



Programme Manager Update

Jul-Oct 2013

This update incorporates reports from a range of partners involved in delivering elements of the *Caithness & north Sutherland Action Plan*. It is hoped that by condensing multiple reports into one paper the information will be disseminated more efficiently amongst the various groups such as the CNSRP Advisory Board, Executive Board and the Dounreay Stakeholders' Group.

Key Issues and highlights:

- 55 FTE jobs have been projected since the start of the 2013/14 financial year.
- NDA and HIE funding of £0.45M was confirmed in support of the first phase of Wick Harbour Authority's plan to position the harbour to attract new business from offshore renewables. A study visit involving Wick, Scrabster and local companies to Lowestoft was also undertaken to see Offshore operations and maintenance in practice.
- NorSea Group, a Norwegian-based oil & gas services company, has signed an agreement with Scrabster Harbour Trust, and a further agreement with Hugh Simpson (Contractor) Ltd. Both in support of its plans to create a major oil & gas service base at Scrabster.
- Meygen Ltd has been granted approval by Scottish Government to develop Europe's largest tidal stream site at the Inner Sound of the Pentland Firth.
- The CNSRP partners' priority projects for the coming period are the development of the business/ industrial park at Scrabster Harbour, the attraction of offshore wind operations base to Wick Harbour and an inward investment in the marine energy sector.

Caithness & North Sutherland Action Plan 2011-14

The key priorities identified for 2011-14 are to:

- Work with existing area businesses in the energy and business services sectors to help them diversify and grow their businesses.
- Encourage new business starts in the energy and business services sectors
- Deliver a targeted programme of inward investment activity focused on energy and business services-related opportunities.
- Support the delivery of key enabling infrastructure such as ports and harbours, road, rail and air transport, skills transition and digital connectivity.

Key to “traffic light” reporting system:

Each text entry will have a colour-coded box. This will indicate the status of the project’s delivery, and will indicate the responsible owner for the activity. The box will be colour-coded as follows:

	Activity is on schedule to be delivered.
	Activity has been delayed, or is taking longer to complete than originally expected.
	Activity has not happened, or is in danger of not happening.

Progress with High-priority activities

Energy and Business Services - existing company growth

Support growth aspirations for companies

HIE

Discussions begun with Aon Hewitt regarding growth opportunities for its benefits administration business at Forss. Ongoing discussions with HMRC on how remote/ home working can help retain HMRC jobs in Caithness.

Support non-account managed company growth

NHRF/BG

Business Gateway reports continued strong interest and enquiries from both business start-up and existing businesses. Several companies have been taken on to become account-managed by HIE.

Energy and Business Services - inward investment

HIE/SDI

Discussions continue on potential investment plans with a renewables company and an oil & gas company – both seeking to establish a facility in Caithness. These discussions are progressing well.

Norwegian oil & gas services company NorSea Group has signed a partnership agreement with Scrabster Harbour Trust to develop a major oil & gas supply base at Scrabster. In announcing the decision the Company said it also saw opportunities in the wider energy sector. Subsequently the company has signed a strategic working partnership with Caithness company Hugh Simpson (Contractors) Ltd to further support its development plans. Asco (owners of Scrabster Port Services) is also considering development options.

Following discussion at CNSRP Executive Board a series of CNSRP events will be staged in Aberdeen, Edinburgh and London to highlight inward investment opportunities in the area. This builds on experience from the SCDI/ CNSRP event held in London in May 2013.

Wick Biomass project	Ignis Energy
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Ignis Energy project continues to progress. The company has been awarded £400,000 from the Scottish Government's District Heating Loan Fund to support further expansion of its network in Wick. The award to Ignis is the largest in this funding round. The Wick scheme already connects 196 domestic customers, Pulteney Distillery, a care home and the Assembly Rooms. The extension will connect a further 200 households and Mackay's Hotel.

Enabling Activities

Scrabster Harbour	SHT
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Scrabster Harbour Phase 1 development now complete. SHT is in discussions with HIE and Highland Council regarding plans for the Business/ Industrial Park above the harbour – a CNSRP priority project. Support currently being discussed for further phases.

Wick Harbour development	WHA
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HIE and NDA financial support of £0.45M approved to Wick Harbour Authority for Phase 1 of its plans to develop the harbour's capacity to become an offshore wind operations & maintenance base – a CNSRP priority project. Support currently being discussed for further phases.

Representatives from WHA, Scrabster Harbour Trust and local companies visited Lowestoft in August 2013 to study Offshore Wind operations.

Invest Caithness	CCoC
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HIE supported Caithness Chamber and local companies to undertake a recruitment visit to South Wales.

Supply Chain Diversification	CCoC
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Highland Council and Miller Construction ran a "meet the buyer" event for local companies interested in bidding for work on the Wick schools projects.

Marine Energy Park	HIE
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Marine Energy "Onshore Vision" action plan	THC
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A further "call for sites and ideas" has been carried out by Highland Council during September 2013. Update report on the Onshore Vision to be forwarded to Caithness & Sutherland Area Committee in November 2013.

Superfast broadband to key parts of C&NS	HIE
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HIE announced the successful procurement of the contract to roll out delivery of next generation broadband. BT will deliver the contract. Detailed timetable to be confirmed: Caithness exchanges not in initial rollout. Digital engagement programme for businesses and communities is being delivered through HIE and Business Gateway.

Electricity Grid enhancements	SSE
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SSE consulted on plans for the proposed new overhead line between Gills Bay and Thurso. Consultation document is available at <http://www.sse.com/gillsbay/>

Skills Development

Engineering Technology & Energy Centre	NHC-UHI
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Centre for Energy & the Environment	NHC-UHI
ERI and CfEE staff are pursuing a number of European collaboration projects.	

Make The Right Connections	CCoC
Good progress being made with the Programme. Development work being undertaken with HIE, Highland Council, SDS, Job Centre Plus and N Highland College to scope possible "skills academy" approach to future skills needs. Planning is also underway for future "Jobs and How to Get Them" event.	

Schools Programme	THC
Final project steering group meeting held on 7 th June. Highland Council and SDS developing Bridges to Employment programme in local High Schools, based on successful model developed in association with Lifescan Scotland. DSRL coordinated successful "Ready, Steady, Work!" week for senior high school students from Wick, Thurso and Farr in July/August 2013.	

Innovation Challenge	CCoC
Award winner's business idea "You Love Local" now live for market surveys at http://www.youlovelocal.com	

Young Chamber programme	CCoC
Discussions on how best to engage with young people on entrepreneurship continue.	

Transport – Roads	
A9 Road safety study – Berriedale	THC/TS
Transport Scotland has appointed a designer for the Berriedale scheme, and work now taking place re: ground surveys. Caithness Chamber has taken on the activities of the Caithness Transport Forum and Bus Users' Group, both of which met on 7 th June. Business meetings with Eastern Airways held in September.	

Caithness "internal" transport infrastructure study	THC/HITRANS
Study now complete and recommendations being considered by Council TECS team. Elements of this incorporated into Charrette planning.	

Transport – Rail	
Caithness freight railhead	DSRL/DRS
DRS Ltd continues to work on potential commercial traffic opportunities and related line issues.	

Transport – air	
Support Enhanced infrastructure in & around Wick Airport	HIAL
Impact of oil & gas traffic to Chevron North Sea sites has boosted flight and passenger numbers, with discussions continuing on the future of this arrangement. Discussions also taking place on further opportunities to position Wick JOG as a strategic airport for energy traffic. HIAL and CNSRP to work on detailed project plans.	

Progress with other priority activities
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Tourism - existing company growth	
Support growth aspirations for companies in Tourism sector	HIE
Natural Retreats self-catering lodges development at John O'Groats has received encouraging visitor business. The development of the self-catering complex around the former hotel building (called "The Inn at John O'Groats") is also now open for business, with official opening held mid-September 2013.	

Support non-account managed company growth	NHRF/BG
A group of companies that came together under the HIE-funded contract with the Centre for Design Innovation have now begun working as "Venture North" and are considering a number	

of activities to enhance the tourism offering in the area.

Cups Tearoom in Scrabster and both Lark & Lily Designs and Mackay's Hotel, Wick were nominated for Highlands & Islands Tourism Awards 2013.

F&D - existing company growth	
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Support growth aspirations for companies in F&D sector	HIE
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Reid's of Thurso and Sutherland Brothers continue to show growth.

Support non-account managed company growth	NHRF/BG
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Caithness Smokehouse awarded Gold Stars for several of its products by the Guild of Fine Food's Great Taste awards. Berry Good and Cups were shortlisted for Highlands & Islands Food & Drink Awards, with Berry Good winning its category.

Other Sectors - existing company growth	
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Support account-managed company growth	
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Ashley Ann is to create 20 new jobs at its Caithness manufacturing base, in response to increased orders from across the UK. The company has received grant support of £120,000 from HIE for new equipment.

Support non-account managed company growth	NHRF/BG
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Other sectors - Enabling activities	
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John O Groats development	
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See Tourism – existing company growth, above.

National Nuclear Archive	
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NDA confirmed in December its commitment to building the National Nuclear Archive in Wick. The project, which will also ensure a long term home for the Highland Council's North Highland Archive, will be operated for the NDA by a specialist partner. NDA now plans to appoint a suitable commercial partner by late 2013, and to have the facility operational by 2016.

Town Centre development programme	
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The programme came to an end in December 2012, although activity continues, with the two town websites (Thurso – Energy Town and Wick – Heritage Town) still live. A group of Thurso businesses in particular are considering future activities. Thurso pop-up shop is drawing interest from other areas as a means of utilising town centre space. MRC's cocktail bar in Thurso has successfully used "crowd-funding" to support its start-up and growth plans.