

Dounreay Industry Event Part 1 - Friday 5 February 2010

**Transcript from the Question and Answer Session**

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The first day of a two-day event, hosted by NDA, allowed prospective Parent Body Organisation (PBO) bidders for the Dounreay Site Restoration Ltd (DSRL) to understand local stakeholder perspectives.

Below is the transcript of the question and answer session held on 5 February 2010.

For more information on Dounreay PBO competition:  
<http://www.nda.gov.uk/contracts/competition/dounreay>

**Panel**

Cllr Sandy Park, Convenor, Highland Council  
Sir Anthony Cleaver, CNSRP  
Alastair Dodds, Highland Council  
Randall Bargelt, NDA  
Charlotte Wright, Highlands & Islands Enterprise  
John Thurso MP  
John Clarke, Commercial Director, NDA

Cllr Sandy Park

Okay. Good afternoon ladies and gentleman. Welcome back to this afternoon's session. I am aware there is a few empty seats, that's unavoidable because quite a few of the delegates had to go to Inverness to get the London flight, but I'm glad to see quite a good turnout and I hope we've got some lively questions for my panel. The panel obviously is very distinguished and very...prepared to work very hard for this part of the world and none other than...I don't think he needs any introduction is Sir Anthony, I think we're very privileged to have him as Chair, thank you for doing that. We've got Alistair Dodds who is Chief Executive of the Highland Council. The Highland Council actually has twelve thousand employees and these are a budget of six hundred million pounds...you wouldn't think that sometimes, we're doing a budget just now, he keeps on saying he's got no money, but it is a very high profile job and he is very committed to this part of the world. Randall Bargelt, the Regional Director of NDA, again very committed to this part of the world. And we've got Charlotte Wright, Highlands and Islands Enterprise. Charlotte is a very experienced and professional officer, again very committed for this part of the world and indeed the Highlands as a whole. So I think without more ado I'm going to open this up for question time, if you could just wait until the microphone comes, if you're, if you announce your name and your organisation and maybe who, who you're directing the question to, but I'm sure the panel, between themselves will pick out who, who'll give you the best answers, so can I open up the questions please? This could be a quick question answer session. Just, just while you're thinking of a question I think I did speak to Randall earlier on about the, the presentation slides, the presentation slides will be available on the NDA website, I'm correct in saying? Yes? So, anyway I, I know there's a few people taking notes, but they will be available later on. Often the case when you come to question and answer there, there were some very in-depth...here's our first question coming up. Good.

Steve Tottal

Hi, Steve Tottal for Nuvia. I'll try and start you off and I guess really with the exception of Randall I mean the panel is that...is perhaps more interested in regeneration so it's really a sort of a conundrum about regeneration I think. There was talk earlier on about needing to improve the quality of hotels and things like that and I think it's a conundrum because I think it's very hard to see how it can be done. On the one hand I mean I stayed in a hotel last night which was perfectly acceptable, reasonably modern, but the rooms were you know dreadfully dark and forbidding and not at all, I'm there for business so it doesn't matter very much, but not at all what you'd like to be in if you're on holiday or something like that. So I guess yeah there's a question of how do you improve the taste, you know, how do

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you get people to do what is actually quite simple and easy to do, but on the other hand I've stayed at more remote hotels in the area, some of them in absolutely fantastic beautiful positions, but are so run down that they really are depressing. The windows are falling out and you know the, the, the doors are going rotten and things like that and that's purely because it's a...there aren't enough people to visit the hotel, to bring it a decent income to be able to improve. So I don't know how you could overcome that sort of thing, I don't know whether you've, you've got any ideas of how you might do it in.

Cllr Sandy Park I don't know if any of the panel wants to pick...Charlotte?

Charlotte Wright Well thanks for raising that. Tourism is really quite vital to Caithness and to the Highlands as a whole and I'm sure your experience is, is not one I think that would chime with everybody here and we've got fantastic products within Caithness and more importantly as you heard earlier on today, we've got an industry driven initiative through North Highland tourism, working with tourism providers, food and drink to bring together all the things that are excellent about Caithness and the Highlands and that's really starting to happen and I think it's a question of those that are prepared to take the lead, and leadership is really important in a sector like tourism and showing the way, and hopefully the rest come along with that, there will always be those who are ahead of the game and those are the ones that will be successful as we continue really to fight for our share of the market of tourism. We've had a really good year overall, over the last summer, as a lot of people have holidayed within the UK and Scotland and the Highland has been primary as one of their destinations there. Tourism is an industry that can't stand still and quality, you're right to mention it, is absolutely the watchword of what will give us the edge. We've got so many great things to promote with in the Highlands and adding to that the quality of our offering is absolutely essential and I am quite sure that what we have here in Caithness will continue to grow and develop with support of the industry initiative, North Highland initiative that you heard from earlier.

Speaker Okay, Charlotte. I would just add to that that we stayed in a hotel last night and the, the local owners are very committed to spending serious money in upgrading the hotel, so I think that you know the light is at the end of the tunnel as far as hotels is concerned.

David Flear My name is David Flear, it's a question for Randall. When we were seeing the conditions laid down for those competing for the new contract, obviously safety, cost efficiency, and there were others and we had socio-economics at the bottom. We are in a different place from Sellafield, Sellafield's moving on to the future with new build and possible a repository. Do you think that socioeconomics should get a higher weighting when we're considering Dounreay because it's a closure site?

Cllr Sandy Park Randall?

Randall Bargelt Thanks David. The way, the grading and the criteria will be put together is yet to be determined. They will be weighted in the way that is appropriate for the contract and for the competition. We haven't done that in detail yet, not a very good answer, but all that information will be published when the criteria are settled.

Cllr Sandy Park Alright.

Sir Anthony Cleaver Can I just pick up on something that John Thurso said when I just came in this morning? I actually grew up in a company that believed understanding the local community and relating to it was actually in the company's interest anyway and I firmly believe that with good companies that's very much part of the way that they

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behave. This is an almost unique situation. I've chaired, I don't know, ten or fifteen public companies over the years, and never before, until I came into the NDA, had one where there was actually a legal requirement imposed to look at socio-economic things. I think if you put that together with the sort of calibre of contractor that we obviously are expecting and are bound to see in this competition, I think this community has an almost unique opportunity to take advantage of it, but it's a two way thing. I mean I think a meeting like this is interesting as a starting point, but I hope that the companies who are here who are thinking of bidding will actually also proactively think about the situation and push the community if you like, in a particular area. If any of the companies see something that they believe would make a hell of a difference to the quality of what they could offer or the cost of what they could offer or whatever, then I think there's an opportunity for them to express that and see whether the community can respond. This whole thing is about partnership and if we work together, there is a huge opportunity here. So sorry for the sermon but I believe that.

Cllr Sandy Park

Thank you. Mr Dodds.

Alistair Dodds

Yeah I think just to give some assurance to Councillor Flear, the Highland Council is very interested in community benefit, whether it's in Caithness in relation to Dounreay or further afield and we also, sorry, we'll always assist Randall in taking forward these things so I think it is important whether it's about developing skills, training or some kind of a community fund, these are the kinds of things we've really got to pursue.

Cllr Sandy Park

Okay, thank you very much, any further questions?

David Craig

David Craig from Jacobs, good afternoon. We came along today to listen to the NDA's competition and the first kick off meeting for it and we've heard jobs are going to run down from Dounreay from between about two thousand now to about a hundred at site interim end state. We've also heard from the Caithness Regeneration Partnership that jobs are going to be created from a variety of industries, marine power etcetera, and I wondered is there any projection from the partnership on jobs to be created and any numbers over time that are going to be made available to the bid teams or could be made available now just in terms of numbers etcetera that would expect to come from a Dounreay skills' base?

Cllr Sandy Park

Yeah quite a question. Charlotte do you want to kick off with that one?

Charlotte Wright

If we can get your name again we can certainly give you some more information, but I mean the overall long term plan of the Regeneration Partnership is to more than replace jobs that will be lost through the run down at Dounreay. I think they, the timescales of that really depends on how things actually work out. What we could also perhaps provide directly with some information on is what's being achieved today, which will highlight some of the areas that that job creation can take place in, which really varies from inward investment, moving into the area, growth of indigenous companies in the area and that will include supply chain potentially into the work at Dounreay and also the development of new industry in particular around marine renewable in the Pentland Firth as the key areas. But if you catch us later we can make sure that we can send you directly some information.

Speaker

Okay Cllr Sandy Park.

Sir Anthony Cleaver

I think there are sort of two or three stages. First of all we can give you some indication of what has happened over the last couple of years and so on which is something over two hundred jobs certainly have been created in that time and are

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additional there in the community. I think over time the issue really is we need to get a sort of steady run rate which ideally would be at that sort of level and of itself that would take us a long way towards closing the gap. But then there are two or three big opportunities. The opportunity for using the tidal power which is a unique local opportunity is enormous. There are obvious things that need to be done, we've got to get the technology right, we've got to get the access through to the grid etcetera but there's progress being made I think, on all those fronts and as you know, over the next few weeks there should be the announcement of the first licences from the Crown Estate and so on. Now something like that would be a total step change in terms of the number of jobs it would bring over perhaps a ten year or so period, so I think there's every reason to believe that there are individual opportunities that we can take advantage of and in addition there will be probably two or three big opportunities, the biggest of them being the marine energy, unique position here, I mean it's the function of you having to be sitting next to. I think it's the fifth or sixth most powerful tidal race in the world, so you might as well take advantage of it.

Cllr Sandy Park                    Okay thank you very much. Any other questions? Oh right, I think the panel's going to get off very lightly I think. Oh here's one...on the far right.

Neil Robertson                    Hello Neil Robertson, Caithness Chamber of Commerce...

Cllr Sandy Park                    Oh.

Neil Robertson                    ...it's a question for Charlotte. Through the chamber network it was noticed recently that the Scottish Renewable Energy Policy made recommendations for investments and to certain areas to support offshore wind, Caithness didn't feature and neither did Aberdeen. Just wondered if the Regeneration Partnership are putting some lobbying back into that process which I think is still at a draft stage to ensure that it can support investment activities in areas like Scrabster Harbour?

Charlotte Wright                    Yeah thanks for that question Neil. Yes I'm sure people have seen today some news on a report into infrastructure for manufacturing bases for offshore, offshore wind and indicating potentially eleven sites across Scotland, five of which are in the Highlands and Islands. That process isn't complete in terms of the next stage of what we need to do in infrastructure including what's needed for operations maintenance and service bases as well as the focus on marine energy as that report was looking particularly at offshore wind. I think you can certainly be assured of our commitment across the Partnership here to continue working with key projects that are coming forward from Scrabster and from other areas for investment to take advantage of the opportunities that are arising and will continue to do so.

Cllr Sandy Park                    Okay thank you very much, I have a gentleman over in the...

John McKay                        Hi John McKay, Scottish Labour Party, a couple of speakers this morning mentioned that their businesses and agencies are working like never before, but considering that no electricity is being produced from Dounreay since nineteen-ninety four, should we not have been really working for that about fifteen years ago?

Cllr Sandy Park                    Now...who would like to pick that one up...?

Charlotte Wright                    If, if, if I can interpret the question as were the relevant agencies working together fifteen years ago? I think the answer to that is actually yes but perhaps not in such a formal sense as we see today through the Partnership, I'm maybe not sure if I totally understood the question, but the agencies represented here have been

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working hard in the Highlands and Caithness for a lot longer than fifteen years.

Cllr Sandy Park Okay, thank you, any other questions?

Randall Bargelt Not so sure I really understood your question about the, about the power generation so what was it specifically?

Randall Bargelt Right and, and again the agencies, I mean we're working together, they worked very hard up here for a very long period of time and they have been foreseeing the rundown of decommissioning for, for a period of time since then and agencies have been working very hard to get that to work together. We've now refocused in the last three to four years, thanks to John Thurso's strategy and the action plan that came out of that formed these groups to where we all worked together and now we're working really hard on a specific plan to help maintain the economy of the area so we plan on continuing to do that and that's why we're sitting in front of you and then speaking to the potential bidders about it.

Cllr Sandy Park Okay, thank you very much. Sorry.

Alistair Dodds Just to, I think it is easy to look back and criticise about activity and if that hasn't been significant enough then I apologise for that on behalf of the Highland Council. However, I think what is important is what's been done in the last two years, looking forward and that's what I'm particularly concerned about. It's not what's happened in the last fifteen years, but where we're going now and we really have to ensure that we're all working together to make that a success for Caithness and North Sutherland, as you say.

Cllr Sandy Park Okay, thank you very much. Sir Anthony do you want to...?

Sir Anthony Cleaver Well as the only one that hasn't answered and maybe the one that should have answered first, in that I was Chairman of the UKAEA at the time, we sadly had to switch off the electricity to the grid, the reality as far as Dounreay is concerned is at that time the future looked very different from what it looks now, both in terms of things that we could still do. It was, after all, several years after that when we managed to generate the battery business etcetera and we were spending time looking at what we could build out of it in other areas and secondly the whole question of decommissioning and how long it could take, Randall may remember, I can't, but I think that when I came to the NDA, the current plan which barely existed, would have taken the decommissioning time out to something like twenty forty three or somewhere around there, twenty sixty two Randall says, so in fairness to the others, for whom I can't talk directly, there wasn't apparently the same urgency. I think in the sense, what you see now is about optimum, quite honestly getting people to do things and take things seriously when we're talking about a date thirty or forty years out is quite difficult. Fifteen years it means it's your children, it means you know that is foreseeable, but you have actually got time to make a difference. This again is an opportunity that many communities don't get, a car plant closes and bingo you've lost two thousand jobs and it can be done in six months. You've got time here to work things right the way through. Just a word on the engineering which we were talking about this morning, the engineering competence in this area is enormously valuable and it really is very high class. You heard about North Highland College, things come through the schools and again they understand the importance of that. One of the things that I do in one of my other roles as Chairman of Engineering UK is to organise a National Event called The Big Bang Fair, at which we have the award, the UK Young Scientist of the Year and Young Engineer of the year and a group from Wick were in the finals of that last year. So you know it's not just at one level, you've got youngsters coming through, taught by teachers

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who understand the value of engineering, the community understands it in a way that frankly I wish a lot of other parts of the UK did understand the importance because we sure as hell are all going to need to get out into a rather different economic structure in the years to come so again I think there are opportunities here, we can all look back and say that people should have done this that or the other, there is time and a real opportunity, if we seize it.

Cllr Sandy Park

Okay. Thank you very much. I think that's yeah, yeah...

John Deighan

John Deighan from The Trade Unions. Sadly today, Dounreay people are losing their jobs, people are going out of the gate and years before they'd maybe go through one contract, that's not happening today, so we need to move now, and I know the agencies and the people up there, people in this hall are all working hard to secure other employment but we need to move fast. It's interesting to know that you know the, what Councillor Flear spoke about the, the socio-economic funding, the NDA's just halved theirs. I personally think we should have a bigger share, we've got, we've got more to lose than Cumbria. Cumbria has got a future in the Nuclear Industry, and there must be pressure put on the NDA and the other agencies to recognise the problems up here and I go back to what I said, I know people are doing their best but quite frankly their best isn't good enough, we need to move fast and move now.

Cllr Sandy Park

Randall, do you want to pick up on it?

Randall Bargelt

Yeah that's why, the, the NDA has developed a projected budget during the PVP scenario that as I've just learned, that it just halved the potential budget for the UK. But that is in a business plan that is being consulted on, comments are being taken in and very seriously they will be considered in the comments on that particular subject. I just spoke to Bob Churchill about that earlier, earlier last night, and that's, and that's the view on that. And again I totally agree with you, we need to do the best we can and do more if we can and that's part of what we're here for, is to, is to solicit the expertise of, of the bidders who will be coming in and ask them for, for what they would do and what the best in their proposals to bring forth during this to become another integrated partner into this team. So take your point but that's, that's what we're doing on that.

Cllr Sandy Park

Okay, thank you very much. Any further questions? No. Okay I think that the opportunity for questions I think has been, it has been a tremendous day, I'll just take this privilege to thank the panel for answering the questions and thank you for putting forward the questions, always difficult at the end of a day to get questions for a panel, but I think that was a, a tremendous contribution.

Please note that amendments have been made to Randall Bargelt's response to David Flear to make it clearer. The message is the same but the transcript is easier to read and understand.