position but it had not yet been discussed yet because this would be done at the next CNSRP Executive Board. David Flear noted that the part funding of the CNSRP Programme Manager post was provided by DSRL and assumed that DSRL would have an input into the recruitment of a new Programme Manager.

Action: DSG/SESG(2018)M003/007: June Love to clarify DSRL's input to the CNSRP Programme Manager recruitment.

Trudy Morris noted that the issue would be finding someone who knows enough about everything to take on the role of programme manager. David Flear stated he felt that the position needed to be seen as independent of HIE whereby there would then be an opportunity for the CNSRP Programme Manager to hold his own budget which would provide a level of independence. Anna MacConnell responded that it would be an opportunity to relook at the position.

9. CORRESPONDENCE SINCE LAST MEETING

Derrick Milnes noted the NDA had issued an update for September - DSG(2018) C034 refers.

10. ANY OTHER BUSINESS

Derrick Milnes noted:

-) As previously mentioned in the meeting, DSG representatives had met with Paul Vallance on Tuesday 23rd November.
-) The North Highland Regeneration Fund AGM was being held on 9th November. Bill Hamilton would be taking the opportunity to meet with Roger Saxon to discuss logistics for organising a NDA stakeholder summit in 2020 around travel and accommodation.

Derrick Milnes asked if anyone wish to raise any other business.

Roger Saxon noted that DSG have been asked for a letter of support from Scrabster Harbour for their plans for the new pier. This was agreed.

Action: DSG/SESG(2018)M003/008: June Love to draft letter of support for Scrabster Harbour Trust for DSG Chairman.

Trudy Morris asked if DSG would be putting a submission into the NHS consultation. Derrick Milnes responded that DSG would not provide a collective response but that information had been cascaded via the various organisations represented at DSG.

Derrick Milnes thanked those observers who had attended the meeting and noted they could stand down while all DSG members were asked to remain behind for further discussion.

DSG members discussed the NDA response, noting their disappointment in the response and agreeing that further information would be requested.

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

14th November 2018

ACTIONS ARISING

DSG/SESG(2018)M003/A001: June Love to write to Eann Sinclair asking if the CNSRP Programme Manager position would be advertised.

DSG/SESG(2018)M003/A002: DSG Socio Economic members to provide any comments on Cllr Struan Mackie's findings.

DSG/SESG(2018)M003/003: Dawn Clasper to provide Rick Wylie with the Dounreay Cavendish Partnership press release.

DSG/SESG(2018)M003/004: Dawn Clasper to send out the Public Value presentation to all members

DSG(2018)M003/005: June Love to write to NDA asking for an increase in the allowed carry over total for the DSRL socio economic budget.

DSG/SESG(2018)M003/006: Roger Saxon to raise workforce employment to include contracts to the next Business Meeting to discuss how to take this forward with DSRL.

DSG/SESG(2018)M003/007: June Love to clarify DSRL's input to the CNSRP Programme Manager recruitment.

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