

## Dounreay socio economic annual review

## 2022/23



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### Introduction

Dounreay believes that decommissioning activities should benefit local communities living in Caithness and north Sutherland and that we must provide a positive legacy during and once our work is completed.

Dounreay is a major local employer and buyer of goods and services. We have significant training commitments for our workforce, undertake research and innovation, and support the transport network in the area. Dounreay has deep links into government, the supply chain, and local communities. We have both the resources and the goodwill to make a positive impact in local communities.

Dounreay continues to work in partnership with the Nuclear Decommissioning Authority (NDA) to support socio economic activity in the area. The NDA creates a significant socio economic impact through employment and grant funding in Caithness and north Sutherland, in addition to activity generated through Dounreay's decommissioning budget. Dounreay and the NDA work closely with other public and private sector organisations through the Focus North partnership, which has a vision of a sustainable region, providing a healthy, economically stable environment for a growing population. The area's network of thriving communities will reflect the rich heritage and varied landscapes of the area.

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This report provides details of Dounreay and NDA support provided during 2022/23, whilst Dounreay was a subsidiary of the NDA. As of the 1 April 2023 Dounreay is now a division of Magnox Limited, which is a subsidiary of the NDA. As of date of publication Magnox Limited has rebranded as Nuclear Restoration Services (NRS) and is now one of the 4 pillars of the NDA.

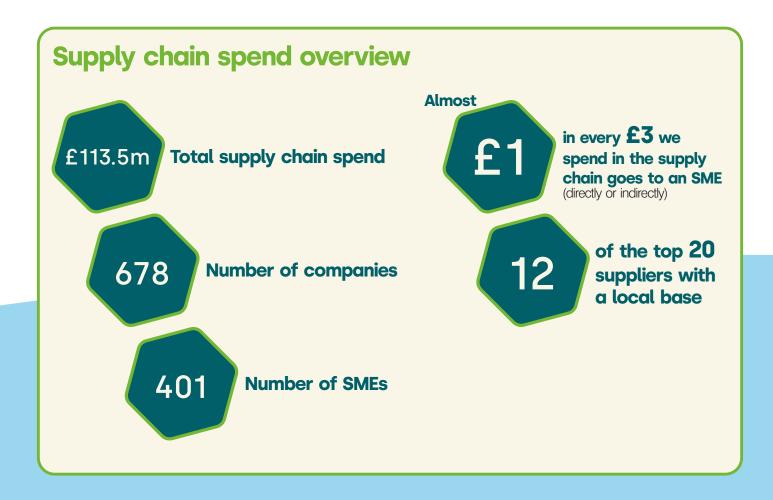


### Supply chain spend

Dounreay had £202.4m of net-expenditure in 2022/23. Dounreay is an anchor of the local economy and supports a wide range of companies included small and medium sized enterprises (SMEs). A core component of Dounreay's socio economic impact is through the direct purchase of goods and services. A significant amount of expenditure is with companies found within Caithness and north Sutherland.

Dounreay is committed to ensuring strong working relationships with the supply chain.

Through the NDA group Dounreay aims to achieve £1 in every £3 of annual supply chain spend with SMEs.



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### Staffing

Employment at Dounreay is vital to Caithness and north Sutherland with positive impact across the rest of the UK. The site employs 1,283 employees, of which about 1,232 live local to the site. In addition, there are around 700 supply chain workers at the site. Locally based employees represent around 11% of all Caithness and Sutherland employment. Economic analysis<sup>2</sup> highlights that Dounreay has a Gross Value Added (GVA) per employee of £55,900 per annum. This is almost double the Highland Council area. Dounreay salaries represent around 15% of the total payroll in Caithness and Sutherland. In total, economic data suggests Dounreay contributes a 'labour only' £77.4m GVA per annum to the local economy and £167.2m to the UK.



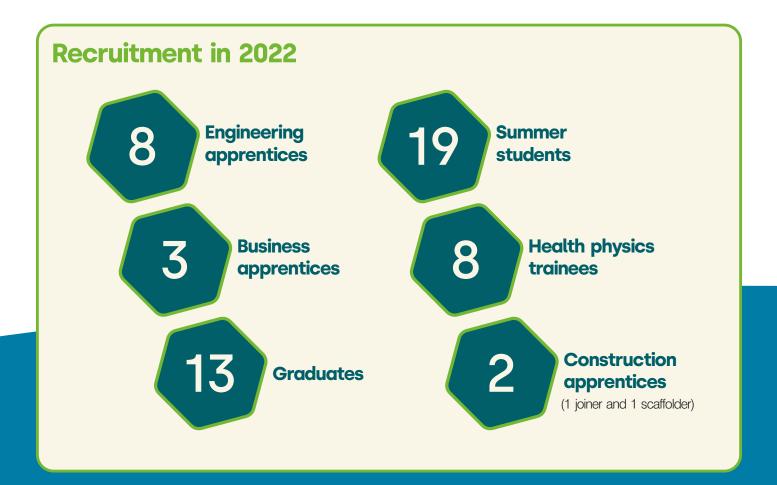


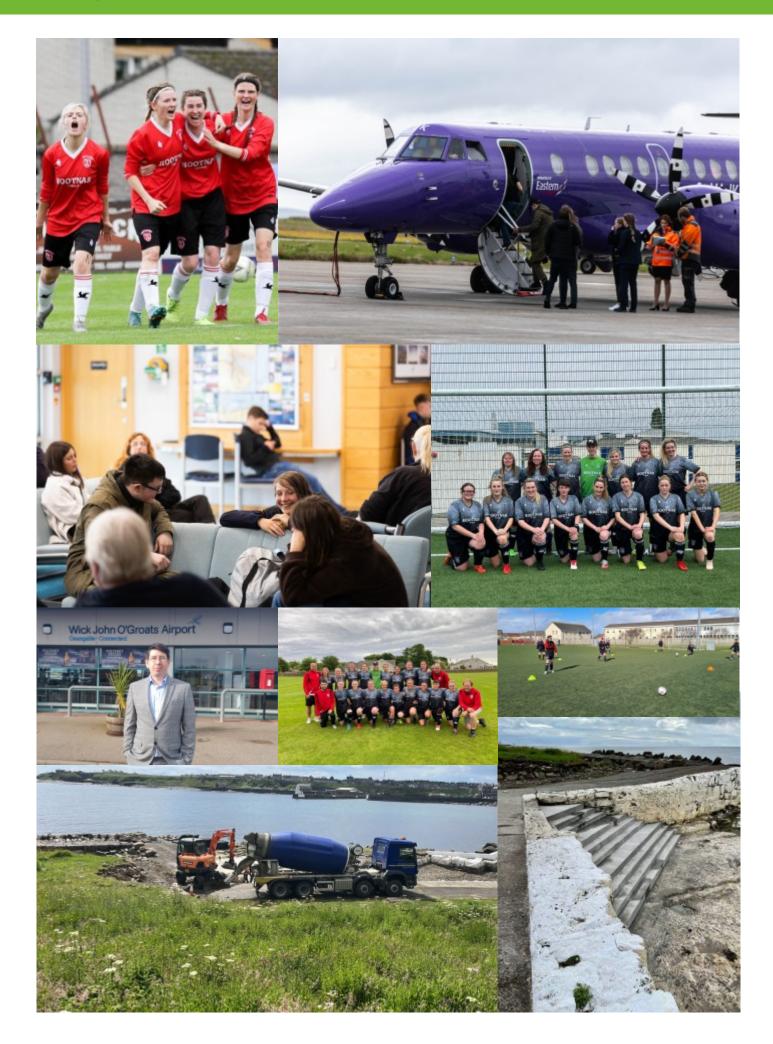
### Early careers

Dounreay has been recruiting engineering apprentices for over 60 years and the 4-year engineering apprentice programme is approved by 2 of the largest professional engineering institutions in the UK; the Institute of Engineering and Technology and Institute of Mechanical Engineers.

Dounreay recognises the role modern apprenticeships have in developing existing staff and growing new talent. Dounreay offers an 18month formal training programme for business and administration apprentices. Graduate development is fundamental in successfully securing our business and technical leaders of the future. Our 2-year programme includes placements, off and on-the-job training, technical workshops, chartership support, as well as personal and leadership development.

Creating an environment where early careers can thrive has a positive impact in Caithness and north Sutherland where the population is both shrinking and ageing. Retention and attraction of early careers through skilled, well paid jobs, helps to mitigate against demographic challenges faced by the area.





### Socio economic grant funding

Dounreay has a nominal annual socio economic budget of £500,000 which is used to provide socio economic assistance in Caithness and north Sutherland. Dounreay funds projects using five socio economic themes: sustainable incomes, resilient economies, thriving communities, protecting and improving our environment, and new social ideas. In 2022/23 Dounreay committed £487,807 in socio economic grant funding. The total funding committed during this period, on a multi-year basis, was £1,443,988 which leveraged an additional £1,433,806 from other public and private sector partners.

Focus North Support Hub (NDA)	£73,545
Focus North Programme Manager and support	£32,647
Focus North Independent Chair	£9,300
Caithness Transport Forum	£10,000
Caithness Chamber of Commerce - Business Mentoring	£25,000
North Coast Visitor Centre	£75,000
Venture North	£34,595
Transport for Tongue	£10,000
Scottish Surfing Championships	£10,000
North Highland Initiative - Covid Fund	£10,000
Highland Council - Wick PSO Officer	£30,000
UHI North Highland - Hydrogen Socio Economic Study	£5,000
North Highland Women's Wellbeing Group	£6,989
Royal British Legion Hall Renovations	£27,000
Home Start Caithness	£58,000
Friends of North Baths	£4,650
Highland Council - Forss Road Signs Study	£18,655
Thurso High School STEM Lego Kits	£4,739
Dounreay Communities Fund	£25,000
Dounreay STEM Activity	£5,671
Caithness Chamber of Commerce Membership	£12,015
Total	£487,807

Some number may be rounded



### NDA: Sutherland spaceport

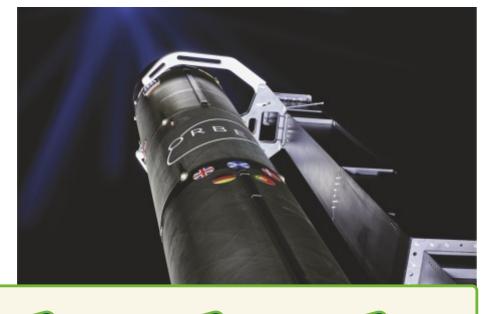
Private

sector

The NDA has pledged £3m of multi-year socio-economic funding to support development of Sutherland Spaceport (formerly Space Hub Sutherland) which will attract new jobs and opportunities to the area around Dounreay.

The project is being led by Highlands and Islands Enterprise (HIE) who has announced the funding package (including NDA, UK Space Agency, and the private launch services company Orbex).

£3m NDA award



£13.1m

**Public** 

sector

£31.5m

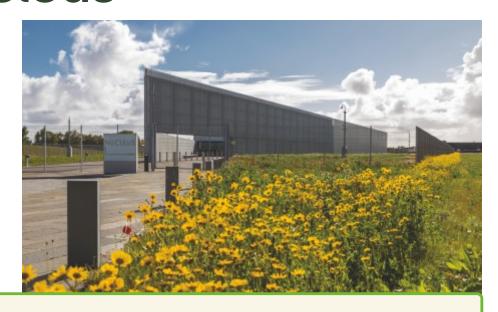
Total

# NDA: Nucleus

£15.4m

In 2017 Nucleus, the Nuclear and Caithness Archives, opened in Wick to manage the UK nuclear industry's records. The archives deliver ongoing employment and spend in the area local to Dounreay.

Nucleus was sited in Caithness as part of an NDA socio economic remit to build the archives in a priority area, where nuclear decommissioning could have a significant impact on the local economy.







### Focus North

Focus North is an informal partnership established to deliver transformational initiatives in the north of mainland Scotland to generate economic growth and lead the net zero economy. The goals are to:

- develop a fairer, resilient, more balanced economy
- expand the working population
- grow and diversify a sustainable economy
- increase the number of private sector businesses operating locally
- attract investment

The vision is that of a sustainable region, providing a healthy, economically stable environment for a growing population. Its network of thriving communities will reflect the rich heritage and varied landscapes.

The partners are: Caithness Chamber of Commerce, Highlands and Islands Enterprise, The Highland Council, The Nuclear Decommissioning Authority (NDA), NRS Dounreay, Skills Development Scotland, UHI North, West and Hebrides and The Scottish Government. In February 2023 Focus North was relaunched having previously been called the Caithness and North Sutherland Regeneration Partnership.

The NDA and Dounreay funding supports a range of development and support activity in the areas around skills and talent attraction, sustainable transport, digital, and net zero economy.



#### FOCUS NORTH ↑

#### DRIVING OPPORTUNITIES THAT SHAPE OUR FUTURE



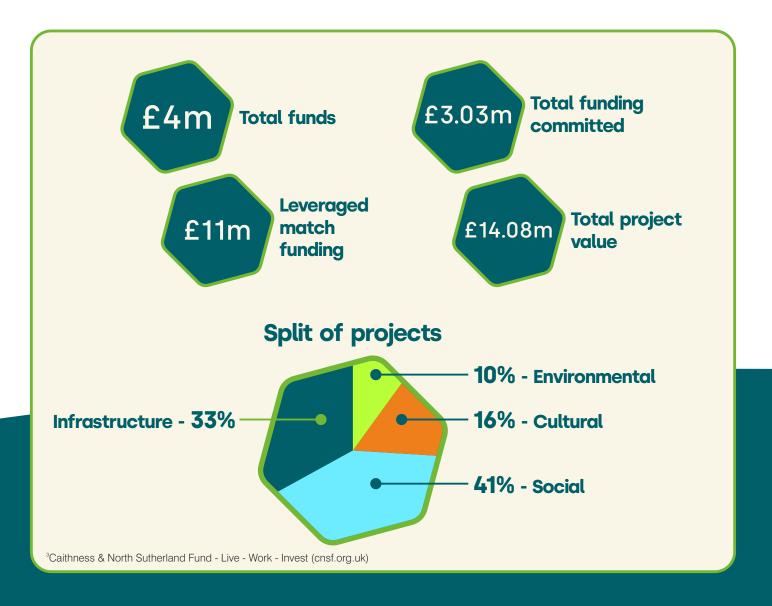




#### **Caithness and North Sutherland Fund**

The Caithness and North Sutherland Fund<sup>3</sup> was established by the Nuclear Decommissioning Authority and Dounreay to distribute funding to community organisations for projects that will increase the attractiveness of Caithness and north Sutherland as a place to live, work and invest with particular emphasis on achieving environmental, social, cultural and infrastructure improvements. The fund is governed by an independent board. The funding package was agreed as part of the development of a new disposal facility for low level waste arising from the decommissioning of Dounreay.

The NDA committed  $\pounds$ 4m to the fund –  $\pounds$ 1m at the start of construction in 2011 and  $\pounds$ 300,000 in 2014 and each year until 2023. The fund remains open to new applications.



### **Dounreay Communities Fund**

The Dounreay Communities Fund supports community organisations and local charities in Caithness and North Sutherland. The fund has individual awards capped at a value of £5,000. It is overseen by the Dounreay Stakeholder Group Socio Economic Sub Group.

The fund supported Caithness Ladies Football Club towards the provision of transport to participate in the Highlands and Islands League away games in locations ranging from Buckie to Orkney.





### Dounreay Employees Charity Fund

The Dounreay Employees Charity Fund is a voluntary scheme with Dounreay employees donating a sum of money each month from their salaries to support local groups.

The fund supported North Apex Gymnastic Club and Fusion Display Team. Both clubs received funding towards the cost of attending the Gymfest in Edinburgh in November 2022.





£11.5k Total project value



### Summary

#### This summary provides details of Dounreay and NDA support provided during 2022/23.

#### Dounreay is a major local employer and buyer of goods and services:

- Dounreay had a total spend of £200.4m of which £113.5m was spent with the supply chain
- Dounreay had an estimated labour only GVA impact of £77.4m locally and £167.2m in the UK
- Dounreay employs 1,283 employees, of which about 1,232 live local to the site. In addition, there are around 700 supply chain workers at the site. There is a strong commitment to early careers and skills development

#### The NDA invests into the social and economic wellbeing of the local area:

- a three year, £3m commitment to Sutherland Spaceport leveraging an additional £14.2m of private and public sector investment into north Sutherland
- an ongoing commitment of £4m to £4.5m into Nucleus in Wick supporting 68 jobs in Caithness
- a 3 year, £487k funding package for the Focus North Support Hub for economic development enabling activity

#### Dounreay supports Caithness and north Sutherland with socio economic grant funding:

- Dounreay spent £487,807 in socio economic grant funding across a range of local community skills, wellbeing, and infrastructure initiatives
- total funding committed during this year, on a multi-year basis, was £1.4m
- total funding committed leveraged an additional £1.4m from other public and private sector partners

#### Targeted NDA and Dounreay socio economic activity in Caithness and north Sutherland:

- committed £8.4m to £8.9m in socio economic funding
- leveraged £29.9m in additional private and public sector investment





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