

Case Study 8

Chapelcross industry park and business incubation centre – a successful bid to the NDA socio-economic fund

July 2009, updated August 2022

1: Outcome

An investment of £2.5 million has been agreed by the Nuclear Decommissioning Authority's (NDA) Socio-Economic Committee for two projects to develop an Industrial Park and Business Incubation Centre at Chapelcross.

It is proposed to site the Industrial Park on land currently owned by the NDA adjacent to the Chapelcross Nuclear Licensed Site. Chapelcross Industry Park could potentially provide 179,000 sq ft of light industrial space and 60,000 sq ft of commercial office accommodation.

The Business Incubation Centre will form part of the completed Industrial Park and will provide up to 20,000 sq ft of high quality commercial office space, intensive business support, access to financial and legal advice, and other entrepreneurs and suppliers for new and growing businesses.

2: Benefit to the community

It is intended that the Chapelcross Industry Park and Business Incubation Centre will ameliorate the effects on the local workforce of the decommissioning of Chapelcross nuclear power station, by providing job opportunities, bolstering local employers and attracting investment/new employment opportunities to the area.

3: Background

Chapelcross was Scotland's first commercial nuclear power station. It began generating electricity in 1959 and ceased power production in 2004. In 2009 it employs over 400 workers in decommissioning the site, with current plans for the site to enter a phase of care and maintenance in 2022. It is estimated that once the current phase of decommissioning has ceased there will be a loss of the majority of high quality jobs at the site, with a further loss of 300 in the local community as a result of the site closure.

NDA socio-economic fund

Government requires the NDA to play a "full and active role in mitigating the impact of decommissioning and clean-up and in contributing to the development of sustainable communities" near their nuclear licensed sites. There are four areas of the UK which have priority status, one of which is the Gretna-Lockerbie-Annan corridor in which the Chapelcross site is located. One method by which it may do this is through direct funding. All applications for funding must meet a set

of criteria laid down by the NDA and the NDA itself must comply with four underlying principles:

1. Investing in activities which underpin their mission
2. Needs driven funding
3. Evidence based decision making
4. Transformational outcomes

4: Process

A suite of five proposals were conceived and prepared by the Site Stakeholder Group Socio-Economic Sub-Group with assistance from Scottish Enterprise (equivalent to Business Link). Of these, so far only the proposals for the Industrial Park and Incubation Centre have been granted funding, one was refused and the other two are in abeyance pending further work on the proposals. The NDA gave advice on the type of proposal which would be likely to succeed in obtaining socio-economic funding. A rigorous pre-submission scrutiny of the application was carried out by the Corridor Regeneration Strategy (CoReS) Steering Group and Dumfries and Galloway Council in order to increase the prospects for successful bids, before the final decision to submit the bids was made by the Site Stakeholder Group.

5: Governance arrangement

A Project Board has been established in the form of a co-operative partnership to purchase the land and manage the fund. The Board comprises of Scottish Enterprise, Dumfries and Galloway Council, NDA and Magnox North Ltd.

6: Next steps

Three tranches of £0.5 million will be paid towards the Chapelcross Industry Park over the next three financial years, though the exact timing of this has yet to be established. This money will be used to develop the industrial park – land remediation, construction of infrastructure and landscaping.

Once the Chapelcross Industry Park has been completed, a second investment of £1million will be made for the development of the Business Incubation Centre.

7. Making bids to the Magnox socio-economic fund

Since this case study was written responsibility for the distribution of socio-economic support has moved to the Site Licence Company, Magnox. The application form can be found on Magnox's website.¹

Information sources:

1. Role and Remit of Corridor Regeneration Strategy (CoReS) Steering Group (no longer available online)
2. Minutes of the Chapelcross Site Stakeholder Group meetings (no longer available online)
3. NDA Socio-economic Policy²

¹ <https://www.gov.uk/government/collections/magnox-working-with-our-communities>

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/897130/NDA_local_social_and_economic_impact_strategy_2020_update.pdf