

THE HIGHLAND COUNCIL

6th March 2008

Agenda Item	
Report No	

The Socio-Economic aspects of Dounreay Decommissioning

Report by Chief Executive

Summary

This report advises Members of recent developments in relation to the socio-economic aspects of Dounreay decommissioning and seeks approval for the Council's membership of the Advisory Board. Further progress reports will be brought to the Council on various aspects of the socio economic initiatives.

1. Background

- 1.1 "A Strategy for Caithness and North Sutherland" was published in October 2006, and endorsed by the Highland Council in April 2007.
- 1.2 Early in 2007, the four key public sector organisations with particular responsibilities, Highland Council, Highlands and Islands Enterprise (HIE), Nuclear Decommissioning Authority (NDA), and the then Scottish Executive, joined forces to form the Caithness Regeneration Partnership with the specific remit of implementing the post-Dounreay regeneration. HIE has been particularly pro-active in taking this agenda forward. This is discussed further in Section 2 below.
- 1.3 A wide-ranging conference (Caithness Conference – Beyond Dounreay) was held in September 2007, and resulted in the production of an Action Plan (**Appendix 1**). There are five overarching themes to the Action Plan:-
 1. Investing in our infrastructure and services
 2. Developing our business and industry assets
 3. Developing our people
 4. Developing Dounreay assets
 5. Developing new opportunities through inward investment
- 1.4 This report outlines the progress which has been made to date, and invites members to consider future governance arrangements.

2. Partnership Structure

- 2.1 The council was advised at its meeting on 5 April 2007 of the partnership structure details of which are as follows -
 - a) a Stakeholders/Advisory Board should oversee the whole programme of work. Members will be aware that there already exists a Dounreay Stakeholders Group (DSG) which has a remit which is closely allied to the present topic. However, the DSG was specifically set up by the NDA to oversee the decommissioning process itself. This does bring the DSG into discussions about socio-economic funding which is generated locally, but this is not its primary remit. Accordingly, although some

overlap in membership between the two may be anticipated, it is strongly recommended that the Advisory Board to the Caithness Regeneration Partnership should be a separate entity from the DSG, and that it should have strong representation at elected member level reflecting the long-term significance of the socio-economic issues.

b) an Executive Board will oversee delivery of the strategy and action plan. The Chief Executive of the Highland Council will be a member of this Board, alongside senior colleagues from the other partner organisations;

c) a Senior Officers Group will support the Executive Board, attend Board meetings, and will have responsibility for implementing the agreed actions and projects within specific timescales. The Council's Corporate Manager for Caithness, Sutherland, and Easter Ross will be a member of this Group, alongside colleagues from the other partner organisations;

d) the Partnership Team will co-ordinate the partners to promote delivery of the Action Plan, in addition to the specific roles of individual team members. The members of the team are – Programme Manager (currently a secondment from HIE), an Inward Investment Executive, Marine Renewables Project Management staff (see further below), and support administration staff.

- 2.2 It is envisaged that the Advisory Board would act in effect as a “Parliament” for the Caithness Regeneration Partnership, receiving progress reports, offering advice, and expressing opinion on behalf of local, regional, and national interests. There would be strong community and business representation on the Board.
- 2.3 It is proposed that the Council be represented on the Board by 2 strategic Members i.e. the Convener and the Chairman of the Planning Environment and Development Committee, and 2 local Members.
- 2.4 Accountability within the Council would be maintained by means of regular reports to the Council.

3. Council Contribution to Partnership

- 3.1 In addition to the time inputs from elected members and officials outlined above, the Council has previously agreed to cover the administrative support costs of the Partnership Team. One seconded administrative assistant is in post, and the Council is also bearing the cost of office accommodation at T3UK, near Thurso. Other costs are being borne by HIE, NDA, and The Crown Estate (see section on Marine Energy below).
- 3.2 The Executive Board has proposed that the post of Programme Manager within the Partnership Team, when filled on a regular basis, should be line managed within the Council. This would bring the post under the line management of the Corporate Manager. This post was approved by the Resources Committee at its meeting on 20 February 2008 and is wholly funded by HIE.

4. Berriedale Braes

- 4.1 At a meeting of the Executive Board in December 2007, the NDA confirmed, in response to representations from the Council, that it would consider providing funds towards an Economic Impact Study following on from the study being conducted by

Caithness Partnership and the Strategic Review for A9 North which is being undertaken by Transport Scotland.

5. **Pentland Firth (Marine Energy Project)**

- 5.1 At a recent conference in Edinburgh, the First Minister reminded his audience that the Pentland Firth is the largest source of tidal energy in the coastal waters of the British Isles. The potential power generation is of nationally significant proportions. The challenges which will need to be overcome if this power source is to be exploited, are equally immense.
- 5.2 The NDA initiated discussions with partner agencies, including Crown Estates as owners of the seabed, and these, at first informal, discussions have now crystallised to the point where two posts have been created, and a formal Project Board is coming into being.
- 5.3 The challenges posed by the Pentland Firth fall into a number of categories (financial, technological, environmental, regulatory, and so on) but a basic division into two aspects is sufficient at this stage. On the one hand, there are what might be called all the *technical* issues around devising a method of capturing the power potential. The Crown Estates are the lead agency in this respect, and a Project Manager has been appointed by them whose principal remit will be to investigate and progress those issues. On the other hand, there are the *socio-economic* issues around trying to ensure that the local area benefits to the greatest possible long-term extent from the technical exploitation of the Firth. To this end, a second Project Manager has been appointed by HIE.
- 5.4 The Project Board which has formed to take this forward comprises officers from the Highland Council (Corporate Manager), HIE (Caithness & Sutherland, Orkney, and HQ), Scottish Government, and Crown Estates. In view of the fact that the Council can be seen as having less of a vested interest in the topic, either as a regulator, funder, or owner, the Corporate Manager has been invited to chair the Board. It is anticipated that reports would be presented to the Advisory Board with, as before, accountability through reports to the full Council.

6. **National Nuclear Archive**

- 6.1 Members will be aware that the Council's Resources Committee has recently agreed to make land available in Wick which will become the joint base of the North Highland Archive and the National Nuclear Archive (NNA). Bringing the NNA to Caithness is a major achievement which will have significant spin-off benefits for the local community in addition to the 25 – 30 jobs which will be directly created.

7. **Potential Community Benefit**

- 7.1 In the course of decommissioning the Dounreay site, the present operator (UKAEA) envisages constructing two facilities for the storage and/or disposal of Low Level and Intermediate Level Waste. This is in line with current Government thinking, which does not countenance the transport of waste across the country. These facilities, once constructed, could be expected to remain in existence for many years, far beyond the lifespan of the existing site buildings (with the possible exception of the Dounreay Dome) and could be seen by many as a blight on the area, providing minimal job opportunities after the construction phase.

7.2 There are parallels, so far as employment is concerned, with wind farms. This would give rise to the argument that significant Community Benefit should be payable to the Caithness and North Sutherland community, and that this should be separate from, and additional to, any other socio-economic benefits which may accrue to the area. Officers are currently working with Dounreay Stakeholders Group on how best to pursue this aspect, and a further report will be presented in due course.

8. Conclusion

8.1 This report demonstrates that a number of significant initiatives are under way. Partnerships are working effectively at different levels. Clearly, it is important that the Council should remain at the forefront of all the socio-economic aspects which arise from the Dounreay decommissioning programme.

8. Recommendation

8.1 The Council is asked to agree the Council's membership of the Advisory Board as Convener, Chairman of the Planning Environment and Development Committee plus 2 local Members and that further reports on the socio-economic aspects of Dounreay decommissioning be brought back to the Council at appropriate intervals.

Signature

Designation: Chief Executive

Date: 28 February 2008