



NRS Dounreay socio-economic annual review

2023/24



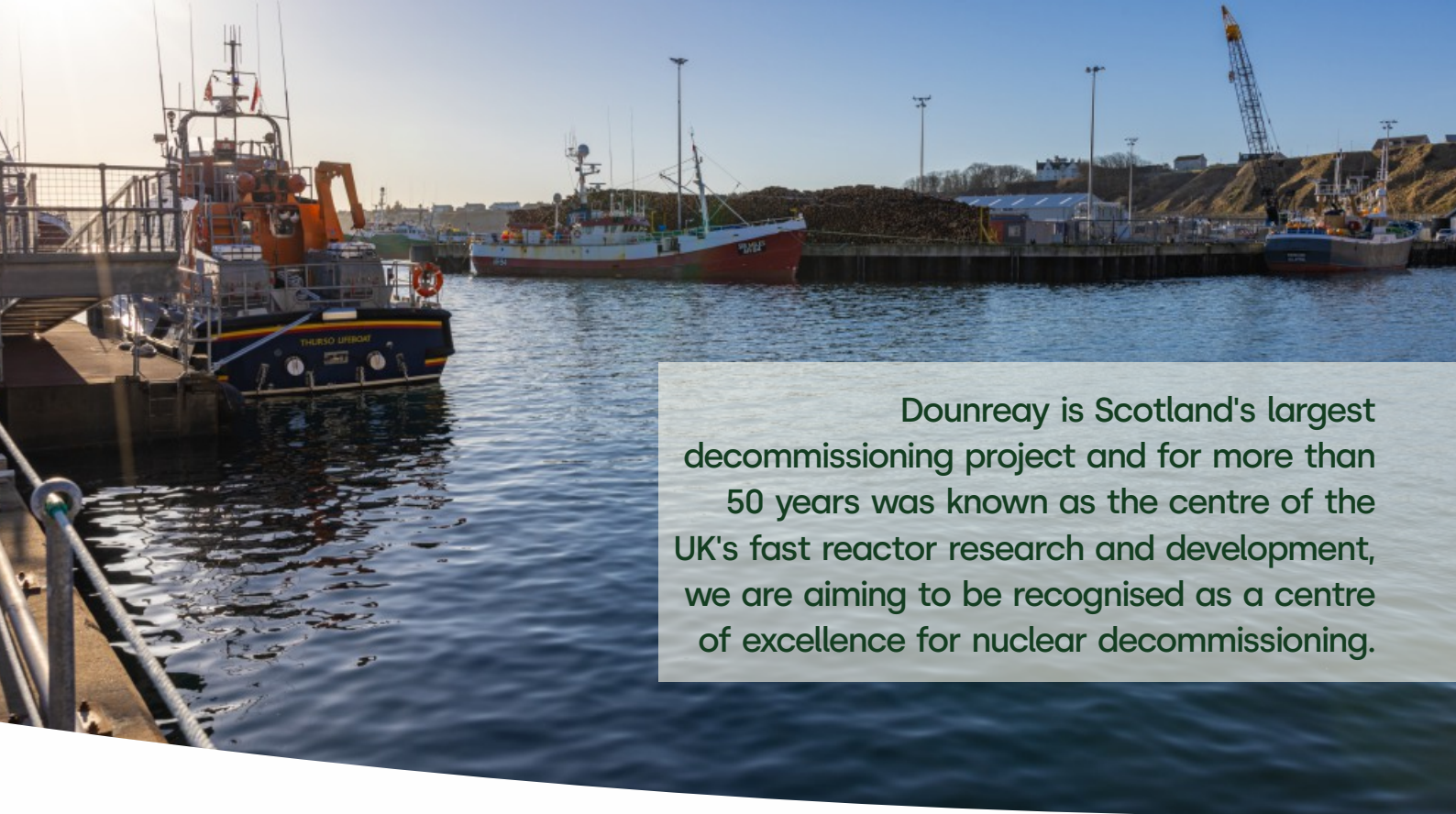


NRS

Nuclear Restoration
Services



Introduction



Dounreay is Scotland's largest decommissioning project and for more than 50 years was known as the centre of the UK's fast reactor research and development, we are aiming to be recognised as a centre of excellence for nuclear decommissioning.

Dounreay believes that decommissioning activities should benefit local communities living in Caithness and north Sutherland and that we must provide a positive impact during decommissioning and upon completion of our mission.

Our socio-economic undertakings flow from the Energy Act (2004), which provides us with a unique legal duty to have regard for the impact of our activities on communities living near our site, as well as the wider responsibilities all public bodies have under the Social Value Act (2012).

Dounreay is a large employer in the local area and contributes significantly to the salary base of Caithness and north Sutherland. Purchase of goods and services also support a strong local, regional, and national, supply chain.

Dounreay has strong 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.

On the first of April 2023 Dounreay joined with

Magnox Ltd and rebranded at the end of October 2023 as Nuclear Restoration Services (NRS). Dounreay works closely with other NRS sites to share knowledge and expertise on socio-economic matters, managing Dounreay's socio-economic budget for the benefit of Caithness and north Sutherland.

Dounreay continues to work in partnership with the Nuclear Decommissioning Authority 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. Its network of thriving communities will reflect the rich heritage and varied landscapes of the area.



Supply chain spend

Dounreay had £203m of net-expenditure in 2023/24. Dounreay is an anchor of the local economy and supports a wide range of companies, including local small and medium enterprises (SMEs). A core component of Dounreay socio-economic impact is through the direct purchase of goods and services. Over 50% of expenditure is with companies owned or resourced within Caithness and north Sutherland.

Dounreay is committed to ensuring strong working relationships with the Supply Chain.

Work will be undertaken on 2024/2025 to quantify the economic benefit of supply chain spend.

Excluding mandatory spend, £1 in every £3 is spent with SMEs.

Supply chain spend overview

£113.5m

Total supply chain spend

£26.4m

Small and medium enterprise companies

£79.5m

Non-mandatory and non-utility spend

£10.7m

Caithness owned small and medium enterprise companies

£58.2m

Caithness owned or Caithness resourced companies

These numbers represent different shares of spend and do not total.



Staffing

Employment at Dounreay is vital to Caithness and north Sutherland with positive impact across the rest of the UK. Work to quantify the economic benefit is undertaken every three years, with the most recent figures taken from work completed in 2022.

In 2022 the site employed 1,283 employees, of which about 1,232 lived local to the site. In addition, there were around 700 supply chain workers at the site. Locally based employees represent around 11% of all Caithness and

Sutherland employment.

Economic analysis 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.

Labour only GVA impact on Dounreay activity

£57.6m Direct

£19.8m Indirect

£10.5m of which supplier linkage

£9.3m of which agency or contract staff

£77.4m Total 'labour only' GVA

As of June 2023, the site employed 1,354 employees of which 96% resided in Caithness and Sutherland postcodes. Work will be undertaken in 2024/2025 to quantify the economic benefit of this increase in employment.



Early careers

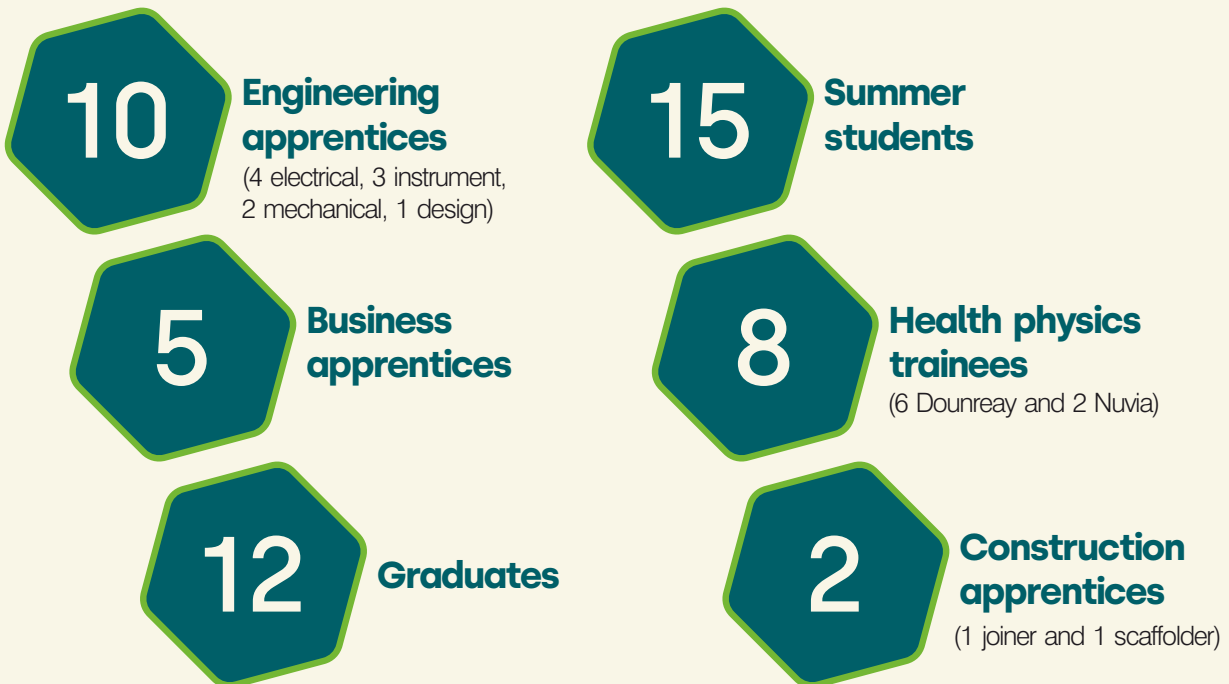
Dounreay has been recruiting engineering apprentices for over 60 years and the four year engineering apprentice programme is approved by two of the largest professional engineering institutions in the UK; the Institute of Engineering and Technology and Institute of Mechanical Engineers.

Dounreay recognises the role Modern Apprenticeships have in developing existing staff and growing new talent. Dounreay offers an 18-month formal training programme for business and administration apprentices.

Graduate development is fundamental in successfully securing our business and technical leaders of the future. Our two 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 in the area through skilled, well paid jobs, helps to mitigate against demographic challenges faced by the area.

Recruitment in 2023





Socio-economic grant funding

Dounreay funds projects using five socio-economic themes: sustainable incomes, resilient economies, thriving communities, protecting and improving our environment, and new social ideas.

Dounreay managed NDA funding, was £1,026,733. This total of Dounreay funded and Dounreay managed NDA funding, leveraged an additional £7.07m of private and public sector investment into Caithness and north Sutherland.

In 2023/24 Dounreay committed £754,404 in socio-economic grant funding, an increase in over 50% from 2022/23. The total, including

Focus North support hub (NDA)	£222,329
Focus North programme manager and support	£37,926
Focus North independent Chair	£4,797
Caithness transport forum	£10,000
Caithness Chamber of Commerce business mentoring project	£35,000
North Coast Visitor Centre	£75,000
Venture North	£34,595
Transport for Tongue	£10,000
Scottish surfing competition	£10,000
Wick PSO project officer	£30,000
Dounreay Communities Fund	£25,000
STEM support	£12,391
Taste North festival	£1,956
Caithness Chamber of Commerce appraisal study	£6,500
Laurandy Centre outdoor area improvements	£5,000
John O' Groats mill redevelopment	£50,000
Wick river campsite redevelopment	£80,000
Ormlie community association	£20,000
Dunbeath and district centre	£25,000
Caithness business fund - FutureSkills apprenticeship scheme (50% NDA)	£100,000
Pentland Firth yacht club training fleet	£21,224
Caithness seal rehab and release	£5,000
Wick harbour works	£150,000
Rumster outdoor centre	£43,000
Caithness Chamber of Commerce membership	£12,015
Total Dounreay funding	£754,404
Total Dounreay and Dounreay managed NDA funding	£1,026,733

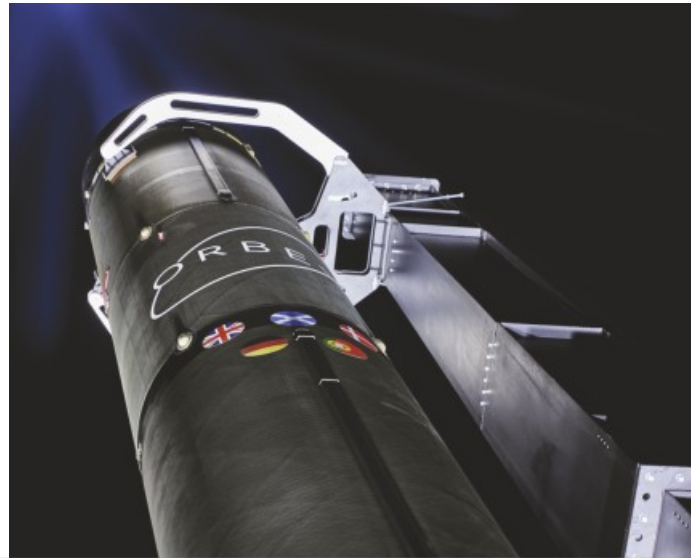


NDA: Sutherland spaceport

The NDA continued to support the development of the Sutherland Spaceport, aimed at attracting new jobs and opportunities to the area around Dounreay.

The construction of the spaceport started in 2023 with a groundbreaking ceremony taking place in early May and construction of a floating road and bridges continuing throughout the year towards the site of the launch area. NDA has provided £2.6m of socio-economic funding to this project since March 2023.

Orbex, the orbital launch services company, directing the construction and operations of the spaceport, announced a pause to construction in December 2024.



NDA: Nucleus

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.

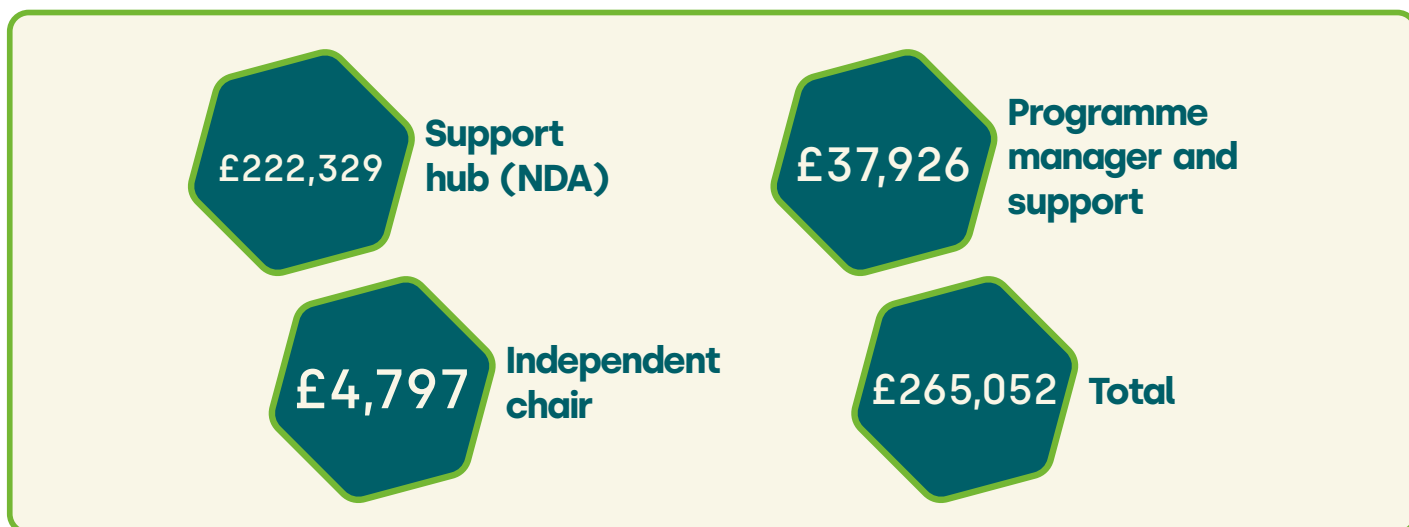
NDA and Dounreay funding supports a range of development and support activity in the area with 2023/2024 support hub funding used to:

- employ a Focus North business development manager
- commission a study on transport in the area
- employ a talent attraction specialist through Recruit North Highland
- launch a Net-Zero Nation Accelerator Programme
- commission a study on price drivers for the Wick PSO
- support a north Sutherland transport and resilience initiative

FOCUS NORTH



DRIVING OPPORTUNITIES THAT SHAPE OUR FUTURE





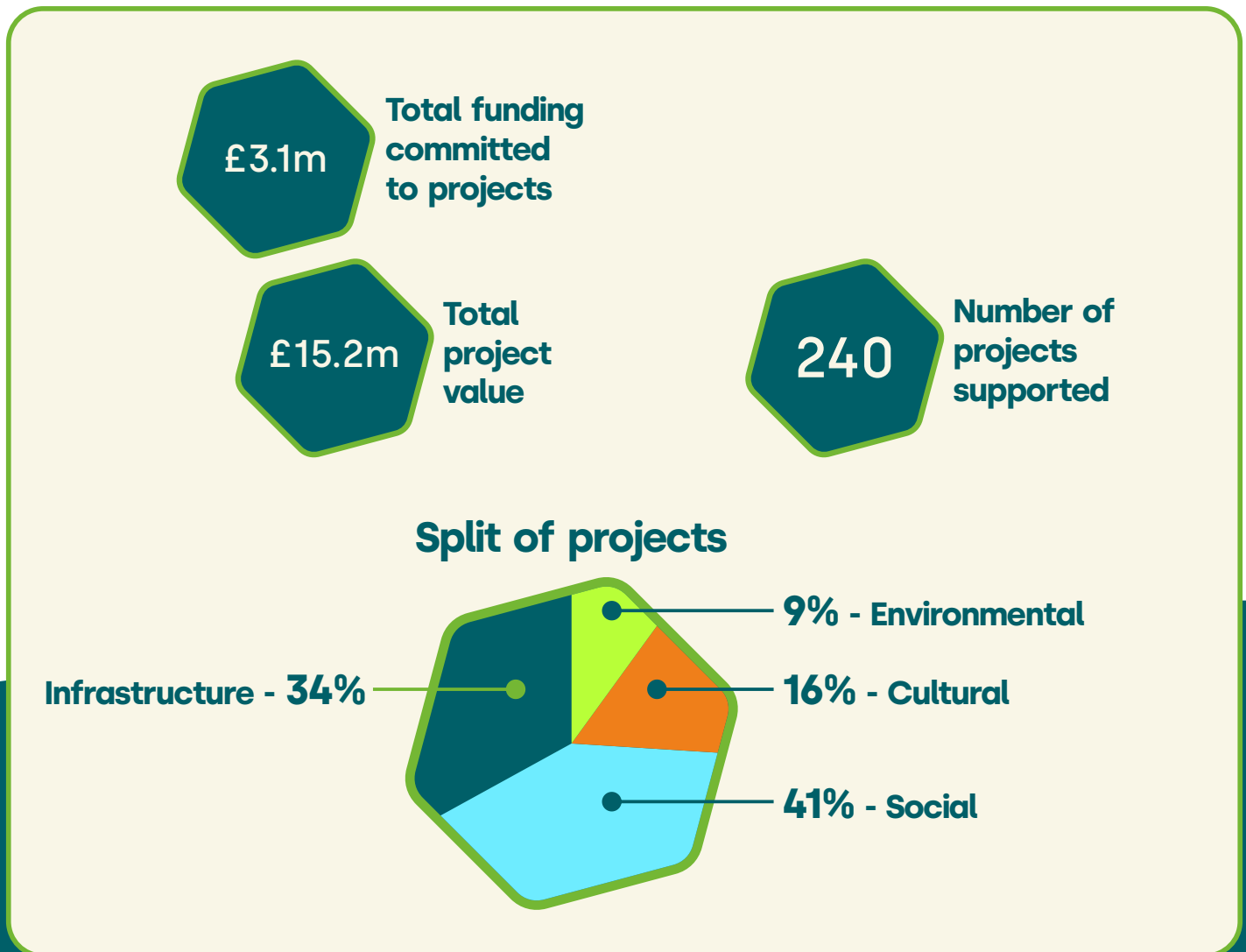
CAITHNESS & NORTH SUTHERLAND FUND

Caithness and North Sutherland Fund

The Caithness and North Sutherland Fund 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 disposal facility for low level waste arising from the decommissioning of Dounreay.

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



For further details contact enquiries@cnsf.org.uk or visit the website www.cnsf.org.uk

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, which increased to £7,500 in 2024 onwards. It is overseen by the Dounreay Stakeholder Group socio-economic sub group.



£23,927 Annual funding	£23,144 Leveraged funding	£47,071 Total project value	19 Organisations supported
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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.



£1 per month donation from Dounreay employees	£10,600 Total funding delivered	17 Organisations supported
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Summary

This summary provides details of Dounreay and NDA support.

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

- Dounreay had a total spend of £203m of which £113.5m was spent with the supply chain
- Dounreay had a total spend of £58.2m with Caithness or Caithness resourced companies
- Dounreay had a total spend of £26.4m with small and medium sized enterprises
- using 2022 figures, Dounreay had an estimated labour only GVA impact of £77.4m locally and £167.2m in the UK

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

- a three year, £3m commitment to Sutherland Spaceport leveraging an additional £28.5m of private and public sector investment into north Sutherland
- an ongoing commitment of £4.2m to £4.7m into Nucleus in Wick supporting 61 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 £754k in socio-economic grant funding across a range of local community skills, wellbeing, and infrastructure initiatives
- Dounreay managed an additional £272k of NDA funding for a total of £1.03m of support provided in the area
- total funding committed leveraged an additional £7.07m from other public and private sector partners

The NDA and NRS Dounreay are committed to supporting socio-economic development in Caithness and north Sutherland and continue to work with multiple partners to explore opportunities to deliver greater social impact in the area.





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