

**Caithness & North Sutherland Regeneration Partnership
Update Jun-Sep 2009**

- An interim report of the skills audit in Caithness & north Sutherland has been received, with final results expected in early November.
- John O’Groats Masterplan was launched in September, and was well received by businesses and the community.
- The Caithness Regeneration Conference was held in Wick on 1st October, with Secretary of State for Scotland Jim Murphy as keynote speaker.
- Efforts continue to speed up the Pentland Firth licensing process, following The Crown Estate’s announcement that details of leases would not be made public until February/ March 2010.
- Caithness Beef & Lamb Ltd’s new state of the art abattoir and meat processing facility at Keiss has now opened for business.
- DSRL is employing a Project Manager to fully scope the work required to deliver the National Nuclear Archive.
- Of the 112 individual activities currently “live” in the Action Plan there are 70 coded green (meaning progress according to schedule), 35 coded amber (meaning delivery delayed but still progressing) and 7 coded red (meaning delivery significantly delayed or action at risk of non-delivery).

Scrabster Harbour

The proposed re-development of the harbour is progressing. The Trust's new Chief Executive is in negotiations with funding sources, particularly the NDA, HIE and ERDF. It is also in discussions with potential inward investors regarding possible usage of the harbour facilities, including land designed for use as an industrial/ business park. The urgency of the need to progress the funding discussions was highlighted several times at the Caithness Conference on 1st October.

Wick Harbour

Since its opening in June over 200 yachts have visited Wick. The next phase of marina work is to relocate and upgrade the shower, toilet and laundry facilities into the Harbour Authority's newly acquired office and store complex (formerly John S Duncan's premises).

Wick Harbour Authority has been working with marinas in Inverness, Orkney and Shetland to form a new tourism group, Sail North Scotland, which has recently received a grant from VisitScotland to promote sailing in North Scotland and in particular raise awareness of the "Viking Trail" route linking the north Scotland to Scandinavia.

Pentland Firth Marine Energy Project

There has been strong demand from developers wishing to locate their tidal devices in the Pentland Firth. Crown Estate staff have been assessing the remaining 42 site applications from 20 companies since July, and at the Caithness regeneration Conference on 1st October The Crown estate confirmed an expected announcement on final leases by December. However on 7th October Reuters news agency quoted Crown Estate staff saying announcements were unlikely before February or March 2010. The Chamber of Commerce and the Regeneration Partnership (Advisory and Executive Boards) have now written to Crown Estate urging them to follow their original timetable.

CNSRP, HIE and The Crown Estate took part in an event for Chamber of Commerce members in August to further update local companies on opportunities, but there is a fear that delays are increasing the chances that the area may miss out on on-shore economic benefit. CNSRP's Inward Investment Executive continues to work closely with a number of marine energy companies to pursue opportunities for employment creation.

Subject to obtaining other statutory consents it is still envisaged that the first devices could be deployed as early as 2011. In the meantime talks aimed at providing a solution to the current grid constraints are continuing. The announcement of EU funding for Scottish & Southern Energy's sub-sea "hub" offers clear hope for a grid solution by 2015. We have also signed up to take part in the creation of the Department for Energy & Climate Change's Marine Action Plan, following concern expressed that the UK White paper on energy did not mention the Pentland Firth. During September both the UK and Scottish Energy Ministers visited Caithness, and were left in no doubt as to the urgency we attach to capturing the economic benefit from marine energy.

Engineering

North Highland College staff are progressing the development of the Engineering Skills Centre at the College. All project funding is now secured and the procurement process for the capital phase is underway. A project users' forum (consisting of industry and training representatives) is now meeting with NHC-UHI to ensure the centre meets the needs of industry. NHC expects the centre to open for business in August 2011. The creation of the engineering skills centre will act as a major attractor for potential inward investors looking at current and future supply-chain skills in marine renewables, oil & gas and nuclear decommissioning/ new-build.

Our area is on course to recruit 100 "STEM Ambassadors" from local companies by December 2009. Their role will be to work with local schools to boost the profile and delivery of science, technology, engineering and maths subjects. The pilot schools-level project being led by HIE and the Highland Council is now seeking its final funding from the NDA.

John O' Groats Tourism

The Masterplan for John O'Groats was launched in September. The plan was well received by local business and community representatives. HIE staff are now discussing with stakeholders how best to implement its recommendations.

<http://www.hie.co.uk/john-ogroats-masterplan-2009.htm>

Inward Investment

The Partnership's Inward Investment Executive has been working mainly on leads within the energy sector, but has also been following up several leads from potential investors in the services sector. The latter includes serious interest in new call centre developments in our area. A study on tourism accommodation in Caithness is underway. This will include consideration of the market for budget hotel chain presence in the area, as well as a mixed-use resort. It should be completed by October 2009. A revised Inward Investment marketing plan has been produced. It will update the planned target areas for our Inward Investment effort over the coming 12 months. HIE has recruited a new Infrastructure manager, Claire Conway, to help boost the Partnership's work on key infrastructure issues. She will start work in Thurso in early November.

An interim report of the skills audit for Caithness & north Sutherland has been received, with final results expected in early November. This will help local employers and potential inward investors with recruitment issues, and will also help agencies to tackle any skills gaps or skills transfer needs.

We also continue working with a range of colleagues on a "vision" document to bring together our aspirations as an area, so that we can communicate this effectively to the companies interested in this area through both the ongoing Crown Estate licensing round for the Pentland Firth and the imminent competition for the contract to become the new Parent Body Organisation for Dounreay. The vision statements were the focus of the breakout workshops at the Caithness Conference, and we are now building the comments

received into a revised text. Tenders to turn the vision into a fully-designed document have now been received.

Food & Drink

Caithness Beef & Lamb Ltd has now opened its new abattoir and meat processing facility at Keiss, creating 10 jobs. It will provide an opportunity to significantly add value to the local beef and lamb supply chain. Representatives from Mey Selections have been to view the facility, and we hope to see joint working between the two organisations.

Further awards for Caithness food companies:

- The Captain's Galley in Scrabster (received Marine Stewardship Certification, and won Seafish's "Seafood Restaurant of the Year 2009")
- Mey Selections (was voted "Best Retail Initiative" by listeners to BBC Radio 4's food & farming programme.)
- Reid's Bakers in Thurso (won a Gold Award for its Treacle & Toffee biscuits in the Great Taste Awards organised by the Guild of Fine Food.)

Caithness Biscuits has also begun supplying Tesco stores.

Transport

Local agencies continue to look at transport projects following the announcement of the Scottish Government's Strategic Transport projects Review in December 08. The Highland Council is seeking funding for feasibility work around Berriedale with a view to having a fully-engineered and costed proposal available to be implemented when any funding becomes available. Partnership staff will meet HITRANS in early November to update on current and planned activities, as well as seeking strategic engagement with HITRANS over the coming months.

From October 2009 a scheduled Sunday air service will operate between Wick Airport and Edinburgh. Total passenger numbers through Wick were up due to higher passenger load factors on both the Eastern Airways' Aberdeen service and Loganair's Edinburgh service. The use of Wick airport for training flights by helicopter operators and military aircraft resulted in total aircraft movements increasing by 20% in 2008/2009.

IT Connectivity

We still await the announcement from BT on the timetable for remaining north Sutherland exchanges to be upgraded – the announcement is due very soon. In the meantime CNSRP's Programme Manager is convening a meeting with a group of technology businesses to discuss how best to ensure that Caithness and North Sutherland remains competitive within the digital economy. An early discussion point will be the newly-published report on connectivity within the Highlands & Islands, which focuses on next generation technologies and their likely implementation in our area (<http://www.hie.co.uk/connectivity-review-2009>)

Access to finance:

The North Highland Regeneration Fund has reported an increase in enquiries from businesses, directly attributable to "signposting" from staff at the Business Gateway

service. At its last meeting the Fund's Board approved a further 4 loans to local companies. These loans had a total value of £230,000. They will potentially secure 41 local jobs, and create a further 13.

Progress with medium and lower priority activities

Tourism: North Highland Tourism has recruited its new Marketing & Membership Manager. She is Jill McNicol and she started work in August. NHT will now work on its planned marketing programme to position the area's tourism offering to niche markets in the UK, which forms the most significant current markets for the area. HIE has also recruited a head of Tourism. She is Rachel Skene, originally from Tongue, and previously Director at Timespan in Helmsdale.

Main Towns Initiative: The two bids made on behalf of Thurso and Wick to the Town Centre Regeneration Fund were unsuccessful. Only one Highland town was successful in the first round of awards. The Highland Council has submitted revised bids for both towns to the second round of the Fund. Meanwhile, Thurso Community Council and local traders met with the Chamber of Commerce and CNSRP to look at town centre issues, and the result was a pilot programme of late night shopping events over the summer in Thurso, to attract people back into local shops. Only partly successful, but a further meeting is planned to look at events leading up to Christmas.

Arts: Caithness Arts is revising its aims and objectives to better represent the arts and crafts businesses in our area. North Highland Connections has received funding from the NDA to support its programme of work in the north. Funding has also been sought from HIE.

Young people & Entrepreneurship: Business Gateway is currently dealing with 9 business start-up enquiries from people in the 18-25 age group.

DSRL: The DSRL socio economic strategy and plan are now finalised and have been published on the DSRL website. DSRL is still in discussion with HIE on part-funding the external support which includes assistance on business spin outs, partnership working and entrepreneurial mentoring. A decision is expected in October 2009.

Work is on the potential spin-out of the site's analytical lab is progressing. The Business case has been reviewed by an external consultant and will be presented at the next DSRL Socio Economic Steering Committee.

DSRL is working to ensure that there is a good understanding of state aid issues and representatives will be attending a follow up meeting with the Scottish Government's state aid department in November 2009.

Through UKAEA, support is being given to the CNSRP Programme Manager to develop the programme

National Nuclear Archive: The project manager continues to work on the scope of work. The OJEU notice for the design team has now been published and it is expected that this process will be complete by January 2010. The RIAS architectural competition for selection of architect to lead design team has been approved and is expected to be completed in January. Discussions on the on the project have taken place with a number of stakeholders.

National Skills Academy, Nuclear: Support continues to be given to the National Skills Academy for Nuclear. The Skills Academy is seeking nominations for the Nuclear Apprentice of the Year and HND Student of the year. Local companies are being encouraged to submit nominations.

A number of bursaries have been offered to individuals living in Caithness. Of the bursaries awarded across the UK, 27% were awarded to individuals from Caithness. The Skills Academy is also assisting a number of local companies with apprenticeships. Of the support being offered in the UK, 31% is to apprentices in Caithness.

The Skills Academy is progressing a number of products for UK nuclear employers, in particular the Nuclear Skills Passport and the Award for Nuclear Industry Awareness.