



DOUNREAY SOCIO ECONOMIC PLAN

2018/19 – 2021/22

Nuclear Decommissioning Authority
Cavendish Dounreay Partnership
Dounreay Site Restoration Ltd

A strong partnership successfully delivering our contribution to the Caithness and North Sutherland Regeneration Partnership.

Dounreay Socio Economic Plan 2018 - 2021

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Introduction

The Dounreay Socio Economic Plan sets out the main activities to be undertaken by the Dounreay Socio Economic Alliance (DSEA) which consists of Nuclear Decommissioning Authority (NDA), Cavendish Dounreay Partnership (CDP) and Dounreay Site Restoration Ltd (DSRL).

DSEA's activities are based on support to mitigate the economic impacts of the decommissioning of the Dounreay site. The DSEA does not lead on socio economic activities. It works closely with the Caithness and North Sutherland Regeneration Partnership (CNSRP) whose aim is to support the creation of new employment opportunities in the area. The responsibility for economic development in the area rests with agencies, such as the Highlands & Islands Enterprise and The Highland Council, which are part of the CNSRP. The focus of the DSEA is therefore:

- Supporting the CNSRP.
- Funding support for CNSRP projects which have the ability to create sustainable employment.
- Enabling activities that support employment in the area.

Dounreay Socio Economic Alliance Strategy

A strategy for the DSEA was updated and refreshed reflecting the changing focus of the CNSRP (who have identified the priority projects which have the most likelihood of creating sustainable jobs, the infrastructure required to support this and the skills agenda) as it moved into the 3-year period of 2017-2020. The CNSRP activity is now into its second year of support to deliver priority projects. Appendix 1 sets out the strategy for DSEA.

Dounreay's Socio Economic Vision

Vision	<i>By the site's interim end state, DSRL will have prepared and supported its workforce to transition into sustainable alternative employment whilst completing the delivery of the site decommissioning programme</i>				
Objectives	To contribute to maintaining and developing skills in the area	To contribute to the economic & socio infrastructure of the area		To support the diversification of local economies into other sectors	
Themes	Ensure there is a skilled workforce to meet the current and future needs of the area.	Contribute to increasing the attractiveness of the area	The use of resources to support the economic development of the area	Contribute to the delivery of the CNSRP objectives and programme	Contribute to the development and establishment of businesses in the area
Activities	<ul style="list-style-type: none"> • Education & employability skills • Economic benefit through Dounreay contracts • Workforce development & transition 	<ul style="list-style-type: none"> • NDA funding (CNS Fund) • Dounreay funding (small projects funding for local organisations/charities) 	<ul style="list-style-type: none"> • NDA funding • Dounreay funding • Dounreay secondees • Cavendish Nuclear secondees • Parent Body Organisation support • NDA asset transfer 	<ul style="list-style-type: none"> • Support to CNSRP 	<ul style="list-style-type: none"> • Cavendish Nuclear Ltd business activities • Dounreay business development
ENABLING			JOB CREATION		

Contractual Obligations

Both the CDP and DSRL have contractual obligations from the NDA to deliver socio economic activities. These are set out in an accompanying document which can be found on the website at <http://www.dounreay.com/decommissioning-projects/socioeconomics>.

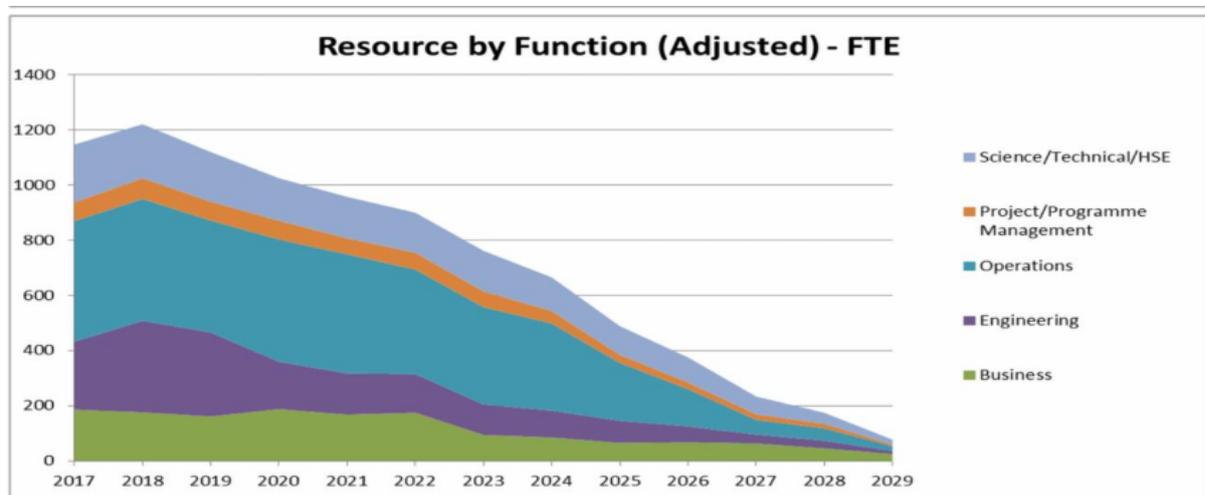
Dounreay Decommissioning Programme

The Dounreay decommissioning programme has been, and continues to be, revised due to a change of project priorities for the site. The programme of activities to reach interim end state is, currently, not expected to be fully approved until winter 2018 and therefore this information will change as the programme is further defined. It is anticipated that the expected interim end state date will continue in the date range 2030-2033 as previously reported.

The approved plan will inevitably have an impact on the staff resourcing profile and the timing of when individuals retire or need to transition into alternative employment. The graph below shows the indicative staffing profile required to deliver the decommissioning programme, up to 2029 based on the current programme.

In parallel with refining the decommissioning programme, work is ongoing to better understand the skills mix required for future years. This will better inform the NDA, site and workforce when staffing levels will reduce and provide clarity on the skills sets no longer required and the potential recruitment of new skills or retraining of the existing workforce required to continue decommissioning.

Once the new decommissioning programme is finalised and the new staffing resource requirements identified the estimated timelines and activity for workforce transition will be considered in full and a clear programme will be developed.



NB: The graph shows DSRL, embedded parent body organisation secondees and agency staff only. This does not provide information on supply chain resource requirements.

Assumptions made:

- Information from Dounreay Target FY17/18 September 2017 baseline
- Breakdown of resource by function aligns with NDA reporting requirements for SLCs
- Excludes CNC and Civilian Guard Force
- Excludes special items for unirradiated fuels programme
- Excludes Exotics site-wide impact BCP
- Resource profile will be subject to change because of projects not yet on stream. (i.e. the Shaft and silo clean-up project)

The profile reflects the progress being made to complete projects and decommission the site, with a modest reduction expected to be associated with the planned end of the fuels programme. Looking further ahead, the profile reflects that projects will continue to conclude, while recognising that others will begin to ramp up or continue.

While this does not show the supply chain profile DSRL expects to see an increase in this activity after 2019/20 as other major turnkey projects start and are awarded to the supply chain.

The DSEA is committed to continuing to update the CNSRP and other key stakeholders and as soon as the new decommissioning programme is finalised and approved information on resources will be provided. This information will be provided to CNSRP to ensure there is a clear understanding by the economic development agencies of the timing of substantial reduction of jobs.

The Dounreay Socio Economic Alliance

The DSEA aims to maximise their combined resource and ensure a consistent approach to reduce the impact of decommissioning the Dounreay site. The following individuals are directly involved in the delivery of this plan:

NDA	Stakeholder Relations & Socio Economic Manager
Dounreay	Stakeholder Relations & Socio Economic Manager Stakeholder Relations Co-ordinator (Skills) Additional individuals may undertake agreed activities
CDP	A Business Support Consultant for Socio Economic Support Business support secondee to Wick Harbour / Community Sports Hub projects

As well as the people who are responsible for delivering the plan, the Dounreay Socio Economic Board comprising the Dounreay Managing Director, Dounreay Deputy Managing Director, NDA Lead Programme Manager, Dounreay Head of Communications and the Dounreay Trade Union lead official meets on a quarterly basis to agree funding applications and to ensure the governance of public funding is adhered to.

Socio Economic Interventions

The Socio Economic interventions provided by the DSEA are:

- Capital funding based interventions (project funding)
- Revenue funding based interventions (project funding)
- Labour based interventions
- A combination of the above

The Plan

During 2016 CNSRP carried out a review of the potential opportunities that could be realised within the Caithness and North Sutherland area and has prioritised these in relation to the potential for job creation. While energy has a focus on renewables (offshore and tidal), oil & gas and the production of support activities other energy activities (i.e. nuclear, alternative energy) are not excluded and CNSRP intend to pursue these with a level of resource appropriate to the likely realisable benefit on a reactive basis. The sectors that continue to be proactively targeted (major project/opportunities) are:

- Offshore wind
- Tidal (Meygen project)
- Space – vertical launch capability
- Oil and gas
- Business and nuclear services
- Tourism (North Coast 500)

Enabling activities, within the CNSRP programme, include:

- Physical infrastructure
 - Moine, Sutherland (Space)
 - Scrabster Harbour
 - Wick Harbour
 - Office and industrial facilities
- Skills
- Connectivity/other
 - Air
 - Roads
 - Rail freight
 - Communications

See Appendix 2 for the CNSRP major projects and opportunities. All activities supported by the DSEA will align to the priorities of CNSRP with a focus on delivery of major projects but not excluding funding support for infrastructure projects. Each major project has a scope and plan to identify the activities to be undertaken. These are detailed for 2018/19 while ongoing activities (from 2019 to 2021) will continue to be refined as the workstreams are completed in 2018/19.

Activities

The DSEA will align its' activities to support the CNSRP priority and enabling programme. For 2018-2021, DSEA has committed to the continued support of:

People

- Provision of secondments to support project delivery:
 - (0.5 fte) to support inward investment towards support to deliver CNSRP major project activities.
 - (0.4 fte) to support North Highland College School link.
 - (0.5 fte) to support Wick Harbour Authority.
 - (0.1 fte) to support co-ordination of STEM activities.
 - (0.2 fte) to support the CNSRP Programme Manager to develop and implement a programme of activities focussing on the output of sustainable jobs.
 - (0.2 fte) to support Cavendish Nuclear business project.

Direct funding

- NDA will provide direct funding to projects which meet at least one of the priorities of the NDA Socio Economic priorities (employment; education/skills; economic and social infrastructure; and economic diversification) and projects prioritised within the CNSRP programme.
- Dounreay will continue to support CNSRP with secondments of personnel (as described above) and with direct funding to support the CNSRP programme. These are reviewed on a three-yearly basis to align with CNSRP review.

Other activities

While not directly related to CNSRP priority projects but linking into the enabling activities, the DSEA partners may also support the following:

NDA will continue to deliver socio economic benefits in the area as the opportunity arises through a variety of means, including:

- Use of NDA assets (eg. Land) such as the Viewfirth site in Thurso.
- Gaining socio economic benefit through contracts (with SLC, PBO and others as appropriate).
- Caithness & North Sutherland Fund and the North Highland Regeneration Fund.

CDP will:

- Continue to progress the potential for the establishment of a Cavendish Nuclear Ltd support business in Caithness, identified on the CNSRP programme.

DSRL will:

- continue to consider any opportunities that may lead to opportunities to influence the Dounreay decommissioning business activities which could assist in supporting the economic activities.
- derive local benefit from Dounreay procurement activities.
- support the Chamber of Commerce Developing the Young Workforce project.
- support and provide opportunities to allow young people to understand the requirements for employability, i.e. Ready, Steady Work programme.
- Make use of the Dounreay STEM ambassadors to provide STEM activity within the Dounreay Travel to Work area.
- Involve the site's graduates in specific projects (to inform CNSRP of any potential business opportunities by the graduate's involvement through topic research culminating in a report outlining a viable business case) and to allow graduates to grow their skill set while completing their training at Dounreay).

Other funding commitments

Historical funding commitments continue to be supported including:

- Caithness Horizons operational costs. The historical commitment ended in March 2018 and following discussions with Caithness Horizons there is now a commitment to continue funding for 2018/19 at a reduced level. Funding for future years will be considered on a yearly basis conditional on The Highland Council co-funding and delivery of a robust business plan by Caithness Horizons looking at ways of being sustainable.
- The Dounreay Community Fund will continue to provide funding for local projects.

Summary of Dounreay Funding activities for 2017 to 2020

Following endorsement at the Dounreay Socio Economic Board in February 2018 the table below shows the funding commitments for the next three years. It also shows uncommitted funding which is still available. Funding requests received will need to clearly align with the priority programme of the CNSRP and the focus during 2018 to 2021 will be around delivery of projects which have a positive impact on job creation.

Activity	2018/19	2019/20	2020/21 [1]
Overhead costs			
Dounreay Socio economic management	£30,000	£31,000	£32,000
CNSRP programme manager & support (part funding)	£40,000	£41,000	Tbc
CNSRP independent chairman (part funding)	£9,300	£9,300	Tbc
CNSRP Project Delivery			
Business and Nuclear Service project delivery	£7,000	£7,000	Tbc
Oil and Gas development project delivery	£7,000	£7,000	Tbc
UKVL Sutherland project delivery	£14,000	£14,000	Tbc
Tidal project delivery	£7,000	£7,000	Tbc
CNSRP: Offshore wind supply chain	£50,000.00	-	-
CNSRP: Business mentoring project (CoC)	Tbc [2]	£15,000	Tbc
<i>CNSRP Project funding (uncommitted funding)</i>	<i>£237,700</i>	<i>£294,700</i>	<i>Tbc</i>
CNSRP Enabling Activities			
Caithness Transport Forum	£10,000	£10,000	Tbc
NHC School Link senior phase	£18,000	£19,000	Tbc
STEM co-ordination/activities (Dounreay activities)	£15,000	£15,000	Tbc
Other activities (non CNSRP commitments)			
Caithness Horizons operational costs	£75,000	Tbc	Tbc
Dounreay Community Fund	£20,000	£20,000	£20,000
Business Development (2 x Chamber memberships)	£10,000	£10,000	Tbc
Carry over funding from 2017/18:	£11,229.33[3]		
TOTAL	£500,000	£500,000	£500,000
GRAND TOTAL	£561,229.33	-	-

[1] CNSRP review on a 3 yearly basis and was undertaken in 2017/18, therefore a further review of CNSRP activity will take place in 2019/20 and therefore any budget allocation for 2021/21 will be identified in future years hence little funding is allocated at present.

[2] The Business mentoring project, managed on behalf of DSRL by the Caithness Chamber of Commerce, will continue during 2018/19. At this stage, existing funding will cover this activity with a half year review to look at remaining funding and impacts of this intervention before a decision is made to provide additional funding in 2018/19.

[3] Carry over from 2017/18 was £61,229.33. Funding of £50K was committed during 2017/18 to the CNSRP project for Offshore wind supply chain analysis but was delayed and therefore will be undertaken during 2018/19. The £50K has been ringed fenced for this activity leaving around £11K in uncommitted carry over funding.

Agreement with the NDA has been reached to allow some flexibility with socio economic funding from one financial year to the following one. NDA has agreed that up to £150K can be carried forward in any given year (i.e. a maximum budget of £650K within a year). All the socio economic funding is spent by the original completion date (2030-33), i.e. no funding will be carried over in the final year (interim end state).

The allocation of funding from the Socio Economic budget does not include additional activities which are undertaken by other Dounreay departments.

Governance and Reporting

Governance is provided by the Dounreay Socio Economic Board and the process for funding applications and determination of these applications are provided through this body. The process used to determine applications is set out in Appendix 3.

Reporting of progress by the DSEA will be undertaken regularly to:

- CNSRP Delivery Group and Funding Group
- CNSRP Executive Board
- Dounreay Socio Economic Board
- Dounreay Socio Economic Alliance Delivery Team
- Dounreay Stakeholder Group Socio Economic sub group

Changes to DSEA commitments

During the next three years, where there is a change to CNSRP priorities, the DSEA will consider and adjust the activity support provided following discussion with CNSRP. Therefore, this plan can be viewed as a living document which will continue to evolve as the CNSRP opportunities become more defined.

Dounreay Socio Economic Alliance
31st March 2018

Appendix 1: Dounreay Socio Economic Alliance, Socio Economic Strategy 2017

Vision:

A strong partnership successfully delivering our contribution to the Caithness & North Sutherland Regeneration Partnership.

1. Background

In April 2012, Cavendish Dounreay Partnership (CDP) was awarded the contract by Nuclear Decommissioning Authority (NDA) to own the Dounreay Site Restoration Ltd (DSRL) company and decommission the site to a defined interim end state where it will remain for approximately 300 years until the Final End State (FES) is achieved.

The CDP consortium is a single purpose commercial 'vehicle' brought together for the sole purpose of owning DSRL and delivering the decommissioning of the Dounreay site; it has no other purpose. The consortium is made up of:

- Cavendish Nuclear Ltd, a wholly owned subsidiary of Babcock International Group, a UK owned FTSE 100 company;
- AECOM, an American owned multi-national company listed on the NYSE, and
- Jacobs (formerly) CH2M, an American employee owned multi-national company on the NYSE.

During the production of the 2004 Energy Act, the same act that established the Nuclear Decommissioning Authority (NDA), Government recognised early on that the technical aspects of decommissioning such a complex site were only part of the challenge. A significant issue to address would be the effect on the local community of losing such a large employer; hence obligations were included in that legislation to consider the impact on the socio economics of the local area.

The NDA has produced a strategy for the sites and their contractors to follow¹ which are "flowed down" as contractual obligations placed on CDP and DSRL². For the NDA, CDP and DSRL operating in the Caithness and North Sutherland area, this issue manifests itself in several ways including:

- How to support and assist the local area create a sustainable economy that is ultimately independent of the Dounreay site;
- How to keep a fully SQEP'ed (Suitably Qualified and Experienced) workforce up to the IES date to complete the site decommissioning programme, and;
- How to prepare and support that workforce for transition to activities in a local economy not dependent upon the Dounreay site.

The three key partners in this venture (NDA, DSRL and CDP) have formed a partnership to pool their resources when it comes to how best to support the Caithness and North Sutherland Regeneration Partnership (CNSRP) in transitioning the local economy over time to one no longer dependent on the site. This is named the Dounreay Socio Economic Alliance (DSEA).

¹ NDA Socio Economic Policy, 2008

² Dounreay Socio Economic Plan: Supplementary information, 30th March 2015

This document describes the specific DSEA strategy concerning socio economic support to Caithness and North Sutherland. It supersedes the previous Dounreay³ and CDP⁴ strategies.

2. Strategic principles for socio economic support

This strategy is primarily based on looking at the potential benefits that involvement by the DSEA will have in support of the CNSRP strategy. The specific activities are listed in other documentation; this document articulates the principles that will be followed in providing that support.

The key principles of working together as the Dounreay Socio Economic Alliance are set out in a Partnering Charter⁵.

The over-riding high level strategic principles of the collective DSEA will be:

- Commit to deliver shared objectives through partnering, mutual support and trust, respecting our responsibilities to each other and all stakeholders.
- Make best use of our collective resources (people, skills and finance) by working together as an efficient and effective alliance to maximise the benefit of our organisations and the local community.
- Participate in the delivery of the Caithness & North Sutherland Regeneration Programme and Action Plan and work together to ensure a common approach.
- Adopt, where relevant, a one-stop approach in supporting the local community.

The following strategic principles will be followed:

- **Integration:** NDA, CDP and Dounreay socio economic activities in the local area will be fully integrated under the banner of the “Dounreay Socio Economic Alliance”.
- **CDP:** Cavendish Nuclear Ltd will lead on all socio-economic activities on behalf of CDP unless otherwise agreed within CDP.
- **Dounreay Decommissioning Programme:** Any opportunity should take account of the site decommissioning programme and the necessary SQEP (Suitably Qualified and Experienced Persons) resources.
- **DSRL employees:** DSRL priority objectives will include:
 - Preparing and supporting transition of employees into alternative sustainable employment at the appropriate time.
 - Use of skills and infrastructure to create new growth opportunities
 - Nuclear industry skills development through education, retention and skills development.

³ Dounreay Socio Economic Strategy, April 2013

⁴ Cavendish Dounreay Partnership Socio Economic Strategy, May 2015

⁵ NDA/CDP/DSRL Partnering Charter, Socio Economics (Dounreay), April 2012

- **CNSRP/Regeneration support:** The coordination of Regeneration activities is the responsibility of the CNSRP and for that reason:
 - DSEA will consider direct support to the efficient working of CNSRP as a priority
 - All socio economic support will be focussed through CNSRP
 - Support will be provided as:
 - Financial assistance: The primary funding is provided by the NDA, with smaller contributions available through DSRL. However, all activity will be coordinated.
 - Support or secondments to CNSRP major projects and enabling activities identified on the CNSRP programme.

- **Inward Investment:** Where there are enabling activities that might require investment or support, these will be considered on a case by case basis, with assurances that:
 - Any support provided will result in commercially viable ventures and not be dependent upon grants and incentives to survive.
 - A sound strategy supports prospects for good revenues and margins.
 - Any business will be sustainable when the Dounreay site decommissioning is ended.

- **Charitable giving**
 - This is provided through the Dounreay Community Fund (DCF) funding distributed by the Dounreay Stakeholder Group.

3. Governance

The Dounreay Socio Economic Alliance Delivery Team are involved with CNSRP Executive and Delivery Groups and produce all relevant information which is put before the Dounreay Socio Economic Board who:

- Hold the Delivery Team accountable for delivery
- Commit resources and funds, in accordance with due process.
- Gain relevant internal approvals where appropriate

Dounreay Socio Economic Alliance

A socio economic partnership between NDA, CDP and DSRL

17th November 2017



Our Future – The Caithness & North Sutherland Regeneration Partnership

Markets - Major Projects and Opportunities

Tourism – North Coast 500



Offshore Wind



Business & Nuclear Services



Oil & Gas



Tidal



Space



Key Enabling and Support Activities

Physical Infrastructure

Moine, Sutherland



Office & Industrial facilities



Scrabster Harbour



Wick Harbour



Skills



Connectivity

Air



Roads



Freight



Communications



Appendix 3 – Dounreay Socio Economic Alliance Socio Economic Funding Process

