

Socio Economic Impact Assessment

Final Report

to

Dounreay Site Restoration Limited

by



in association with



January 2014

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EXECUTIVE SUMMARY

Introduction

This overall objective of the study was to assess the impacts of the socio economic activities of Dounreay Site Restoration Limited (DSRL) and the Nuclear Decommissioning Authority (NDA). The detailed objectives were to:

- Develop a format for the impact assessment.
- Assess the impacts of a sample of the interventions undertaken since 2010.
- Review the Dounreay Socio Economic Alliance's contribution to the Caithness and North Sutherland Regeneration Partnership (CNSRP).
- Review the Socio-Economic Plan (2013/16) to develop a means by which the Alliance can assess/measure the outcomes/impacts of the interventions.
- Provide recommendations on how best to target resources in order to improve their economic impact.

The research was undertaken through:

- Identification of a sample of 10 interventions to be assessed.
- Developing a method for assessing each intervention.
- Desk based review of documents and other information.
- Collection of information from organisations involved in delivering the interventions on behalf of DSRL and NDA.
- For two interventions, direct surveys of beneficiaries.
- Consultations with DSRL and NDA socio-economic staff, and with other stakeholders.

Assessment of Interventions

Table E.1, over, summarises the economic impacts of the ten interventions that were assessed.

There is some degree of additionality in all the interventions. In most cases it is high. Thus, the interventions have generated a significant amount of activity that would not otherwise have occurred or would have done so later in time and/or at a smaller scale.

The interventions shown at **Table E.1** are only a sample of those undertaken since 2010. Consultees also commented favourably on a number of others (e.g. the North Highland Regeneration Fund).

Other Findings

Most consultees view NDA and DSRL as good partners whose staff make a positive contribution to the work of the CNSRP.

TABLE E.1: SAMPLE INTERVENTIONS: ECONOMIC IMPACT INFORMATION		
Intervention	Measurable Gross Impacts	Comment on Additionality
ETEC	Wage uplift over time estimated as around £1.6 million based on 241 full-time students to date	Likely that the facility would not have been created without NDA support. DSRL's inputs resulted in a higher quality and more relevant facility
Scrabster Harbour Phase 1	Part of a long term development plan which is forecast to create around 350 FTE jobs in Caithness	At a minimum, NDA funding brought Phase 1 forward in time
Wick Harbour Marina	£36,141 business turnover per annum- berth only £41,562 business turnover per annum (forecast)- berths plus toilets and showers	£17,025 net additional business turnover per annum - berths only £18,302 net additional business turnover per annum (forecast)- berths plus toilets and showers
Caithness Horizons	17 (9 FTE) direct Caithness Horizons posts £174,510 annual gross wages	Gross impacts could be reduced by at least 25% in the absence of DSRL funding
CNSRP Programme Manager	None capable of attribution	Would still have proceeded without DSRL funding. However, wider benefits to both DSRL and CNSRP from their involvement
Invest Caithness	None capable of attribution	Activities unlikely to have taken place without NDA and DSRL funding
Make The Right Connections	Tentative estimate that 165 of the beneficiaries to date will be able to find future employment as a result of participation	Without NDA funding the programme would not have taken place. DSRL funding will have increased the number of beneficiaries
North Highland Connections	Visitor expenditure impacts from events cannot be calculated due to insufficient information-but likely to be modest. No impacts to date from cultural hub development work. Potential impacts unknown due to insufficient information	NDA and DSRL funding supported the continued work of the organisation. Without the posts there would have been no development work or programme of activities
Business Development Activities	No impacts	Most of the research would not have been produced without DSRL involvement
HIE Inward Investment Secondment	No impacts to date	Very unlikely that the post would have existed without DSRL secondment

Based on the research undertaken it is recommended that NDA and DSRL's future focus is on:

- Physical infrastructure investments at the three ports and Wick John O'Groats Airport.
- Inward investment activity, reflecting the outcomes of a CNSRP discussion on the future strategy for inward investment.
- Skills development programme.
- Follow on from previous interventions (to be undertaken principally by DSRL).
- Work with/via the Chamber of Commerce to support the local Dounreay supply chain.

In addition, they should:

- Continue to progress the National Nuclear Archive project.
- Consider the feasibility of achieving spin-outs from Dounreay in the medium term.

The actual amount of activity will depend on the projects brought forward by others. It will also reflect the financial resources available to the two organisations. This may mean further prioritisation. Any decisions to intervene in sectors or activities that are lower priorities in the CNSRP strategy should be firmly evidence based.

The Socio-Economic Plan (2013/16) contains a very large number of activities to be undertaken over a three year period. It is neither realistic nor tractable to produce a means of assessing/measuring the outcomes/impacts of such a large number of interventions. The resources that DSRL would require to implement such a system would be well beyond that available in the Socio-Economics team.

1 INTRODUCTION

This is the final report of an assessment of the impacts of the socio economic activities of Dounreay Site Restoration Limited (DSRL) and the Nuclear Decommissioning Authority (NDA). It was undertaken on behalf of DSRL between July and December 2013.

1.1 OBJECTIVES

The main objectives of the research were to:

- Develop a socio economic impact assessment format.
- Assess the impact of interventions since 2010.
- Review the Dounreay Socio Economic Alliance's contribution to the Caithness and North Sutherland Regeneration Partnership (CNSRP).
- Review the Socio-Economic Plan (2013/16) to develop a means by which the Alliance can assess/measure the outcomes/impacts of the interventions.
- Provide recommendations on how best to target resources in order to improve their economic impact.

1.2 METHOD

The method consisted of, first:

- An initial scoping meeting with the clients.
- Identification by the clients of a sample of 10 interventions to be assessed.
- Development of a method for assessing each intervention, including the output and impact measures to be used.

Second, the assessments and the research required to meet other study objectives were undertaken through:

- Desk based review of documents and other information provided by DSRL.
- Collection of information from organisations involved in delivering projects and programmes on behalf of DSRL and NDA.
- For two interventions, direct surveys of beneficiaries.
- Consultations with DSRL and NDA socio-economic staff.
- Consultations with other stakeholders.

Consultees are listed at **Table 1.1**, over. Of the sixteen consultations, eight were undertaken face-to-face and the other eight by telephone.

TABLE 1.1: CONSULTEES	
Individual	Organisation
Client Group	
June Love	DSRL
Alastair MacDonald	DSRL
Ken Nicol	DSRL
Anna MacConnell	NDA
Those Involved in Specific Interventions	
Eann Sinclair	Caithness and North Sutherland Partnership
Trudy Morris	Caithness Chamber of Commerce
Stuart Black	Highland Council
Roy Kirk	Highlands & Islands Enterprise
Gordon Jenkins	North Highland College
Graham Elliot	North Highland Connections
Sandy Mackie	Scrabster Harbour Trust
Malcolm Bremner	Wick Harbour Authority
Wider Consultees	
David Flear	Dounreay Stakeholder Group
David Sutherland	Highland Council
John Thurso	MP
Alastair Ferrier	Skills Development Scotland

1.3 STRUCTURE OF THE REPORT

- Chapter 2** Provides information on the approach to the assessment of the 10 interventions.
- Chapter 3** Contains the assessments of capital-based interventions.
- Chapter 4** Provides assessments of revenue-based interventions.
- Chapter 5** Presents the assessments of labour-based interventions.
- Chapter 6** Covers a number of wider issues.
- Chapter 7** Contains a summary of findings and conclusions.
- Appendix A** Contains additional findings from one of the surveys of beneficiaries (ETEC).

2 APPROACH TO THE ASSESSMENTS

2.1 MEASURES AND IMPACTS

2.1.1 Measures

The consequences of the interventions have been analysed in three ways. First, *activity*. This is what is provided as a result of the intervention. For example, number of pontoon berths created, and number of training places provided.

Second, *outputs*. These are the effects of the activity. Examples include number of vessels using a new pier facility, and number of leads developed by inward investment activity.

Third, *impacts*. These are the effects in the economy as a result of the outputs. Examples include visitor expenditures by those attending a concert, and employment generated by a business development project. Depending on the nature of the intervention, and the available information, the *measure* of impact can be one or more of: visitor expenditures; employment; and the wages related to that employment.

2.1.2 Gross and Net Additional Impacts

Gross Impacts

Gross impacts are all those associated with an intervention. They do not reflect the proportion that would have occurred anyway without the intervention.

Net Additional Impacts

Gross impacts do not show the actual difference the intervention has made. They are therefore reduced to net additional impacts. This is by isolating the impacts that would not have occurred in the absence of the intervention. That is through reducing gross impacts to account for:

1

Displacement. This is the share of the gross activity, outputs and related impacts which are displaced from one beneficiary to another within the study area. For example, a some of a new visitor attraction's customers may be people who previously went to other attractions in the area.

2

Additionality of support. The net additional impact reflects the extent to which the beneficiary would not have been able to access the support received from another source. For example, a training programme may have led some individuals to receive training who would not otherwise have been able to afford it. The proportion who would still have taken up training in the absence of the intervention is termed "deadweight".

3

Additionality of funding to third party organisations. The net additional impact reflects the extent to which the funding provided could not otherwise have been sourced by the third party.

Additionality of support and of funding can take one or more of the following forms:

- *Absolute*-none of the activity (and outputs and impacts) would have happened in the absence of the intervention.
- *Time*-the activity (and outputs and impacts) happened sooner because of the intervention.
- *Scale*-a greater volume of activity (and possibly outputs and impacts) occurred because of the intervention-e.g. through more training places provided, a larger building constructed.
- *Quality*-the activity was a of higher quality than would otherwise have been the case, potentially increasing the outputs and impacts. For example, a higher specification building.

Multiplier Effects

The immediate net additional economic impacts are *direct*. For example, visitor expenditures at hotels, shops, etc. These also generate wider impacts within the economy:

- *Indirect*. These arise from a company's purchase of goods and services to meet the demand that has been generated. For example, a hotel will need to buy in food and drink to serve to its guests, a shop will purchase stock to sell to its customers.
- *Induced*. These are generated by the expenditure in the wider economy of the wages of those directly and indirectly employed-at shops, restaurants, etc.

Where information allows, it is possible to calculate total net additional impact. That is, the sum of direct, indirect and induced impacts.

2.2 ABILITY TO QUANTIFY ECONOMIC IMPACTS

It was recognised early in the study that the nature of some interventions meant that it would not be possible to quantify economic impacts in every case. This is due to the following factors.

1

Elapsed time. Where an intervention was only recently completed-or where it is yet to be completed-there can be insufficient time for the impacts to emerge. Where available, forecasts produced at the approval stage have been used in the assessment.

2

Attribution. For example, a single post within an organisation is only one of a wide range of factors affecting the economic impacts that the organisation generates. This can mean that it is not possible to attribute a proportion of the organisation's total impacts to that single post.

3

Insufficient information. The scope of this exercise meant that it was not always possible to generate new data through direct primary research with beneficiaries (although this was done for two interventions).

In some cases it was not possible to calculate impacts because the available monitoring data were insufficiently detailed. For example, where attendance numbers were known there was no split between visitors to the area and local residents. Further, there was no information on the extent to which attendees stay longer/spend more money in the area as a result of the intervention.

3. ASSESSMENT: CAPITAL-BASED INTERVENTIONS

3.1 INTRODUCTION

This Chapter contains the assessments of interventions where NDA and/or DSRL support was wholly, or largely, capital funding. They are:

- Engineering, Technology and Energy Centre (ETEC).
- Scrabster Harbour Phase 1.
- Wick Harbour Marina-pontoons, toilets and showers.

3.2 ENGINEERING, TECHNOLOGY AND ENERGY CENTRE (ETEC)

3.2.1 Project Rationale, Forecast Demand and Project Description

Project Rationale

The starting point for the Engineering, Technology and Energy Centre (ETEC) was as a response to the defined strategic need to re-skill employees working within the nuclear industry. This was outlined in the Strategy for the Scottish Spoke (2007) and the wider context of the NDA's establishment of the National Skills Academy for Nuclear.

NHC has traditionally been a major player in delivering apprenticeship training for Dounreay. However, its previous facilities were in need of refurbishment; with the need to replace the current apprentice school at NHC with modern buildings, state of the art equipment and a work based culture that matches employer needs.

NHC has diversified its focus, moving from traditional and rural studies to intensifying its expertise in energy, engineering and technology. The investment at ETEC has supported these efforts and provided a key facility for training apprentices in partnership with industry. NHC has moved from its traditional emphasis on supporting the nuclear sector to leading initiatives helping to grow the renewable energy sector.

Demand

A market sizing report was produced to estimate the potential numbers at ETEC. This report calculated that, excluding the Schools Link programmes, NHC could enrol approximately 82 students on average annually; and of these, approximately 40% could be from industry. The Schools Link Programme was also estimated to bring an additional 90 students to the college.

The scoping report predicted that whilst the full time education programmes and Schools Link would probably continue at current levels, the number of industry sponsored students is dependent on market conditions.

As part of the development work for ETEC, DSRL was required by the NDA to produce a Skills and Workforce Transition document which analysed *“the future skills requirements to deliver the*

- 7 project engineers.
- 5 maintenance workers.
- 3 facility/trade project supervisors.

There was also the potential for engineering apprenticeships in the non-nuclear sectors in Caithness. However, the Skills and Workforce Transition document stated that quantifying this was uncertain. This was because demand would depend on “*companies being successful in securing work in the non nuclear sector [and] there being an industry to replace the jobs following the decommissioning of nuclear industry in the area.*”

The document recognised the need to develop new industries, such as renewables, which will require a skilled workforce especially in engineering trade skills.

The “*predicted engineering training ‘enrolments’*” were in the region of 161 per annum from 2008 until 2016. Of employer-based engineering enrolments, an average of 20 Modern Apprentices per annum was predicted, with 11 on ECITB Courses, 40 full-time students and 90 enrolments per annum via Schools Link.

Project Description

A consultation with employers had been undertaken during the design/construction phase. This aimed to ensure that the new facility meets their needs.

The ETEC workshop has facilities to teach: mechanical, control and instrumentation, electrical, welding and fabrication, and process, training in a realistic work environment.

ETEC opened in 2011. DSRL apprenticeship training staff and support were co-located to ETEC during 2012-2013. This was to support ETEC in providing what was termed a “workmanlike” approach to apprentice engineering.

The Invest Caithness Renewables Directory shows the key features/role of ETEC as:

- Demand-led curriculum supporting industry capacity building in growth sectors.
- Combining proactive research and development with the provision of training and education.
- A national and international profile drawing young people into the area and its industries.
- Evolving business and workforce diversification into growing energy industries.
- Boosting expertise and delivery effectively through strategic partnerships-e.g. programme development with renewables developers.

3.2.2 Project Costs, Funding and Other Support

Set Up Costs and Funding

The new facility cost £8.46 million to build. This comprised:

- £3.38 million ERDF.
- £2.83 million from the Scott

Furthermore an additional £1 million was estimated as required for equipment, prior to the facility's building.

In addition, HIE provided some initial funding for a feasibility study into the development of ETEC.

NDA funding was used for construction costs; and for an initial options scoping exercise to determine the most cost-effective location. Running costs were to be met from NHC budgets.

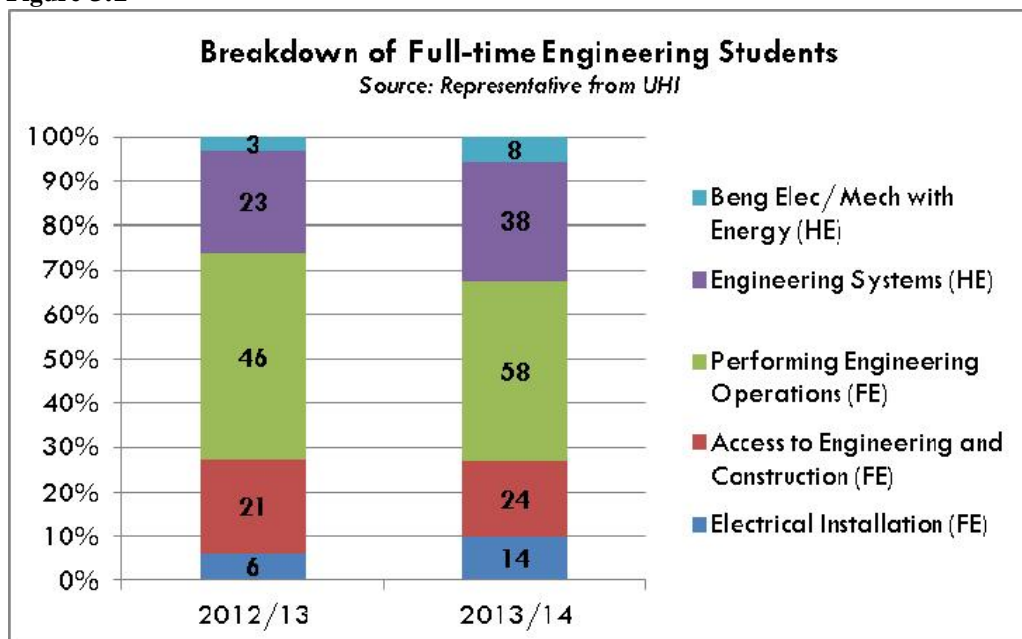
Other Project Development Support

NDA and DSRL staff contributed their time to assist with the development of the project. They helped input to the ETEC design and strategy. They also worked to ensure that it is what employers wanted, including the scope of the building and the equipment it houses.

Other Funding

Unfortunately, information was not available concerning a breakdown of how the college and employer apprentices have been funded, as some employers work directly with SDS and pay a fee for ETEC to train their employees. ETEC also supports some companies in the area through an SDS Modern Apprenticeship contract on an annual basis for approximately 10 candidates per annum.

A further apprenticeship scheme was started by North Highland Colleg

Figure 3.1

In addition, the College has taken on 12 engineering apprentices directly in 2012-2013, and a further six in 2013-2014.

3.2.4 Outcomes

Students

An online survey of student trainees was undertaken. Of the 211 students that were contacted 37 completed the questionnaire. This represents a response rate of 18%.

Some 16 of them have completed their courses, while the other 21 are current students. Thus, it can be cited as fairly representative, and provides a useful insight. Further survey results are shown at the **Appendix**.

The survey evidence, shown at **Figure 3.2**, over, suggests that ETEC has met most students' overall skills needs. More than half (16) of those answering the relevant question agreed that this was the case, with a further five "strongly" agreeing. Only two respondents disagreed.

As shown at **Figure 3.3**, over, students also value the training. When asked how they would rate the training in terms of its relevance, quality and overall satisfaction, no-one rated any of these criteria as "poor" or "very poor". All three were mostly rated as either "good" or "very good".

Overall satisfaction was more likely to be rated just "good". However, the results as a whole are very positive-and particularly so for both relevance and quality of training.

Figure 3.2

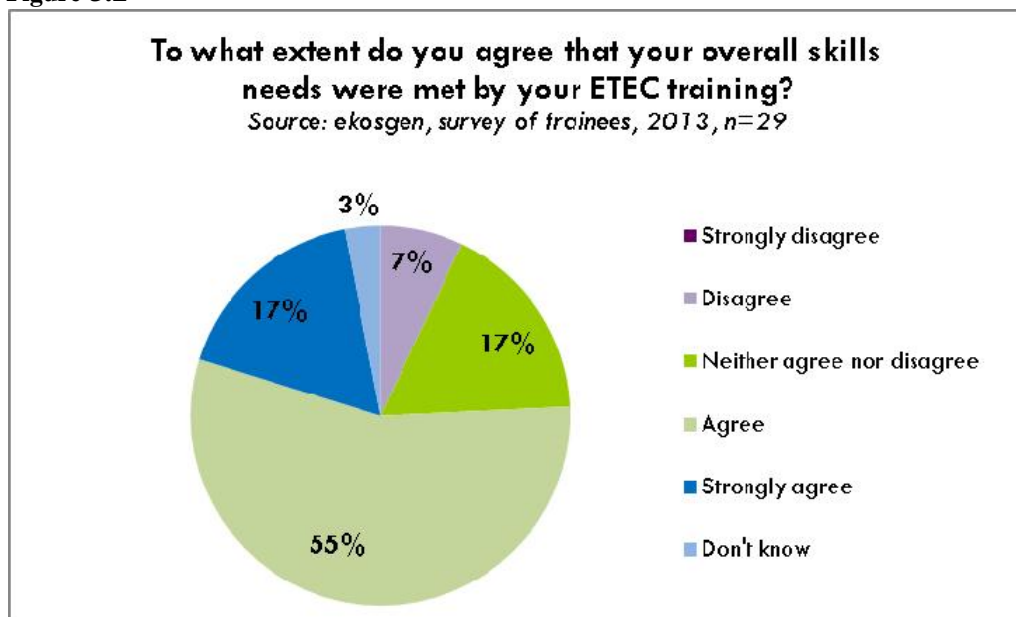
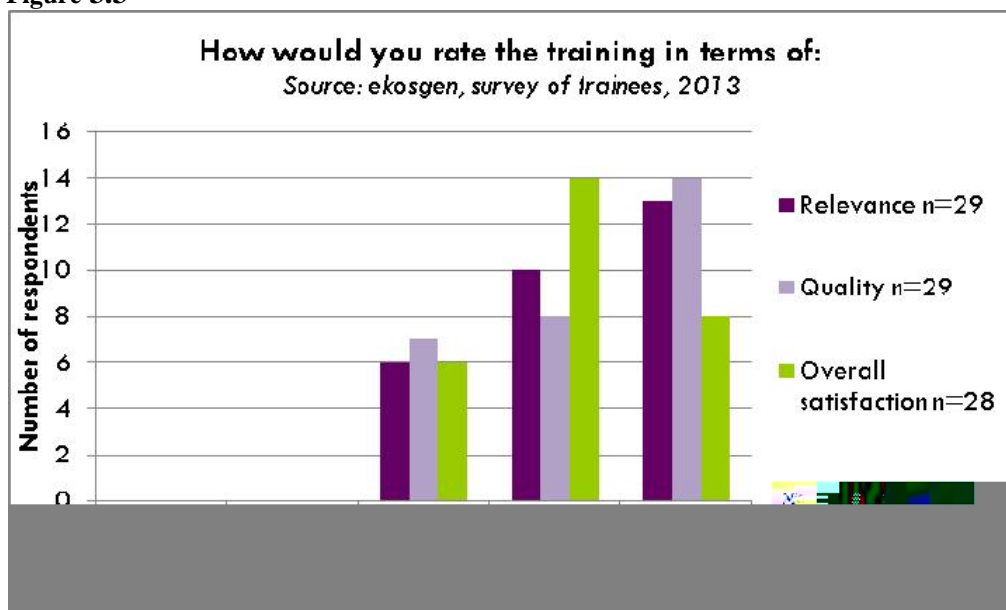


Figure 3.3



Overall, the student pass rates are very good. A representative of UHI noted that Education Scotland reviewers had commented that the “success rates for learners in engineering are among the best in the sector”. In addition, the first intake of new engineering apprentices on the scheme had a 100% success rate.

When the survey asked “what part of the training have you found *most* beneficial?”, far and away the most common response was the practical/hands-on aspect. This was identified by ten respondents. The most common other responses were:

- Training in renewable energy: 4 respondents.
- Workshop training: 3.

- Maintenance of machinery: 3.

The student survey also asked “what part of the training have you found *least* beneficial?”. Seven respondents said “nothing”. The aspects identified by others were:

- “Communications”: 8 respondents.
- “System modelling and control”: 3.
- “Maths”: 2.

Other references were to specific aspects such as “the classrooms”, “project management” and “lack of equipment i.e. “computers”.

When asked “is there anything that could have been done to make the training more beneficial?” the respondents who had completed their course seemed generally satisfied. There were just three calls for improvements:

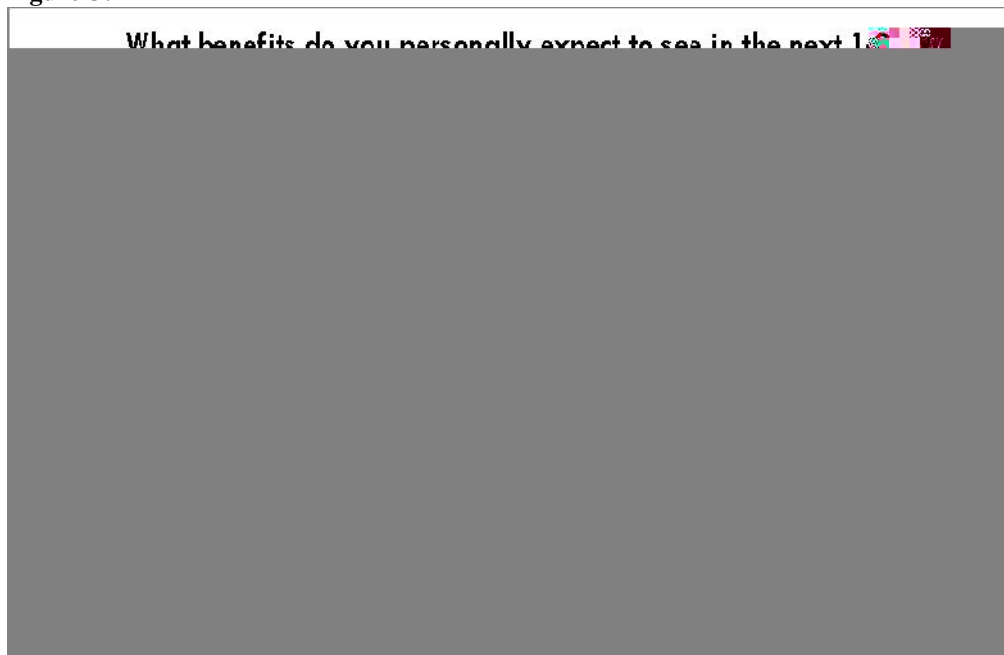
- “*Smaller classes*”.
- “*Smaller classes so the lecturers can easily see everyone*”.
- “*More site visits*”.

Thus, satisfaction among students appears high. In addition, almost all (92%) relevant respondents said they would either “probably” or “definitely” recommend the training to friends or colleagues.

Respondents were asked “what benefits do you personally expect to see in the next 1-3 years from ETEC training?”. Respondents could choose as many answers as were applicable; a total of 97 responses were received to this question.

The results are shown at **Figure 3.4**.

Figure 3.4



Respondents expected to achieve a number of personal benefits over the next 1-3 years, as a result of their ETEC training. Most of the responses referred to improved knowledge or skills as a result.

The main other benefits identified were: increased confidence; sense of achievement; and increased morale. There were fewer references to more tangible outcomes such as promotion or gaining employment.

Employers

An online survey of businesses who had sent employees to training courses at ETEC was also undertaken. Six of the 15 businesses contacted responded to the survey-although only two fully completed the questionnaire.

The two employers who answered questions regarding their satisfaction with the training seemed pleased with its results. They agreed that the overall skills needs of employers were met by the ETEC training. They also rated the relevance, quality and value for money of the training as “good”.

The two employers who answered the question stated that they would ‘probably’ recommend the ETEC training to other businesses, and that the career prospects of their employees were ‘better’ as a result of the training.

Employers indicated that they planned to send employees to ETEC training courses in the future. They referred to ones in mechanical engineering, electrical engineering and control and instrumentation. Two employers highlighted the accessibility of the ETEC training as the main reason for sending employees there in the future.

NHC

As a result of ETEC, NHC has been able to expand its offerings in terms of number of courses and intake of apprentices. It is now able to offer an Honours year in its Engineering Degree due to the new facility, as well as other courses from SCQF levels 4 to 10.

NHC see ETEC as also having improved their relationships with industry. This was exemplified in March 2012 when it announced its involvement in the new Nigg Skills Academy (NSA), along with Global Energy Group and public sector bodies. NSA is based at Nigg Energy Park in Easter Ross. It aims to train approximately 300 Modern Apprentices in engineering trades each year.

NHC plans to expand ETEC. However, it recognises the need to be realistic with initiatives such as international partnerships.

3.2.5 Quantifiable Gross Economic Impacts

Wage Uplift For Trained Apprenticeships

Economic impacts are unlikely to have fully emerged given that the project has been running for just a short time. Given this, gross impacts have been calculated as the wage uplift associated with trained apprenticeships. There will also be a number of those of school age who will go on to take up engineering-related employment locally, as well as elsewhere due to national engineering skills shortages, as a result of the support. However, for school age participants, estimated gross employment is very

difficult to estimate. This is because of the elapsed time involved and the range of other factors influencing their employment outcomes.

Applying standard apprenticeship wage uplift data for Higher Education, it is estimated that the wage increase over each individual's lifetime would be approximately 18%. (This assumes that the apprenticeships offered are Level 3 and that the qualifications previously held by trainees were Level 2).

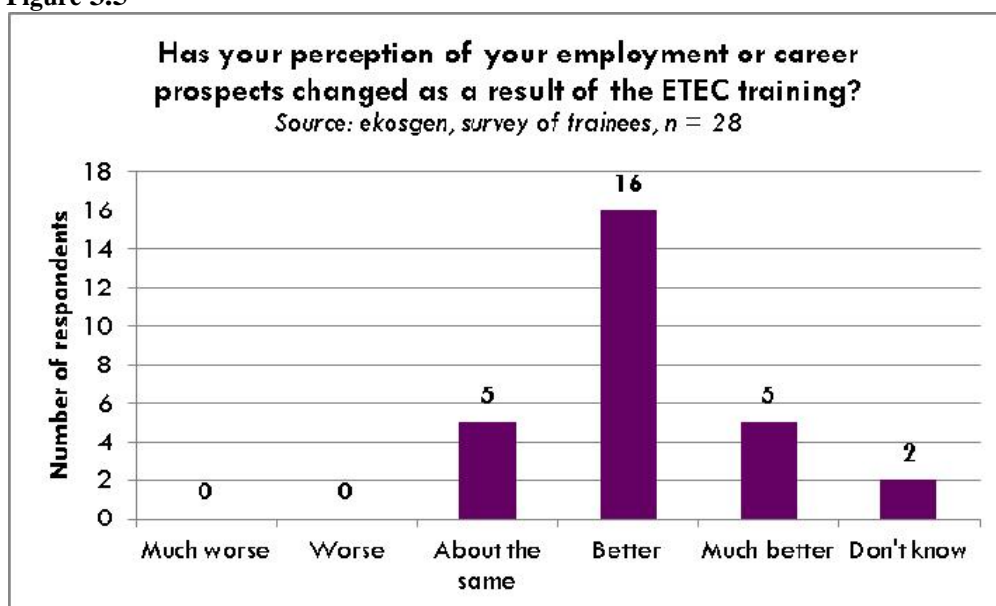
Assuming the average annual salary of a mechanical engineer/electrical engineer is £37,500 (source: *Total Jobs*) it is estimated that this could equate to a total increase of £6,750. Applying this to the 241 apprentices (see 3.2.3) generates gross impacts of £1,626,750.

It should be recognised that this is an upper estimate. This is because it is not known whether the apprenticeships offered are level three, as not all the current apprentices will progress to an average salary of £37,500.

One of the key benefits of ETEC is that the facility is in place and impacts will continue to accrue as more students make use of the Centre.

The expectation of positive effects of the training on career/employment prospects is illustrated at **Figure 3.5**.

Figure 3.5



Respondents' perceptions of their employment or career prospects had generally improved as a result of the training. Over half (57%) of those responding felt their prospects were now "better", with a further five (19%) stating they were now "much better". However, 19% also answered that they did not see any positive change in their prospects.

Business Impacts

In addition, there will be benefits to employers from the up-skilled employees and their effects on business performance. In the limited responses to the survey employers indicated that they expected the training to have a positive impact on their employees over the next 1-3 years, achieving the following benefits: increased confidence; a sense of achievement; a pay rise on completion of support; improved knowledge or skills; and promotion or other career advancement.

They also thought that their business would experience increased productivity and more efficient processes as a result of the training of their staff.

However, none of the businesses surveyed believed that their turnover or staff numbers would change significantly over the next three years due to the ETEC training.

Staff Posts

There are also additional staff posts created/safeguarded as a result of ETEC. At the time of writing, there are 16.3 FTE posts.

3.2.6 Additionality of Support

NDA Funding

The creation of ETEC would not have been possible without NDA support. This was very much needed, as a representative of North Highland College cited that the previous facilities included a 'collection of huts' scattered around the campus, which was very outdated and needed upgrading.

Thus, the funding enabled them to bring all the facilities together in one building. Although the support could have been provided to apprenticeships in a different manner, the creation of a purpose-built Centre has made the latest engineering equipment available to a wide range of businesses.

NHC noted that the ETEC building was of an excellent standard and many local businesses have come to use the equipment and facilities.

They stated that if ETEC had not been developed, someone else may have developed a workshop. However, this is unlikely to have been of the same scale. Thus, the funding has brought additional impacts.

DSRL Staff Inputs

The staff inputs from DSRL would otherwise have had to be paid for by the College. As NHC did not have the resources to do so, so they made a request to Dounreay for support, leading to the recruitment of a post in DSRL with part funding from HIE. This post was filled in 2007. The post and its inputs would not otherwise have occurred without DSRL support.

3.2.7 Net Additional Impacts

It is not possible to estimate the quantified net additional impacts. This is because the exact nature of the training-if any-that the individuals would otherwise have received is not known.

3.2.8 Stakeholder Views

Stakeholders view ETEC as a high quality facility. For them, the issue is about maximising its use and benefits as it becomes fully established. Comments included the need to:

- Consider how ETEC's sustainability can be ensured given what are seen as its significant running costs.
- Ensure that its use is maximised through industry awareness and buy-in.
- Promote a workplace, rather than academic, environment.

3.2.9 Summary

- The facility has trained 241 full-time students in the last two years, plus other enrolments. This represents a significant increase in pre-ETEC student numbers.
- The training provided is well regarded by students. Most believe that it has met their skills needs. It is highly rated in terms of relevance, quality and overall satisfaction, and most students would recommend it to others.
- Students see main benefits from their training as improved knowledge and skills. They appear less confident that it will result in tangible outcomes in the next 1-3 years (e.g. promotion or career development). However, most students think that their career prospects are better/much better as a result of their training at ETEC.
- There will be business benefits to companies whose staff are trained. The employer survey-albeit with a low absolute number of responses-shows benefits to company productivity and processes.
- NHC believe it has benefitted as an organisation through: being able to improve its offer (e.g. Honours year); stronger relationships with industry; and an increased number of staff posts and apprenticeships.
- The potential gross impact of the training was estimated in terms of a possible wage uplift across the 241 full-time students to date. This could be of the order of around £1.6 million, assuming a per capita uplift of around £6,750 per student. These benefits will grow in line with the increasing cumulative number of students that pass through ETEC.
- The NDA funding is likely to be wholly additional. That is, it is likely that the new facility at the College would not have been created in the absence of NDA's support. DSRL's inputs resulted in a higher quality and more relevant facility being provided.
- Stakeholders recognise the quality of the ETEC facility. However, they see a need to ensure its sustainability and, in particular, its effective promotion to companies. NDA and DSRL, along with their partners, may wish to consider what assistance NHC may require to maximise industry awareness and use of the facility.

3.2.10 Conclusion

The project will benefit students over time by uplifting their wage levels. The number of beneficiaries will increase over time through the annual intake of students. There are also benefits to companies' productivity and processes. Again, these will increase over time as the cumulative number of students increases.

3.3 SCRABSTER HARBOUR PHASE 1

3.3.1 Project Description and Rationale

This project was a major investment in development of the facilities at Scrabster Harbour. Its key elements were:

- Additional 320m of sheltered deepwater berthing.
- Additional 11,500m² of quayside and supporting lay-down area.
- Heavy lift pad of 1,000 tonnes capacity.
- Dredging to provide a deep water approach channel.
- Refurbishment and refrigeration of the fish market facility.
- Provision of high speed water and fuel deliveries.
- Installation of pontoons in the Inner Harbour area.

This investment was the first part of a wider development plan for the harbour. Its other parts are:

- Phase 2-creation of a new harbour within the existing deepwater basin.
- Acquisition and creation of industrial land close to the harbour.

Both of them are currently the subject of feasibility assessment.

The rationale for the project was twofold. First, to provide more and enhanced facilities to attract renewables and oil and gas related activity. Second, to better meet the needs of existing customers.

In particular, what was currently being provided at Scrabster was not seen as suitable by renewables developers. They are looking to trial, deploy and eventually operate and maintain energy devices in the Pentland Firth and Orkney Waters (PFOW).

It was recognised that the immaturity of the technology means that the timeline for these developments was, and to an extent remains, uncertain. However, forecasts of number of devices indicated there was insufficient capacity in the area's ports to meet this potential demand. Failure to provide that capacity could mean that the PFOW area would fail to meet its potential for renewable energy generation; and/or that the employment related to its development would be lost to areas of Scotland outside Caithness.

The Harbour Trust expect most of their income from renewables will come from the establishment of an operations and maintenance (o+m) base at the harbour once a sufficient number of devices are deployed. One of the attractions for developers in locating a base at Scrabster is the engineering and other skills available in the local supply chain. This in turn increases the economic impacts of the base itself.

The Trust have assumed that the devices themselves will be manufactured elsewhere, although they could be assembled at Scrabster before being placed in the sea.

The inclusion of harbour facilities that could also be used by oil and gas related vessels was seen as doubly beneficial. This

The rationale for the NDA investment was the scale of the project's forecast long term economic impacts. That is, around 350 Full Time Equivalent (FTE) jobs-including direct, indirect and induced, and temporary construction jobs. Within this it was expected that some of the skills requirements for the renewables activity would, over time, be met by staff who leave Dounreay during the draw down of the facility.

3.3.2 Project Costs and Funding

Overall project cost was approximately £20 million. Information provided by Scrabster Harbour indicates the following third party contributions:

- HIE: £5 million.
- Scottish Government (via HIE): £2.7 million.
- NDA: £2 million.
- EFF: £0.75 million.
- ERDF: £2.5 million.

The balance of the funding was from the Harbour Trust itself.

NDA's £2 million funding was used for the cost of dredging that was required as part of the project. In addition, they had provided some initial funding (£50,000) to help the Harbour Trust with the costs of some of the preliminary preparatory work for the project. Similarly, HIE provided some earlier funding to help the Trust develop their business plan. This included an independent assessment of the Harbour's economic impact-both to date and, potentially, if the full development plan was undertaken.

3.3.3 Outputs

The new facilities have only been in use since June 2013. At late August 2013 there had been some use of the new quayside and lay down areas. This was, first, by a renewables developer to bring a device ashore, making use of the new lifting pad. Second, there had been a number of calls by larger vessels (e.g. those involved in supplying the oil and gas sector). Thus, the Trust are already generating income from the new facilities.

The Trust expected that the renewables activity could not have been accommodated without the project. This was due to the requirement for a quay with sufficient load bearing. Further, the Trust understands that the device would have been unlikely to have been brought ashore in Orkney. This is due to a lack of capacity in the islands' ports at that time. Thus, without the new facility the activity and related income would have accrued to businesses outside the PFOW area.

The Trust would have continued to receive oil and gas vessel calls without the new facilities. However, those calls would have continued to be predominantly "hot shot" visits. The new infrastructure and services encourage increased vessel activity, cargo volumes and project campaigns creating greater demand and opportunity for the supply chain.

Looking forward it can be expected that other benefits will arise in terms of:

- Better operational efficiency for vessels due to deeper harbour access.
- Improved facilities for fishing boats that land their catches at Scrabster.
- A wider range of fuels for users of the Harbour.
- Potential to increase cargo traffic through the Harbour.

- Providing a wider revenue base for the Trust to complement main existing sources (e.g. NorthLink ferries, fisheries).

In addition, the Trust have signed an agreement with a company (Norsea) about a potential future oil and gas supply base. This is expected to require some elements of the later phases of the overall development plan.

However, Phase 1 will still be influential given its role in the overall development plan. It will also have given confidence to potential investors like Norsesea that proposed future investments are likely to take place.

Discussions with the Trust indicated that it is presently unclear what the scale of employment impacts of a future supply base might be.

3.3.4 Gross Economic Impacts

The employment figures used by NDA to support the case for funding are from the independent economic impact assessment referred to earlier. Completed in January 2009, this was “Scrabster Harbour Trust Economic Impact Assessment”. It was undertaken for the Trust by *Reference Economic Consultants*.

This research found, first, that the Harbour *at that time* generated a total (direct, indirect and induced) 339 FTE (Full Time Equivalent) jobs in the Caithness economy. The employment impacts of the Development Plan would be in addition to these 339 FTEs.

Second, it provided an indicative estimate of the employment impacts in Caithness from the proposed *Development Plan* (that is, Phases 1, 2 and the creation of new business land) including construction impacts. Thus, the impacts of the Phase 1 investment would form only *a proportion* of the c350 FTE job figure (which includes direct, indirect and induced impacts).

This in part reflects that later stages of the development plan are required to fully exploit the investment in Phase 1. For example, the creation of back up land will be required as a location for some of the staff and activities related to the renewables o+m base.

3.3.5 Additionality of NDA Funding

As shown earlier NDA funding was a relatively small proportion (10%) of the project costs. However, consultees generally indicated that it played an important role as the first firm investment in what was undoubtedly a large and complex project. It was generally seen as providing momentum and also giving others confidence to invest in the project.

Given the multi-agency nature of the funding it is difficult to be clear on what would have happened in the absence of NDA’s contribution. The Trust felt that there were two possible alternative scenarios.

First, the same project going ahead but later in time. This could have had significant consequences given the facilities needed to be ready at the point in time when renewables developers, in particular, require them. Further, it is not entirely clear from where the Trust would otherwise have sourced the £2 million funding.

Or, second, the project may have been discontinued. This would be because the Trust may have believed that it was unlikely to happen given the logjam in obtaining public support.

3.3.6 Net Additional Economic Impacts

Additionality of NDA Support

Based on the available information, it is reasonable to conclude that NDA funding made the project happen sooner and/or to a larger extent than would otherwise have been the case.

Displacement

Displacement is not a material concern. This reflects the forecast scale of growth in the market for deploying devices in PFOW. If achieved, this is likely to mean opportunities for a number of ports apart from Scrabster.

In addition, these ports can be expected to be outside Caithness itself. The role of Wick is likely to be complementary to, rather than competitive with, Scrabster. This reflects its relative size and its potential to capitalise on a different part of the renewables market (i.e. offshore wind, where significant growth is also forecast) for which it has also received public funding. As a project partner NDA played a positive role by encouraging Scrabster, Wick and other parties to research potential displacement implications.

Any displacement from increased oil and gas related work can be expected to be minimal within Caithness. Increased trade won by Scrabster can be expected to be at the expense of ports elsewhere in the Highlands & Islands (e.g. Invergordon) or, in particular, within Aberdeenshire. That, of course, assumes that they would have the capacity (physical and/or labour wise) to meet the levels of demand from the oil and gas sector.

Attribution of Economic Impacts to Phase 1 of the Development Plan

As explained earlier only a proportion of the forecast economic impacts of the overall Scrabster Harbour Development Plan can be attributed to Phase 1 alone.

Conclusion

Given the uncertainties outlined above it is not possible to produce a quantified estimate of the proportion of the forecast c350 gross FTE which are net additional-i.e. the proportion that would not otherwise occur in the absence of NDA support.

It is concluded, however, that NDA's contribution was clearly influential in moving the Phase 1 project forward. Thus, it will also have helped contribute to the likelihood of the later phases proceeding. This is because Phase 1 is necessary-although not in itself sufficient-for achieving the development plan as a whole.

It could also be argued that the impact of NDA's contribution is also reduced by the fact that its funding was less than half of the total public sector contribute.

In that context, it would not be reasonable to attribute most of the Phase 1 impacts (however calculated) solely to NDA's funding. This is because other public sector contributions were essential to the Phase 1 project going ahead.

3.3.7 Stakeholder Views

Consultees were generally very supportive of the investment that has taken place at Scrabster. Some saw NDA's ability to provide large financial contributions to major projects as one of their key strengths as a partner. This is particularly the case where it is helping Caithness to exploit areas of potential advantage such as renewables, even where the market for them is still an emerging one.

3.3.8 Summary

- Over time the project will support the development of a key sector for the area (renewables).
- The project will also help to exploit the resurgence of activity in the oil and gas sector, including west of Shetland.
- The new facilities will also benefit a range of existing harbour users.
- Phase 1 is an essential building block of a major development plan for Scrabster Harbour which is forecast to create around 350 FTE jobs in Caithness. However, not all of these jobs can be attributed to Phase 1 alone. Further, not all of the Phase 1 activity can be attributed to NDA funding.
- At least, NDA funding brought Phase 1 forward in time. This was important in ensuring that the new facilities met the development timelines of renewables and oil and gas activity. NDA's funding gave confidence to other public bodies to invest in what was a large and complex project.
- NDA strengthened the overall case for the project by encouraging Caithness ports to jointly research displacement implications.
- The project is highly regarded by consultees.

3.3.9 Conclusion

The project has the potential to generate significant economic impacts over time. These are to an extent dependent on the scale and timing of marine renewables developments in the Pentland Firth area. Realising these and other types of impacts will require further investment in facilities at the harbour and in the immediate surrounding area.

3.4 WICK HARBOUR MARINA-PONTOONS, TOILETS AND SHOWERS

3.4.1 Project Description and Rationale

Pontoons

In 2007, Wick Harbour had put in 12 pontoons to test demand for them. Having proven demand the Harbour saw a total of 72 berths open to users in July 2009. Until then vessels using the harbour had to tie alongside the quay. The pontoons are available to both local and visiting vessels.

The project aimed to attract more income to the Harbour-from a mix of commercial, local recreational and visitor boats-and thus increase and diversify its business base.

Toilets and Showers

It had been intended that the opening of 72 berths would be accompanied by new **toilets and showers** for use of crew members of vessels using the harbour. However, constraints on the ability to finance them meant that these facilities were delayed. They were subsequently built, and then opened very recently (in mid 2013).

Despite this delay the Harbour Authority see them as a key element in being able to promote the pontoons. As such, they expect the new toilets and showers to increase the number of visiting yachts calling at Wick.

3.4.2 Costs and Funding

Pontoons

According to The Harbour Authority the total cost of the marina pontoons was around £630,000. Around half of the funding came from NDA, with other funding secured via a loan from the Crown Estate. The latter will be paid off over a number of years.

Toilets and Showers

The total project cost of the toilets and showers (plus accompanying drying facilities) was around £104,000. Of this a total of £29,000 was provided by DSRL.

The main funder of the project was the EU Leader Programme. It contributed more than £53,000 to the development. In addition, Highland Council put in £7,529.

3.4.3 Outputs

Visitor Yachts

Table 3.1, over, shows the profile of visitor yachts between 2006 and 2012. The year 2009 is shaded because that is when the marina opened.

In 2012 there were around 200 visitor yachts. On average, each spent around 2 days in harbour and had 2.6 crew members.

The yachts arrived between April and October. However, there were very largely (80%) concentrated in June, July and August. July was the peak month (65 calls).

TABLE 3.1: PROFILE OF VISITOR YACHTS: 2006-2012							
Measure	2006	2007	2008	2009	2010	2011	2012
Number of Visitor Yachts	124	175	161	244	290	221	202
Total Yacht Days in Port	166	215	227	378	462	404	401
Total Number of Crew	346	454	470	625	777	649	526
Average Days in Port	1.33	1.22	1.40	1.55	1.59	1.83	1.99

The number of yachts increased between 2006 and 2010. This reflects the introduction of 12 pontoons in 2007 and the full project in 2009.

However, numbers declined quite sharply in 2011 and 2012. It is not clear why this happened-but could be a knock-on effect of the challenging economic climate. The reduced number were offset, to an extent, by the continuing increase in the average length of stay in harbour.

The average number of days in port grew consistently between 2007 and 2012. That suggests an underlying trend rather than weather-related factors. The Harbour Authority attributed the further growth since 2009 to the attractiveness of the new pontoons.

The latest available information on nationality of yacht visitors is for 2011. This is survey-based and is not collected every year.

In 2011 more than half (59%) were from the UK. Most of the rest came from either Netherlands, Norway or Germany. As well as the Harbour Authority's own effort, the pontoons are promoted through *Sail North Scotland*. That is a marketing collaboration between Inverness, Caledonian Canal, Wick, Orkney and Shetland.

Full data were not available for 2013 at the time this research was undertaken. However, there had been 234 visitor yachts by early August 2013. Thus, total 2013 numbers will be above those in each of the two previous years. However, it appears that average length of stay and crew numbers per yacht may have been lower than in 2012.

The new toilets and showers have only opened relatively recently. Therefore, the level and nature of their use is still emerging.

Other Vessels

The pontoons have been very well used by resident berthholders. This meant that a waiting list had to be started in 2012.

Apart from visitor yachts a range of other visiting craft have used the pontoons. These include boats calling in for crew changes and those undertaking offshore windfarm surveys. In addition, the quaysides elsewhere in the harbour continue to be used for a range of activities-for example, creel/fishing boats, sub-aqua club and marine surveys.

Wider Effects

There are a number of other outputs beyond those described above. First, the marina has offered the Harbour Authority an additional source of income and increased their financial viability.

This has helped contribute to the overall diversification of their activity. This has been required given the decline in fishing vessel activity at the harbour.

The successful delivery of the pontoon project is seen as having given the Harbour Authority a track record. In turn, they believe that this has helped them to attract funding for other developments-e.g. the recent investment in facilities for renewables developers.

The pontoons project is, however, part of a wider effort since 2005 by the Harbour Authority's Board to restructure their operations and generate new sources of income. The project is a visible sign of the progress that has been made. However, it is only one part of a much broader effort by the Harbour Authority.

The pontoons are used by visiting craft attending the various Harbourfests which have been held. The pontoons allow spectators the event to have a much closer look at the vessels in the harbour.

The Harbourfests-which are over the three days of Friday, Saturday and Sunday-are well attended. The most recent one in 2012 is estimated to have attracted between 7,500-8,000 visitors. This compares to 5,000-6,000 at the previous Harbourfest (2009).

The general increase in activity generated by the pontoons is also seen as having created more of a "buzz". This is not only at the harbour itself but also in the surrounding area.

At the time of the consultation with the Harbour Authority were developing a project to install a further 12 pontoons. In addition, they are looking to increase the length of some existing ones to cater for larger yachts in particular. These developments can be taken as further evidence of the success of the pontoons project.

3.4.4 Quantifiable Gross Economic Impacts: Visitor Yachts

Pontoons Only

Based on data from *Scottish Enterprise Sailing Tourism In Scotland* (February 2010) it was assumed an average spend of around £28 per

By way of example, if the impacts are based on the 2010 number (290) and profile of visitor yachts that then the total expenditure impacts would be £42,849.

Potential Impact of Pontoons Plus Toilets and Showers

Based on discussions with Wick Harbour it is assumed that the amount of visiting yacht custom at the marina could increase by 15% due to the availability of the new toilets and showers. Based on the 2012 impact shown earlier, the total impact of the pontoons plus the new toilets and showers would be **£41,562** (that is, 15% above the impact of £36,141 for the pontoons alone).

3.4.5 Additionality of Financial Support

Pontoons

The Harbour Authority saw the NDA funding as crucial. A range of other public sources had been approached. However, they were either reluctant to fund the project or set criteria that were unacceptable to the Authority.

The Harbour Authority believe that in the absence of the NDA contribution only a much reduced facility would have been affordable (c30 berths). However, this would have been of a size that would not, in reality, have been worthwhile. The Harbour Authority were also of the view that if the project have been delayed there would have been a general reluctance to have funded it following the financial crisis.

Overall, it is concluded that without NDA funding the project is unlikely to have gone ahead.

Toilets and Showers

The DSRL contribution of £29,000 met a funding gap that had been identified by the Harbour Authority. A range of other bodies had already been approached by them.

However, the Authority appear to have been unwilling to have delayed the project given that there were not particularly confident that other funding sources would meet the funding gap. They believe that in the absence of the DSRL funding they would have proceeded with a project. However, the facilities would have been smaller and of lower quality than those that were actually provided.

3.4.6 Quantifiable Net Additional Economic Impacts: Visitor Yachts

As shown at **Table 3.1** visitor yachts came to Wick before the new pontoons were opened in 2009. Thus, not all of the gross impacts can be attributed to the project.

The position is complicated by the decline in numbers in 2010 and 2011. That suggests that wider factors were in play (including the challenging economic conditions) rather than simply the effects of the project at Wick.

Based on the available data it is estimated that in the absence of the project the number of visitor nights through the harbour on 2012 would have been 526. That is, some 20% lower than those recorded in 2008. This allows for some decline that is assumed to have happened due to wider economic conditions.

The calculation of net additional impacts is shown at **Table 3.2**.

TABLE 3.2: NET ADDITIONAL TOTAL EXPENDITURE IMPACTS: 2012 (£)		
Gross		36,141
Less		
Deadweight	18,220	
Displacement	896	19,116
Net Additional Impact-Pontoons Only		17,025
Net Additional Impact-Pontoons and Toilets and Showers		18,302

It shows a total net additional impact of **£17,025** for the pontoons only. This reflects, first, the deduction of £18,220 for the spend by visitor yachts that would have occurred anyway in the absence of the pontoons at Wick (“deadweight”).

Second, an assumed very low (5%) displacement of visiting yachts from other harbours in Caithness. This reflects the limited number of facilities available elsewhere in the County, and the additional activity that will have been generated by the Harbour Authority’s marketing efforts (as noted earlier). It also reflects the tenor of discussions with various stakeholders.

Once the effects of the toilets and showers are included the net additional impact increases to **£18,302**. The uplift from these facilities is assumed to be 7.5% of the pontoons-only impacts.

This is lower than the 15% shown under the gross impacts earlier. This is because, as discussed earlier, in the absence of the DSRL funding the Harbour are assumed to have built a smaller and lower quality facility.

There is no such reduction for the pontoons themselves. This is because, as discussed earlier, they are unlikely to have been built in the absence of NDA funding.

However, it could be argued that the net additional impacts of the NDA and DSRL funding is lower than those shown at **Table 3.2**. This is because some of these impacts are attributable to the funding provided by other public bodies (such as Crown Estate and Leader). While the NDA funding in particular was vital to the project, its achievement and the related economic impacts were, to an extent, reliant on funding provided by other bodies.

3.4.7 Stakeholder Views

Consultees were very positive about the pontoon and toilet/showers projects. They were seen as having: helped attract additional visitor spend to Wick; generated more of a “buzz” in and around the harbour; and formed part of the ongoing revitalisation of the harbour itself.

3.4.8 Summary

- The pontoons project will have increased the number of visitor yachts at Wick. It has benefited resident berthholders and other types of visiting craft.
- The increased activity has created a “buzz”-not only at the harbour but also in the surrounding area in Wick.
- The project has generated a new source of income for the Harbour Authority. It also gave them a track record in successfully delivering projects, thus helping them to attract funding for other projects. The project has contributed to a perceived turn-round in the harbour’s fortunes since 2005. However, it is only one part of a wider development effort by the Harbour Authority.
- Based on 2012 activity it is estimated that visiting yachts generated a total of £36,141 gross visitor spend with Caithness businesses.
- It is estimated that the effect of the new showers and toilets will be a 15% increase in gross impacts compared to that of the pontoons alone.
- Displacement of visiting yachts from elsewhere in Caithness is expected to have been minimal.
- Without NDA funding it is unlikely that the pontoons would have been built.
- In the absence of DSRL funding it is likely that smaller and lower quality toilets and showers would have been provided.
- Total net additional visitor yacht spend generated by the pontoons is estimated at £17,025. With the opening of the new toilets and showers this could rise to £18,302.
- The two projects are highly regarded by consultees.

3.4.9 Conclusion

The project has generated additional income for the harbour and local businesses. There is scope to increase these impacts given the size of the marina development, and building on the recent investment in toilets and showers.

4 ASSESSMENT: REVENUE-BASED INTERVENTIONS

4.1 INTRODUCTION

This Chapter contains the assessments of interventions where NDA and/or DSRL support was wholly, or largely, revenue funding. They are:

- Caithness Horizons.
- CNSRP Programme Manager.
- Invest Caithness.
- Make The Right Connections.
- North Highland Connections.

4.2 CAITHNESS HORIZONS OPERATIONAL FUNDING

4.2.1 Project Description and Rationale

Caithness Horizons opened to the public in December 2008 following the refurbishment of the Thurso Town Hall and adjacent Carnegie Library. It houses a permanent exhibition which tells the story of Caithness. It is also home to a temporary exhibition gallery, which hosts an annual programme of changing exhibitions. The facility also includes a gift shop and café.

Since opening, the Museum has been awarded a 5 Star Visitor Attraction rating by VisitScotland and has also achieved Full Museum Accreditation.

In part, Caithness Horizons was created in order to:

- Provide public information about the history of the Dounreay nuclear site. The site's own exhibition centre had been demolished as part of the decommissioning programme, thus the need for a facility at Caithness Horizons.
- Redevelop and ensure the continued operation of Thurso Town Hall and the local museum.

4.2.2 Project Costs and Funding

DSRL have committed to provide Caithness Horizons with annual funding of £90,000 until November 2018. This funding has been provided since 2008, when Caithness Horizons opened. They have said that they will be unable to provide further funding after that date. They will, however, assist Caithness Horizons to develop a sustainable long term business model. The DSRL contribution is around 18% of its current total annual socio-economic budget.

Table 4.1, over, shows the financial outturn at the Centre in the three most recently completed financial years. Total annual income for the facility varied between around £353,000 and £386,000. DSRL funding was around one quarter of Caithness Horizons' total income in each year.

The Highland Council is the major funder by matching the £90,000 from DSRL and providing funding through their support to independent museums.

TABLE 4.1: INCOME AND EXPENDITURE (£,000)			
Category	2010-2011	2011-2012	2012-2013
Income	352.88	388.34	385.88
<i>Of which DSRL</i>	<i>90.00</i>	<i>90.00</i>	<i>90.00</i>
Expenditure	382.50	375.00	373.30
Operating (Loss)/ Surplus	(29.60)	13.30	12.60
Total (Loss)/ Surplus	(99.40)	(43.10)	(29.60)

Source: Caithness Horizons

Some £61,000 of this was through waiving of a notional rent for the site. In the same year Museum Galleries Scotland contributed around £20,000. Otherwise, the individual contributions of other public and private bodies are relatively small. In the two most recent years, Caithness Horizons has made a small operating surplus (of slightly over £10,000. However, once amortisation and depreciation are included there is a total loss in each of the three years. This has decreased over the period. However, a total loss of around £30,000 was still incurred in 2012-2013.

4.2.3 Activities and Outputs

Range of Activities and Outputs

Table 4.2 gives a summary analysis of activities and outputs in 2010-2011 and 2011-2012.

TABLE 4.2: ACTIVITIES AND OUTPUTS		
Activities	Outputs	
	2010-2011	2011-2012
Museum visits-total number of which...	68,873	73,664
School visits-number	30	38
School visit attendees	900	688
Other education provider visits	Not specified	4
Other education provider visit attendees	-	46
Community visits-number	8	8
Community visit attendees	186	165
Temporary exhibitions-number	13	13
No. of visitors to temporary exhibitions	40,782	40,903
Organised events-number	70	56
Organised event attendees	4,072	5,345
Off-site festivals-number	-	1
Off-site festival attendees	-	9,500
Private hires-number	234	176
Private hire attendees	3,869	3,864
VisitScotland Quality Assurance Scheme	5 star rating	5 star rating
Museums Libraries Association	Full accreditation	Full accreditation

Source: Caithness Horizons

Each year total visitor numbers were more than 68,000. However, it must be noted that the numbers recorded are all those entering the building. So they will include members of the public using the toilet or café, or visitors to the Chamber of Commerce when their offices were located at the site temporarily. Unfortunately Caithness Horizons does not currently have a mechanism for recording individual visits to each of the centre's attractions, although they hope to have a more robust counting system in the future.

The facility hosted a number of school and other educational provider visits, although those involved are only a small proportion of total visitor numbers. This was also the case for those attending as part of a community visits.

The numbers attending the temporary exhibitions were, at over 40,000 per year, significant. The facility also hosted a number of private hire events, attracting over 3,500 attendees each year.

In 2011-2012 Caithness Horizons organised an off-site festival. This generated a total of 9,500 attendees.

In addition, Caithness Horizons produce a range of leaflets: the main one being for the venue itself. Additional brochures include ones for specific items (e.g. fossils, castles) plus those for their temporary exhibitions.

The costs of leaflets are met through general funding streams. The exception is those for temporary exhibitions, the costs of which are sometimes built into specific funding applications. However, a breakdown of the costs of these leaflets was not available.

It is understood that Caithness Horizons is one of just two 5 star attractions in the area, and thus acts to boost the local tourism industry. In addition, the centre brings benefits to the local community through, for example, local clubs being able to use the facilities for meetings.

In addition to the data shown at **Table 4.2** Caithness Horizons reported partnership working with 64 organisations in 2010-2011. This increased to 95 organisations in 2011-2012. These partnerships include working with:

- Local schools and other education providers.
- Museum partners in a technical partnership to promote and develop exhibitions, preserve collections and provide advice.

Caithness Horizons view strengthened partnerships as a key benefit to them and their partners. They have extended beyond a pure service delivery role, and reflect a deeper level of working. Caithness Horizons also identified a number of benefits to their own organisation, including:

- Diversified revenue sources.
- Increased capacity and reach.
- Increased technical expertise.
- Enhanced credibility with visitors and others.
- Opportunities for skills transfer between partners, including for Caithness Horizon staff.

Visitor Numbers

Table 4.3 shows annual visitor numbers at Caithness Horizons in the three most recent financial years.

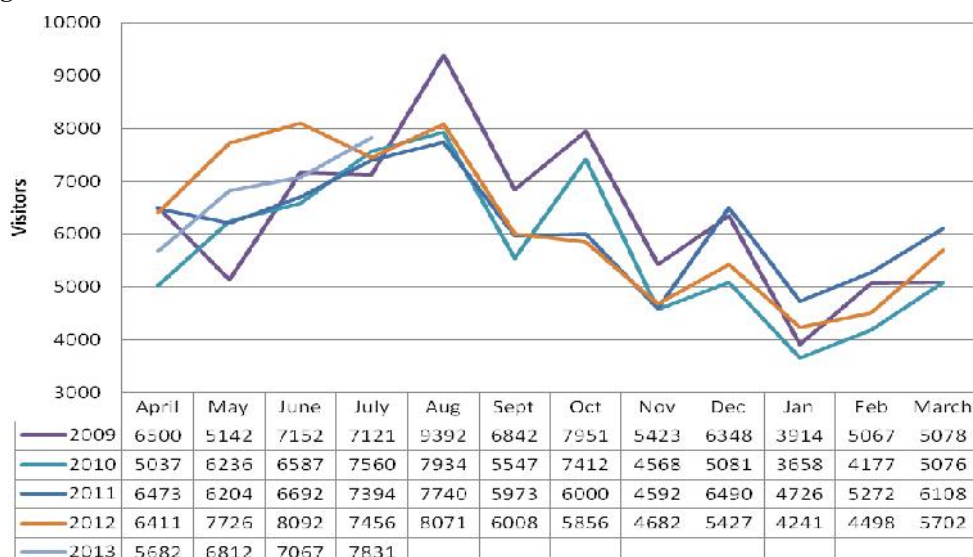
TABLE 4.3: ANNUAL VISITOR NUMBERS: 2010-2012	
Year	Total Visitor Numbers
2010-2011	68,873
2011-2012	73,664
2012-2013	74,170

Source: Caithness Horizons

The numbers were greatest-over 74,000-in the most recent year. That is very slightly above those in the previous 12 months. Again, it must be noted that this is the total number of individuals entering the building, for a variety of purposes.

The most recent year saw over 5,000 more visitors than two years before-an increase of 8%. The year 2010-2011 appears to reflect a particular low point given that visitor numbers in the year before that (2009-2010) were around 76,000.

Figure 4.1 Caithness Horizons Visitor Numbers



Source: Caithness Horizons

As demonstrated by **Figure 4.1**, the monthly data show that visitor numbers are not particularly seasonal. The six months between April-September account for 55%-60% of the annual total. This implies that the main users of the facility are local residents rather than tourists.

There are no survey data to produce a defensible estimate of the split between local residents and those from outside the area. The most recent survey undertaken was in 2012. This was with 100 visitors to the facility and not all of them gave their place of residence.

Further, the survey was undertaken between July and September. Therefore, it will not provide a realistic picture of the profile of visitors across the whole year.

The *possible* number of out of area visitors was estimated on a simple basis. This was by, first, assuming that the attendances in the five months between November and March comprise only local residents. They were factored by 12/5 to give an estimate of local residents' usage for the whole year. Finally, that figure was deducted from the total number of annual visitors. The result was an estimate of the number of out of area residents who visited Caithness Horizons.

These are simple assumptions. Principally, that no one from outside the local area visits Caithness Horizons between November and March. However, this could be offset by local residents visiting the facility more often in the summer months-due to better weather, more likely to be on holiday from work and school, etc.

The calculations produced the following estimates:

- 2010-2011: 14,729 annual out of area visitors.
- 2011-2012: 8,413.
- 2012-2013: 15,250.

These visitors' share of total annual attendances are between 11% and 20% in the three years covered.

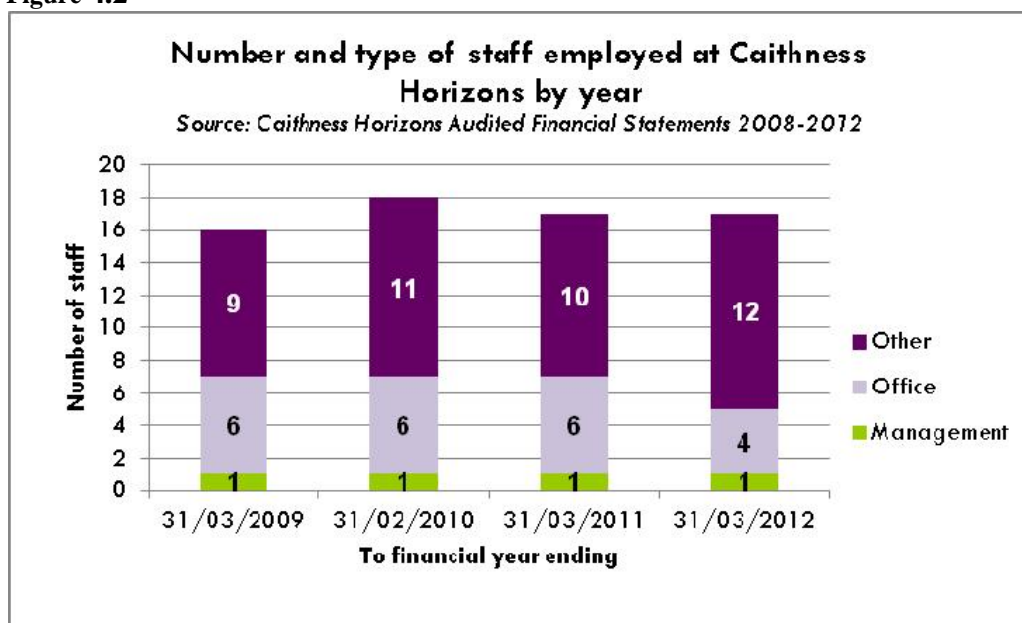
However, these are simple desk based estimates. They could only be confirmed through a more extensive survey of visitors than has been undertaken to date.

4.2.4 Gross Economic Impacts

Direct Employment and Related Income

As well as attracting visitors who are from outside the area, another impact of Caithness Horizons is through its direct employment of staff.

Figure 4.2



4.2.8 Summary

- Caithness Horizons is a well regarded asset for the area. Its work has included with an off-site festival, schools, community groups and private hires.
- The facility is apparently well used, with over 70,000 visits per annum-though the available data suggest this is largely by local residents. It should also be appreciated that there is no breakdown of visitor numbers for each of the individual facilities in the building.
- Despite its visitor numbers, Caithness Horizons annual losses are being incurred once amortisation and depreciation are accounted for. This is even after receipt of third party funding-particularly from DSRL and Highland Council.
- Measurable economic impact is through the direct employment of 17 Caithness Horizons staff (9 FTE posts). These could be reduced by at least 25% in the absence of DSRL funding.
- It is not possible to discern Caithness Horizons' impact on tourism activity. Their number of out of area visitors is not known. Nor is the facility's effect on their time and spend in the local area. This would require direct research with users of the facility, as part of a greater understanding of what would attract more tourists to Caithness Horizons and also increase their spend in Caithness. That this has not been undertaken to date suggests a lack of focus by funders on the economic-as opposed to other types of-impacts of Caithness Horizons.
- Such research could form part of the wider effort to make Caithness Horizons financially sustainable. That would best be effected by a joint agency approach, rather than individual organisations assisting Caithness Horizons on a one to one basis.

4.2.9 Conclusion

The main discernible impact of DSRL funding is the maintenance of a small number of direct posts in Caithness Horizons itself, plus a greater range of activities at the facility. The centre's contribution to the area's tourism activity cannot be discerned from available information.

4.3 **CNSRP PROGRAMME MANAGER**

4.3.1 Project Description and Rationale

The Programme Manager post was created as a result of the 2006 CNSRP strategy document. The post had not previously existed. Based on the job description for the post its purpose is to “maintain and enhance consensus amongst the various agencies to ensure effective delivery of the programme of activity based on the delivery of the Caithness & North Sutherland Action Plan”.

4.3.2 Costs ,Funding and Other Support

The post is currently funded for a three year period April 2010-March 2014. The total financial costs over the three years is £180,000. These are funded equally (i.e. £90,000) by HIE and DSRL. The two funders jointly set the objectives for the post on an annual basis.

Highland Council also contribute. This is by line managing the post and provision of administrative support and office accommodation.

Consultees felt that the division of responsibilities across the three organisations was an appropriate

TABLE 4.4: CNSRP PROGRAMME MANAGER: JOB OBJECTIVES: 2012-2013	
Objective	Reported Performance
A. Action Plan/Programme	
Personal Information: Redacted	
B. CNSRP Groups	
Personal Information: Redacted	
C. Communications	
Personal Information: Redacted	
D. Building Consensus	
Personal Information: Redacted	

CNSRP Job Creation/Retention Targets

There was a general recognition among consultees that it was unrealistic to specifically attribute partner's actions and outcomes to the work of the Manager. However, the tasks shown at **Table 4.4** indicate that the post should contribute to individual partners helping to deliver the Partnership strategy.

One way in which the Partnership's achievements are measured is through the jobs targets linked to the Partnership's Delivery Plan for 2011-2014. The aim is to support between 200-410 jobs in the area's economy over this three year period. Performance against targets-as at May 2013- is set out at **Table 4.5**.

TABLE 4.5: CNSRP DELIVERY PLAN 2011-2014: KEY TARGETS FOR CREATED/RETAINED FULL TIME JOBS		
Sector	2011-2014 Target	Achieved At May 2013
Energy	100-185	105.5
Business Services	40-90	37
Tourism	25-55	24.5
Food & Drink	5-20	18
Other	30-60	99
Total	200-410	284

With around 12 months of the Delivery Plan remaining an employment impact of 284 full-time jobs had been achieved. That is, broadly around the midpoint of the three year target. This is, of course, not all attributable to the Programme Manager's post. However, the available evidence indicates that the post is, at least, contributing to achieving the jobs targets that have been set.

2013-2014 Post Objectives

Table 4.6 shows the Manager post's objectives for 2013-2014.

TABLE 4.6: CNSRP PROGRAMME MANAGER: JOB OBJECTIVES: 2013-2014	
A. Delivery Plan/ Programme	
Personal Information: Redacted	
B. CNSRP Groups	
Personal Information: Redacted	
C. Communications	
Personal Information: Redacted	
D. Building Consensus	
Personal Information: Redacted	

Most are the same as, or similar to those, for 2012-2013, as shown at **Table 4.4**. However, there are some important differences. This is in terms of emphasis on progressing specific high priority projects and also looking to the role of the Partnership beyond March 2014.

The importance and contribution of the post is evident in consultees' desire for it to continue beyond March 2014. A further three year period will take the post to 2017 which was seen as a key year in terms of its forecast number of redundancies at the Dounreay site. Thus, the post is viewed as a key part of the partners' efforts up until then to mitigate the job losses. This will include work on high priority projects and the Partnership's strategy referred to at **Table 4.6**.

4.3.4 Additionality of Funding

The DSRL funding appears non-additional. That is, the Manager's post would still have existed without its contribution-most likely though it being 100% funded by HIE.

However, DSRL funding has:

- Allowed it to influence the post's objectives and performance criteria.
- Helped to avoid a perception that any one organisation is the "lead" one in CNSRP.

For some, DSRL funding is also seen as helping to ensure that the Partnership's activities are well communicated to those employed at the Dounreay site. This was seen as particularly important in giving current employees confidence that there will be employment opportunities available when significant job losses occur in future years.

4.3.5 Summary

- The Programme Manager post has an important role within the Partnership. In turn the Partnership is tasked with addressing the economic issues the area faces in the light of the draw down at Dounreay.
- Given the post's importance it is highly desirable that a range of organisations have influence over its objectives and monitoring its performance.
- Key tasks of the post are to monitor and assist individual partners' performance and to ensure communication within the Partnership and with the wider community. These tasks appear to have largely been achieved. Consultees attributed this, in part, to the abilities of the current postholder.
- The post's nature means that specific economic impacts cannot be directly attributed to it. However, it is evidently contributing to achievement of the Partnership's jobs creation/retention targets.
- The success and importance of the post is evident in a general desire to see it continue beyond March 2014. It will be particularly important in ensuring that priority projects are taken forward and that future Partnership strategy reflects the changing context in which it will operate.
- DSRL funding appears non-additional. However, it has: given them influence over the post's objectives and performance criteria; helped avoid a perception that any one organisation is the "lead" in CNSRP; helped to ensure that the Partnership's activities are well communicated to those who work at the Dounreay site.

4.3.6 Conclusion

The post is key to the achievement of CNSRP objectives. It has been successful in contributing to achievement of the Partnership's jobs creation/retention targets. It will continue to be important to the Partnership's future activities.

The post would still have existed without DSRL funding. However, their funding of it has benefitted both DSRL and the workings of CNSRP as a partnership.

4.4 INVEST CAITHNESS

4.4.1 Project Description and Rationale

Project Description

Invest Caithness is a marketing and promotional project designed to encourage local businesses and individuals to invest where they live and work as well as attracting potential inward investors and visitors. It comprises a website and brand, marketing activities and a database.

Consultations indicated that the Chamber was seen as best placed to lead the project. This is due to its local scope in comparison to the wider geographical remit of other organisations such as HIE.

The project is based around a web portal. This has a brand to give coherence and visibility. The Chamber of Commerce see the website as a one-stop shop for information on the Caithness area for those seeking to move to or invest in the area. It is also to support companies that are looking to recruit staff.

The Chamber compiled a “Project outputs/outcomes report” in 2013. This states that the website aims to *“promote the area, encouraging local businesses and individuals to invest where they live and work as well as attracting potential inward investors and visitors.”*. This is by offering *“comprehensive information and effective support”* to interested parties.

On the website business advice and information is provided *“on who to speak to about: relocating/investing, start-up, growth, finance, business developments, international trade, skills development, key sector information, details on how to get here, connectivity, property available, lifestyle with details of hospitals and education, information for visitors, and current news.”*

The Chamber report also refers to area-wide marketing activities. These include *“attendance at trade events showcasing the area under one consistent clear message...; CNSRP activities such as adverts, marketing literature; a suite of marketing directories promoting the local supply chain; [and] two cruise directories.”* The marketing campaign also includes printed materials/brochures to support key sectors and promote inward investment.

The database allows Chamber staff to extract information for enquiries. The Chamber report states it includes information on:

- Major companies located in the area which can be grouped by sector.
- Training providers.
- Consultants across a wide range of activities.
- The skills of over 400 people within Caithness.

Rationale

The project seeks to encourage investment in, and attract visitors to, Caithness and North Sutherland in the light of economic restructuring and the decommissioning of Dounreay.

The Chamber noted that Invest Caithness had helped companies struggling to recruit the necessary trained staff. This was through the website providing information for people who could be interested in relocating to the area.

Consultees saw a need for promotion and awareness of Caithness. This was to ensure it is not forgotten about through, for example, attracting the attention of politicians. Most saw Invest Caithness as part of a necessary marketing strategy for the area.

The project also helps to support other NDA/DSRL funded projects. For example, promoting the Caithness Horizons visitor attraction.

4.4.2 Project Costs and Funding

The project had a total cost of £81,900 from 2010 until 2012. Information provided by the Chamber shows funding of £43,400 from HIE and £38,500 from NDA. The costs were for consultancy; marketing materials; database; staff; website; hardware and software licences; office costs; and advertising.

Partner funding has now ceased. However Caithness Chamber continues to maintain the website and database, at an estimated cost of around £10,000 per annum.

4.4.3 Activity

The website set up consisted of a number of activities. These included:

- Website design and build.
- The development of content, including the preparation of directories.
- Set up and population of the database.
- Marketing and communications to increase awareness of the website.

Since being set up, website usage has been monitored as part of a wider review. The website is updated on a regular basis.

Area-wide marketing activities have included:

- Attendance at five trade events: All Energy, Offshore Europe, Scottish Renewables Conference, Visit Scotland Expo and Best of Britain & Ireland.
- Four key sector directories-oil & gas, nuclear, renewables and tourism.
- Two cruise directories (Scrabster, Wick). These were used, for example, at the Miami cruise convention.

Consultees see the directories as good quality. They are also seen as helpful in encouraging use of the supply chain, as well as generally promoting the area.

The database is updated daily and is continually being improved and worked on. According to the Chamber report this allows “*Chamber staff...to respond to enquiries*” and “*extract information from the database quickly and effectively.*”

4.4.4 Outputs

Website

The Chamber report notes how difficult it can be to track “*non-transactional outcomes...as it is difficult to know what people have done with the information they have gleaned from the website.*” Nevertheless, it used Google Analytics to ascertain the number of unique visitors in given periods, where they are based and the pages they viewed.

Using this information, the Chamber report found that:

1

“Over 50 people have subscribed through the Invest Caithness website to receive regular e-newsletter updates from Invest Caithness-contacts range from a handful of local contacts, to travel industry contacts, press and industry suppliers. They receive information on a variety of topics ranging from what’s on in the area, investment and developments in the area, things to do and places to visit.”

2

In the six months to February 2013, the website recorded some 5,166 visits. Of these the vast majority (4,813) were unique visits. Unique visitors viewed a total of 7,124 pages.

Some 90% of these visitors were from the UK. The other top four locations were United States, Switzerland, Australia and France.

3

Unsurprisingly the top page viewed was the home page. This was followed by the NDA/DSRL-supported “Make the Right Connections” project, Property, Contact Us, Business, Key sectors, Commercial property, Visit, About Us, and a news story.

Marketing Materials

Again, monitoring and measuring outcomes for marketing literature is problematic. As the Chamber report notes it is “*reliant on the businesses incorporated in the marketing literature to record and feedback on outcomes as a result of the marketing literature being distributed.*” Nevertheless, outcomes are recorded on the “*distribution of directories and exhibitions attended*” where possible. This information highlights:

1

“As a result of the production and development of the capabilities matrices in the directories, the Nuclear Services directory has been adopted by the Downreay contracts team and is distributed to those contractors working/bidding for work on the site thus giving them an awareness of the local supply chain”.

2

Peaks in website traffic related to marketing material being distributed-i.e. the period around exhibitions have showed a peak before and after.

3

“Evidence from businesses that people who have received directories have contacted/used services of the companies listed.” Examples include *Accommodation Scotland* and *Natural Retreats*-an accommodation provider with facilities at John O’ Groats.

Database

According to the Chamber report outcomes from the database have included:

- Extraction of company employee numbers for community benefit fund research.
- Extraction of local businesses and their capabilities for companies seeking business in a wide range of sectors, e.g. SSE, Miller Construction.
- Speedy collation of information for a *Coach Monthly* article.
- Responding to enquiries for people for training providers in and outwith the county.
- Extraction of the number of jobs created through the North Highland Regeneration Fund.

Other Outcomes

Invest Caithness also supported *“quite a successful”* *Recruit Caithness* drive. This included a visit to a part of South Wales area affected by the closure of major employers, resulting in four people moving to Caithness.

The Chamber put people in touch with the Invest Caithness website, thereby increasing visits. This appeared to be more effective than a jobs day event that was also held. Thus, the Chamber view the website as having been a useful tool for providing information to people who may be interested in relocating.

However, they also see a need for increased awareness of the website. Although efforts have been made to increase visits, this is costly and needs a sustained effort. There is a perception that although HIE has provided funding for the project, it does not promote it or use it, reducing awareness of it.

Current Developments

CNSRP is currently working to decide how better use can be made of Invest Caithness and how it can be marketed to a wider audience across Scotland. The Partnership is considering a marketing budget for various activities/partners under the Invest Caithness banner, for example including exhibitions and literature. Although the Chamber currently does some of this itself (e.g. website updating) they see a need for a greater level of investment/support.

One consultee commented that it would be worth expanding the Invest Caithness project. This would be in order to increase promotion of the area-boosting the confidence of local people and increasing awareness of Caithness amongst decision-makers.

4.4.5 Gross Impacts

The impacts of the website have included increased awareness of Caithness and attracting additional visitors and workers to the area. However, precise data are not available to quantify these impacts.

4.4.6 Additionality of Support

Without the NDA and DSRL funding, the website would likely not have been created. In this case, all activities, including the ongoing database used by the Chamber to track company capability, would not have occurred.

4.4.7 Net Additional Impacts

Net additional impacts are also difficult to quantify given the lack of detail on gross impacts. Some of the impacts may be net additional-e.g. the four people moving to Caithness following the Recruit Caithness activity may not have done so without the website. However, the difference made by Invest Caithness would only fully known through detailed direct research with those who have made use of the initiative's resources.

4.4.8 Summary

- The initiative has formed part of a number of organisations' inward investment efforts.
- Activity has been through a website portal, attendance at industry events under the Invest Caithness banner, production of online and printed sectoral directories, plus a database that the Chamber has developed and used to respond to enquiries.
- Website usage has been tracked. It has included visitors from across and outside the UK. They include over 50 individuals who receive regular e-newsletter updates from Invest Caithness.
- There is evidence of marketing materials having increased website traffic and generating business for local companies.
- The website-in conjunction with an area visit-appears to have encouraged a number of individuals to relocate to Caithness from south Wales.
- No further information on outputs and related economic impacts can be discerned without detailed direct research with those who have used Invest Caithness' resources.
- CNSRP members are currently considering how better use can be made of Invest Caithness, as a resource and a brand. Within this, there is a need to ensure that it and other inward investment efforts (e.g. by HIE) are consistent with one another and that all partners fully buy into the Invest Caithness concept.

4.4.9 Conclusion

There are no clear and attributable economic impacts from the funding of Invest Caithness. However, the marketing materials in particular appear to have been worthwhile. The brand and website also offer a platform for producing a co-ordinated approach to inward investment activity including that of HIE.

4.5 MAKE THE RIGHT CONNECTIONS

4.5.1 Programme Description and Rationale

A three-year programme Make the Right Connections (MtRC) was developed in 2010. It started in January 2011. It was originally meant to run until December 2013. However, it has since been extended to December 2014.

The development of the programme was informed by visits to a nuclear site in Anglesey. Its 'Shaping our Future' programme had aimed to achieve strategic alignment of the workforce to the direction of the local economy.

The programme is managed by Caithness Chamber of Commerce. It was originally envisaged that it would be targeted at those who work at the Dounreay site and whose posts had been expected to disappear in the short to medium term.

However, the profiling of Dounreay's labour requirements changed. Therefore, jobs thought to be at quite immediate risk were in fact only likely to be lost in the medium to long term.

Despite this the decision was made to continue the programme. This was through re-orienting it more closely towards the supply chain and those in the wider economy including those who find their careers substantially threatened by the decommissioning of Dounreay.

The aim of the programme is to, first, redefine the skills of the local area and try to match them to the requirements of emerging sectors. Second, it is to attempt to address the skills gap in the area and train participants for the future. The preliminary work for the programme highlighted up to 14 areas of skills shortage/gap.

MtRC provides advice and guidance, support and retraining for individuals. This is to assist their transition into new and emerging opportunities in the following sectors:

- Renewable Energy.
- Oil & Gas.
- Business Support Services.
- Power Transmission.
- IT Services.
- Tourism.
- Food & Drink.

The programme was designed to capitalise on the unique skill mixes of the Dounreay workforce in order to retain their skills in the area. It also endeavours to assist and encourage the development of new enterprises and business start-ups within the area.

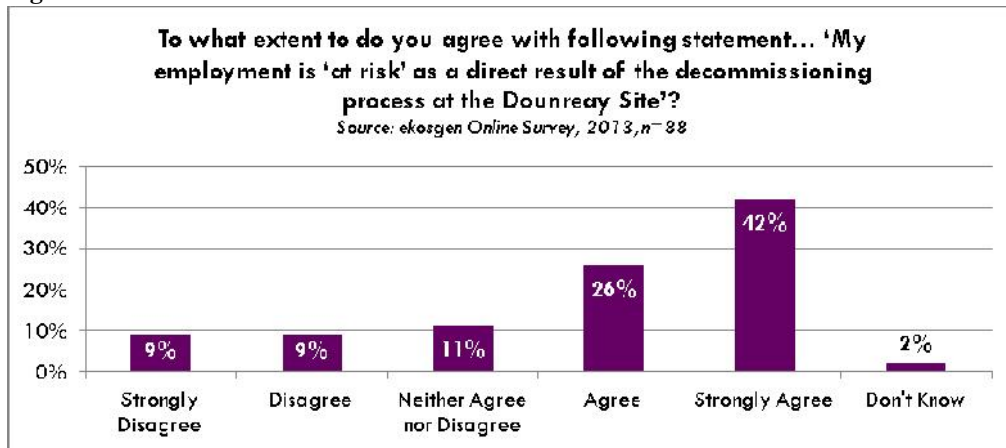
Generally, participants were able to choose the type of training they received. One consultee felt that this made the programme very flexible and exemplary as a skills transition programme.

However, the online survey indicated that DSRL staff were not able to access all courses that were provided and this was an issue for some of them.

According to DSRL this was because various short courses, such as offshore survival, were not deemed to be ‘up-skilling’ employees who are already highly-skilled.

Further, with a decade remaining until the closure of Dounreay, these courses were not necessarily appropriate for DSRL staff. This is because they may encourage employees to leave for other employment earlier than would otherwise be the case. However, courses are likely to be made universally accessible nearer to the decommissioning of Dounreay.

Figure 4.3



As shown at **Figure 4.3**, data gathered through an online survey of MtRC beneficiaries (see **4.5.3**) indicated that over two in three (68%) either agreed or strongly agreed that their employment was at risk due to the decommissioning process. A further 11% of respondents indicated that they neither agreed nor disagreed with this.

Of those who agreed their employment was at risk, over half (54%) indicated that this was in the medium-term.

Figure 4.4

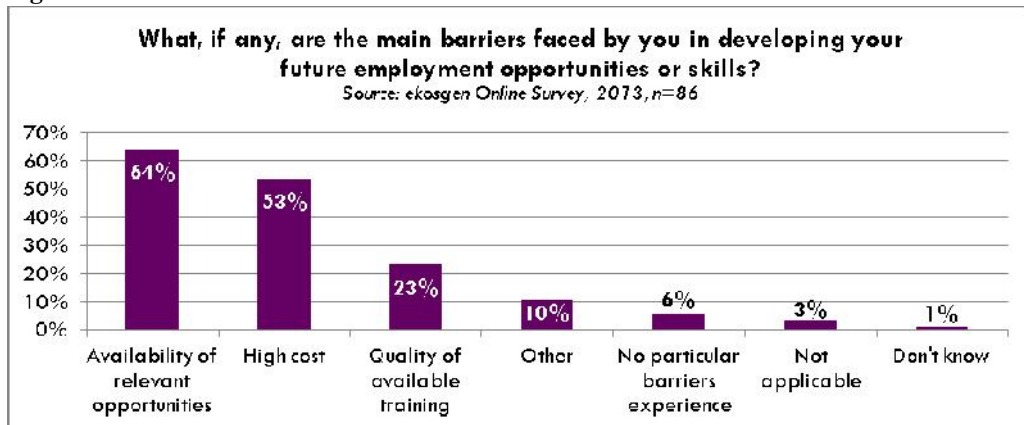


Figure 4.4 shows that almost two in three (64%) beneficiaries stated that a lack of availability of relevant opportunities was a barrier to developing their future employment prospects. Further, more than half (53%) indicated the high cost of training was the other main barriers. This provides further support for the programme rationale-i.e. making funded training opportunities available to at-risk staff in order to overcome obstacles to future employability.

4.5.2 Programme Costs and Funding

Costs

The ESF application shows a total programme cost of £2.3 million. Of this, it was estimated that most (£1.5 million) would be for education and training, with the remaining £800,000 set aside for advice and guidance.

On this basis, the amount of funding available for education and training, and assuming 400 beneficiaries, implies a budget of £3,750 per head. In fact, in terms of the education and training dimension of MtRC, on-site training has been typically far lower than the expected cost, especially for Open University courses.

There has been the odd exception. For example, diving courses at an average of £13,000 per head. However, very small numbers participated in these. The low cost of on-site training has resulted in an underspend and, as a consequence, the one-year extension to the programme.

It is more expensive for industry-style training. However, not so much of this type of has been delivered to date. Industry-style training is more tailored to the supply chain, and more beneficial to it. However, one barrier to take up for employers and employees has been making the time available for this training, some of which is delivered further afield (e.g. England).

Funding

The original funding for the programme was around £2.3m. This was broken down as follows:

- ESF: £1.1 million.
- NDA: £808,000.
- DSRL: £300,000.
- Skills Development Scotland (SDS): £40,000. This was used for some of the original research underpinning the development of the programme.

4.5.3 Online Survey of Beneficiaries: Respondent Profile

An online survey of 468 beneficiaries (for which contact details were available) was undertaken. Some 103 responses were received. This represents a response rate of 22% which is good for a survey of this nature.

Of those surveyed, slightly more (55% in total) were male than female.

Figure 4.5

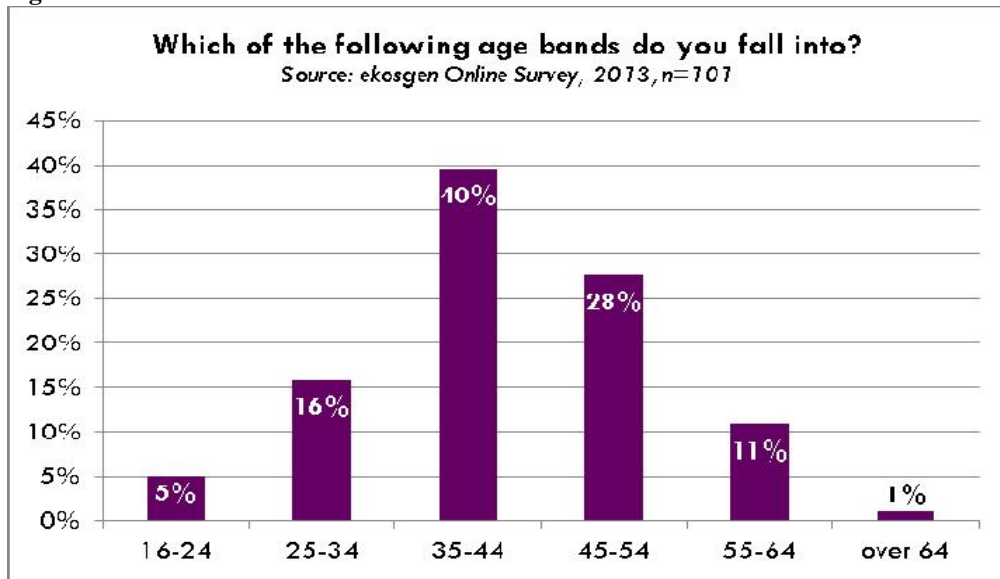


Figure 4.5 shows the ages of beneficiaries. As might be expected the main age groups were either 35-44 or 45-54 years old. Together, they accounted for more than two thirds of respondents.

Nearly all of those surveyed describe themselves as ‘White Scottish’ (92%), with most of the rest (6% of all respondents) describing themselves as ‘White British’.

Figure 4.6

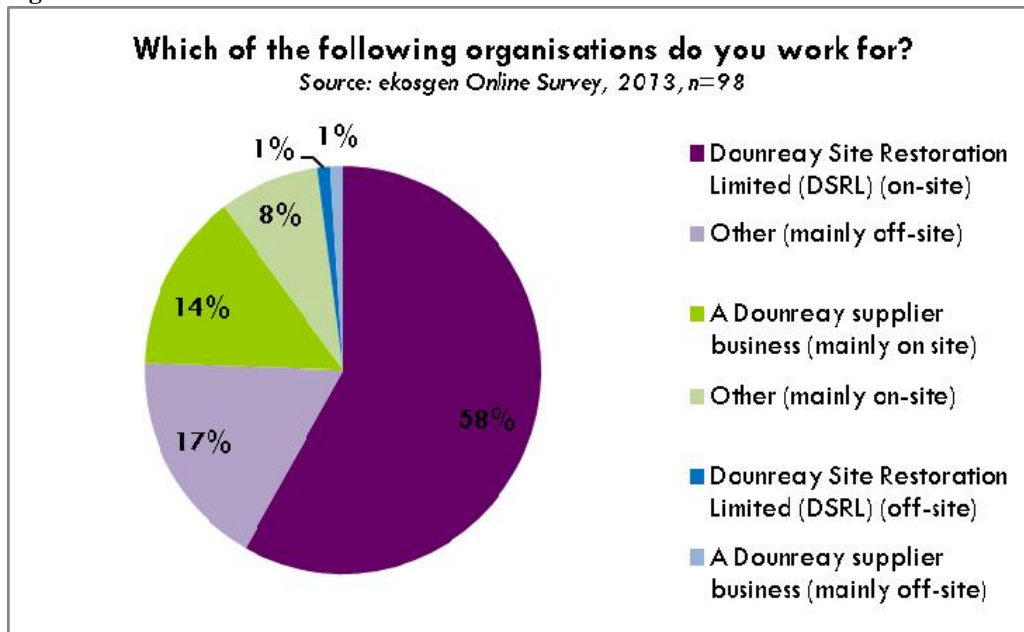


Figure 4.6 shows that the vast majority (80% of the whole sample) work wholly or mainly on-site. Despite the DSRL staff being unable to access some funding, more than half (58%) of beneficiaries work for the organisation.

Most (59%) of the respondents work for DSRL. Some 15% are with part of the supply chain, with the rest working for other organisations.

Figure 4.7

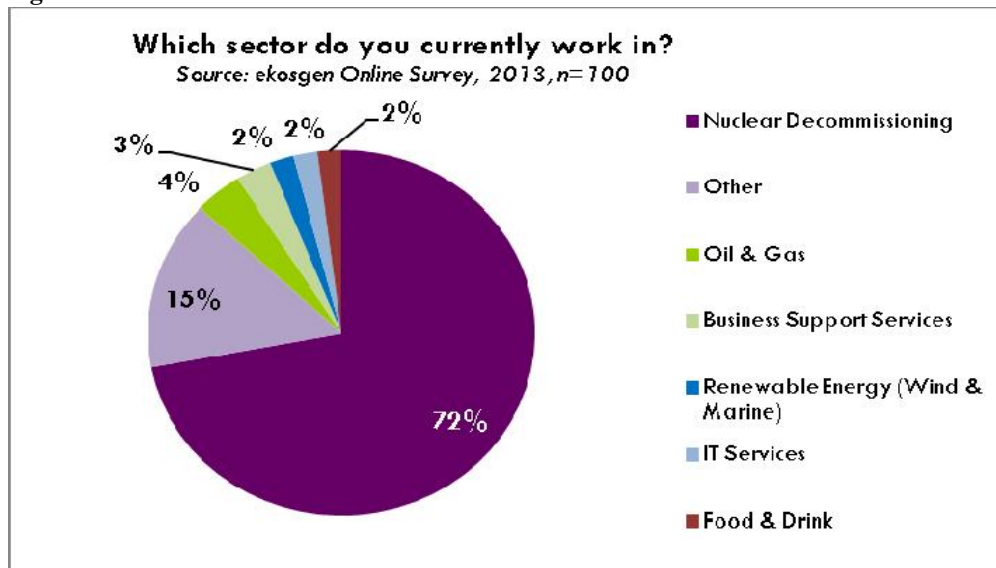
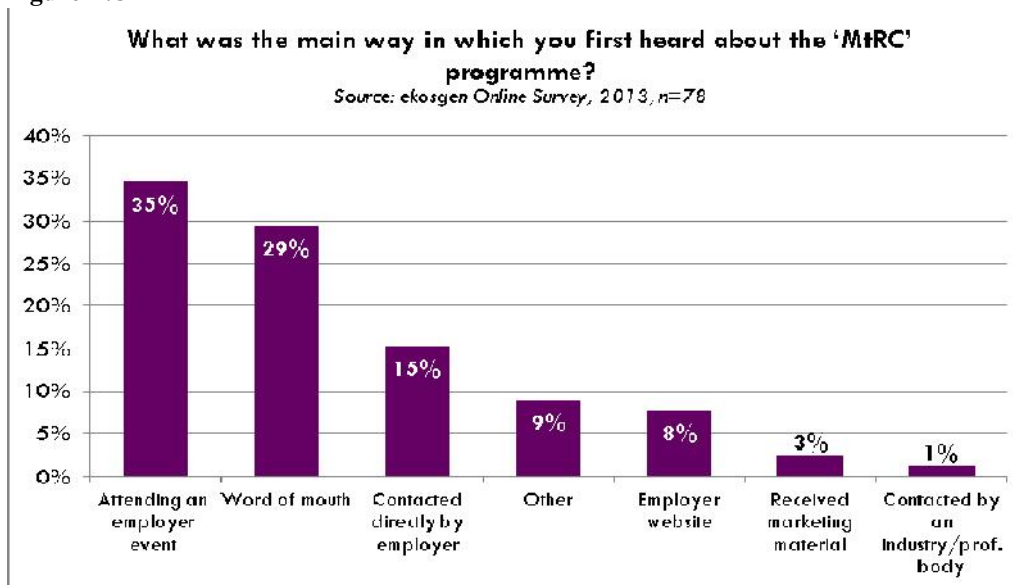


Figure 4.7 shows that almost three-quarters of the respondents (72%) work in the nuclear decommissioning sector. A further 13% are spread quite evenly across a range of defined industries, while the remainder (15%) work in “Other” sectors.

Figure 4.8



As shown at **Figure 4.8** more than a third (35%) of beneficiaries heard about the programme through attending an employer event, with a similar amount (29%) hearing by word of mouth. A further 15% were contacted by their employer directly. Most of the remainder heard via their employer’s website or some “Other” means.

Figure 4.9

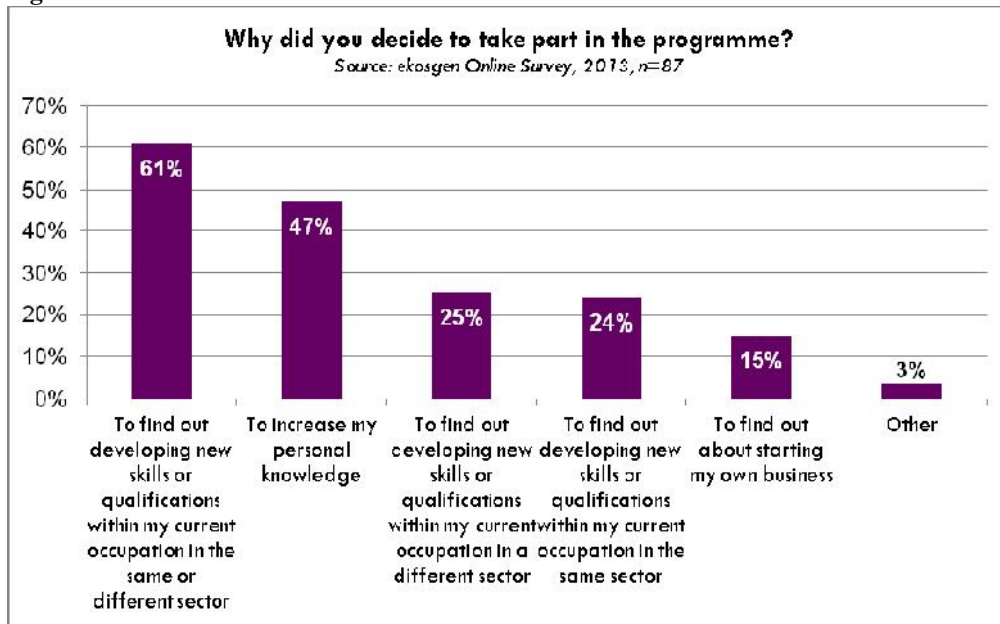


Figure 4.9 shows that more than three in five (61%) wanted to develop new skills/qualifications within their *current occupation* in the same or different sector. Just under half (47%) wanted to increase their personal knowledge.

One quarter (25%) were interested in developing new skills/qualifications in their *current occupation in a different sector*, and a similar number (24%) wanted to develop new skills/qualifications in their *current occupation in the same sector*. Finally, around one in six (15%) wanted to find out about starting their own business.

Figure 4.10

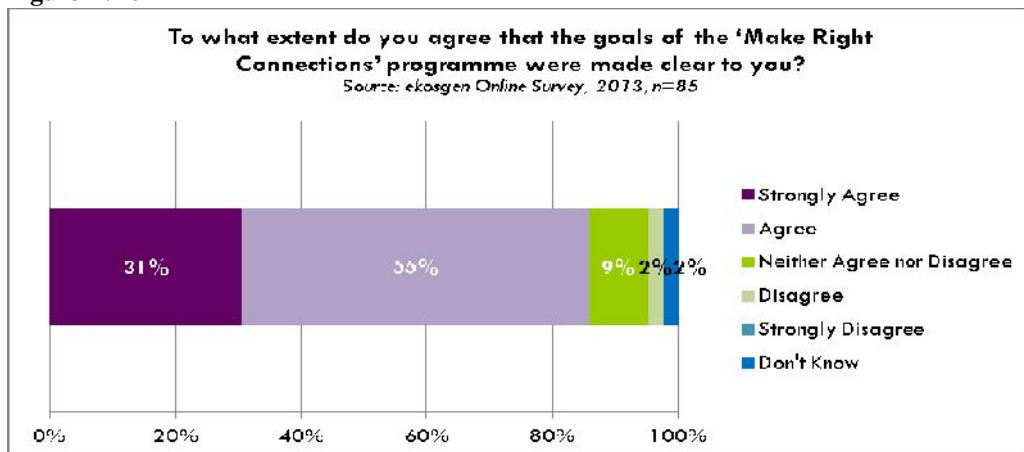


Figure 4.10 shows that, on the whole, the objectives of the programme were well articulated. The vast majority (86%) of participants agreed/strongly agreed that the goals were made clear to them. Only 4% disagreed that this has been the case.

The beneficiaries' employment objectives were generally well understood by MtRC staff.

Over three-quarters of respondents (78%) agreed/strongly agreed that their overall employment objectives and skill needs were understood by the programme personnel. Just 7% disagreed/disagreed strongly that this had been the case.

4.5.4 Activity

Figure 4.11



Figure 4.11 describes the types of support received from the MtRC Programme. Over three-quarters (78%) received education or training support through the programme. About a fifth attended one-to-one meetings with an advisor (19%) and/or received advice and guidance. Slightly less (17%) reported attending group information sessions

Figure 4.12



As described at **Figure 4.12**, the main single way in which participants received their training was through specialist providers.

This was the case for about a third (34%) of the respondents. 13% of the training was at North Highland College, and 9% was Dounreay Training.

Figure 4.13



As shown at **Figure 4.13**, clearly the most common type of training was educational leading to a nationally recognised educational qualification. This was undertaken by more than half (55%) of respondents. Just over a quarter of beneficiaries (26%) undertook some form of vocational training leading to a nationally recognised qualification. Further, a fifth (20%) participated in generic training (e.g. health & safety, personal development).

As one of the main objectives of the programme is to ‘encourage personal motivation for change’, a number of careers advice services were set up. These included:

- ‘Recre8t Yourself’ workshops. They focused on self-reflection and encouraging people to think about what they want to do in the future.
- ‘Apply Yourself’ workshops, offering help with job applications and interview techniques.
- One-to-one guidance for employees. This was centred on career planning, personal awareness and skills analysis.

The Chamber developed the Recre8t workshops. They took existing training programmes and streamlined them into a more focused offering. The Chamber added value by highlighting opportunities in Caithness and in other sectors. In contrast, much of the supply chain training supported by the programme was identified by the employee/employer and then funded by MtRC.

Activity in the additional year to December 2014 will focus on encouraging Dounreay staff and members of the supply chain to attend information sessions on-site, and, where possible, have one-to-one meetings with the MtRC manager. The programme will also continue the Recre8t workshops, providing information on economic diversification.

4.5.5 Outputs

The original target for the programme was 800 beneficiaries. These were to be split evenly between education & training and advice & guidance.

To date the programme has supported over 500 beneficiaries. Most have received education & training rather than advice & guidance.

4.5.6 Outcomes

Figure 4.14

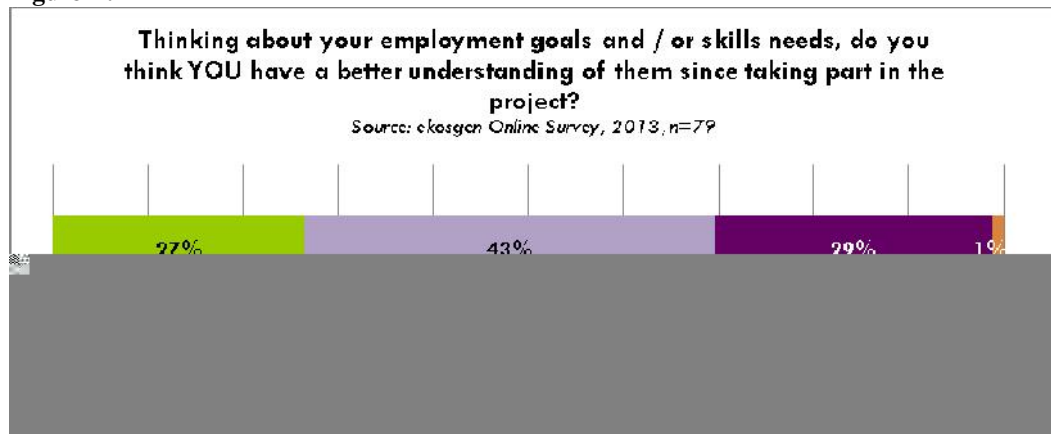


Figure 4.14 shows that after taking part in MtRC, almost three in four (70%) of beneficiaries believed they had a better/much better understanding of their employment goals and/or skills needs. Just over a quarter (29%) thought their understanding was about the same as before the programme. None thought their understanding had worsened.

Figure 4.15

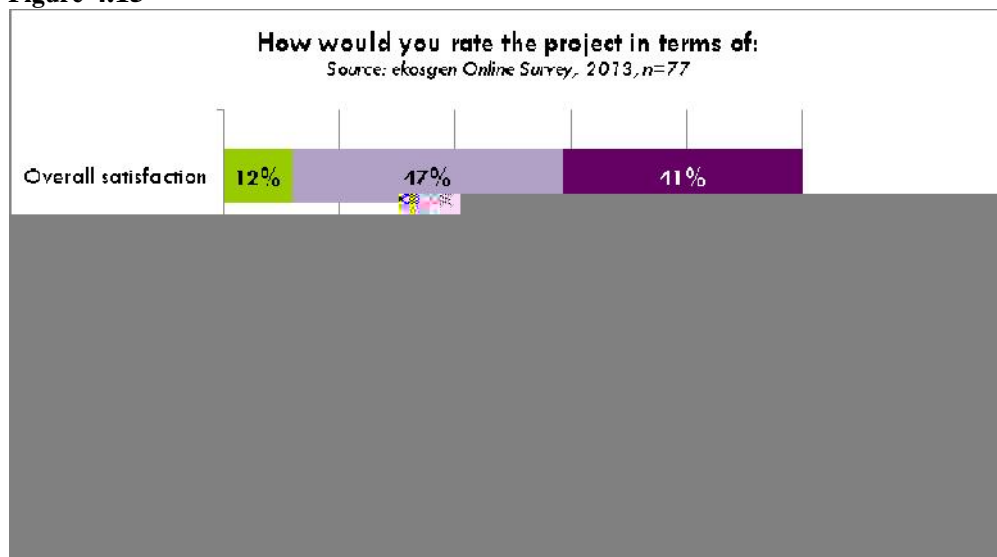


Figure 4.15 shows that the programme was rated highly in terms of relevance, quality, and overall satisfaction. There were extremely high levels of good/very good ratings (over 85%) for each of these measures. Moreover, no-one rated any of them as poor or very poor. A number of consultees identified the Chamber's role as essential in the smooth running of the programme, and praised the quality of its governance.

Respondents found the **most beneficial** aspect of the programme to be the *funding*. Nearly one half (48%) referred to the funds made available for the training courses, without which many would have been unable to participate.

Over a quarter (28%) of respondents found the *quality of training* to be the most beneficial part of the programme.

In terms of what was **least beneficial**, over half (51%) of respondents indicated that no part of the programme was weak. However, a handful of participants (8%-3 respondents) found the training courses to be either too basic or not related to the MtRC programme. This suggests a need to assist certain individuals to identify the right course for them.

Some respondents thought the courses were too long (5%-2 respondents). Others found the course deadlines to be frustrating as they were either too strict or ever-changing (5%-2 respondents).

A number of **potential improvements** to the programme were suggested by survey respondents. Four called for greater publicity of courses with one stating that 'local training providers should advertise on the Dounreay Intranet'. Further comments included three calls for more guidance for suitable opportunities/accessing funding. Specific examples of potential improvements mentioned were:

'More advanced training in setting up your own business and help and guidance for access to funding for business start ups specifically geared to the sector of interest'

'Representatives from local business/colleges to connect up the programme to what is available locally'

'If funding still available extend the current cut off date to enable personnel to further participate in suitable courses'

Overall, 14% made some negative comments on aspects of the programme. These tended to be in relation to funding and timing issues.

For example:

'Some uncertainty as to what happens "after" MtRC which will end a long time before Dounreay shuts down'

'Although my employer is willing to allow time off to attend courses this is on a special leave without pay basis. This along with travelling and accommodation costs has meant quite a substantial personal'

Figure 4.16

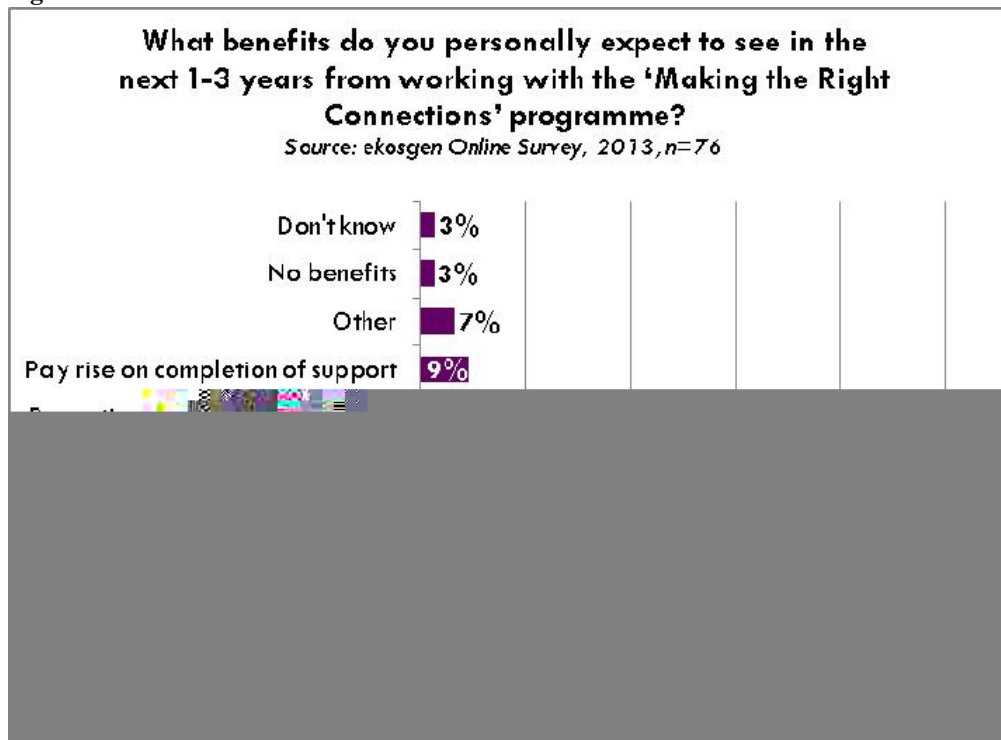


Figure 4.16 shows that four in five (80%) of participants expect to see an improvement in their knowledge or skills over the coming 1-3 years, with over half (55%) expecting “a sense of achievement”.

Approaching half (46%) expected to see a career change, with 18% expecting promotion/career advancement. There were also quite frequent references to positive impacts on personal confidence and morale.

Just 3% expected no benefits from participation.

4.5.7 Gross Impacts

Figure 4.17, over, shows that there is a general feeling of optimism about finding future employment as the decommissioning process at Dounreay comes to an end. Over half the beneficiaries (53%) rate their optimism of finding future employment after Dounreay as either a ‘4’ or ‘5’ (with 5 meaning “extremely confident”), with a further quarter (26%) rating it a 3. The remainder (21%) had little confidence (i.e. a ‘2’ rating).

Of those confident of finding employment, new qualifications and skills expected/gained were given as a reason for optimism, as well as the belief that their skills will be in demand.

Figure 4.17

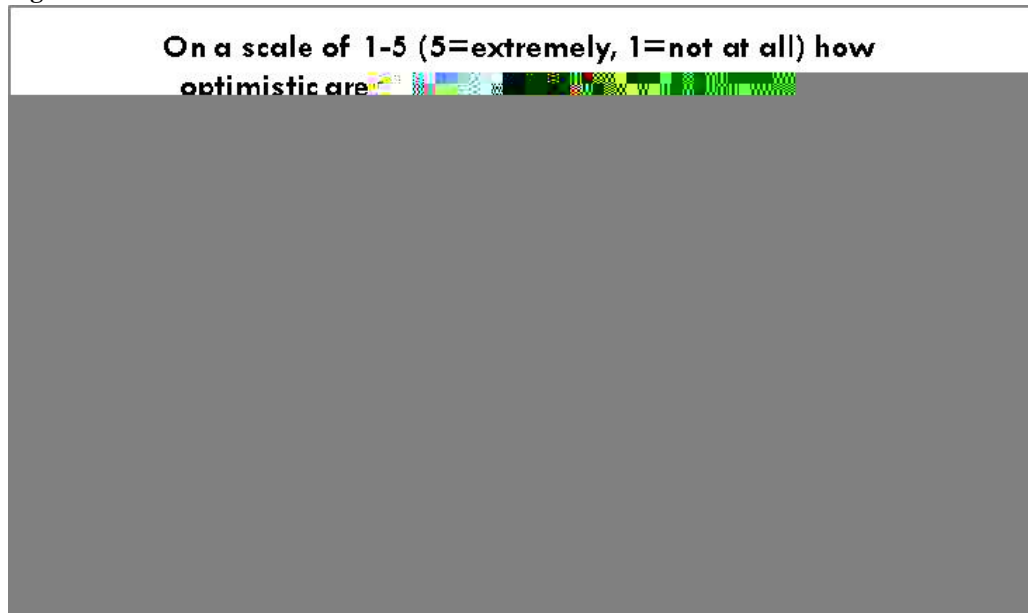
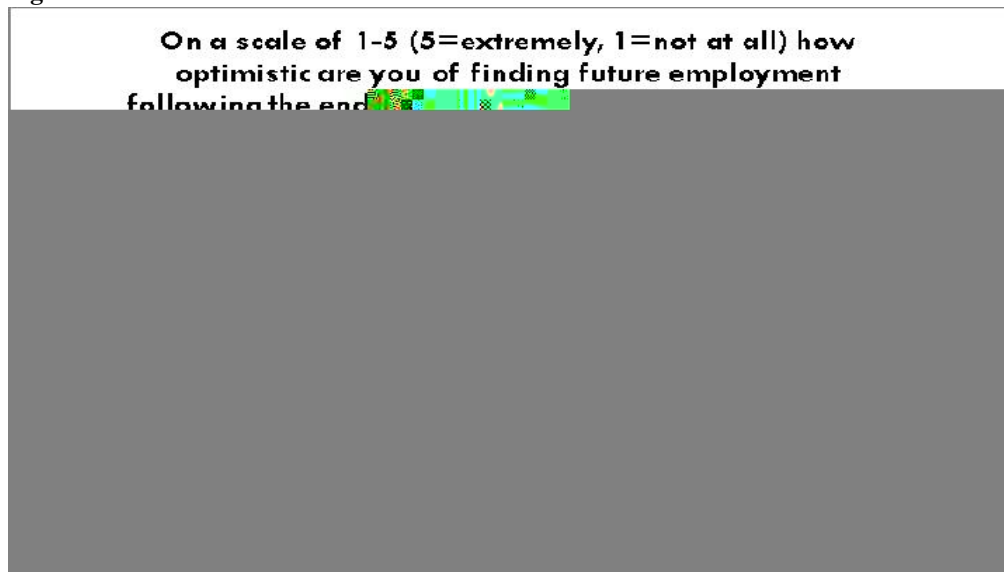


Figure 4.18



However, **Figure 4.18** shows respondents to be relatively pessimistic about finding employment *specifically in Caithness* after the closure of Dounreay. Just over one in three (34%) are either moderately (3) or quite/very confident (4/5) of getting jobs locally.

Two thirds are not confident about getting local employment post-Dounreay. They include 25% of all the respondents who are 'not at all' confident.

The most common reason for a lack of confidence was that there will be too few jobs- and too much competition for them-in a post-Dounreay Caithness.

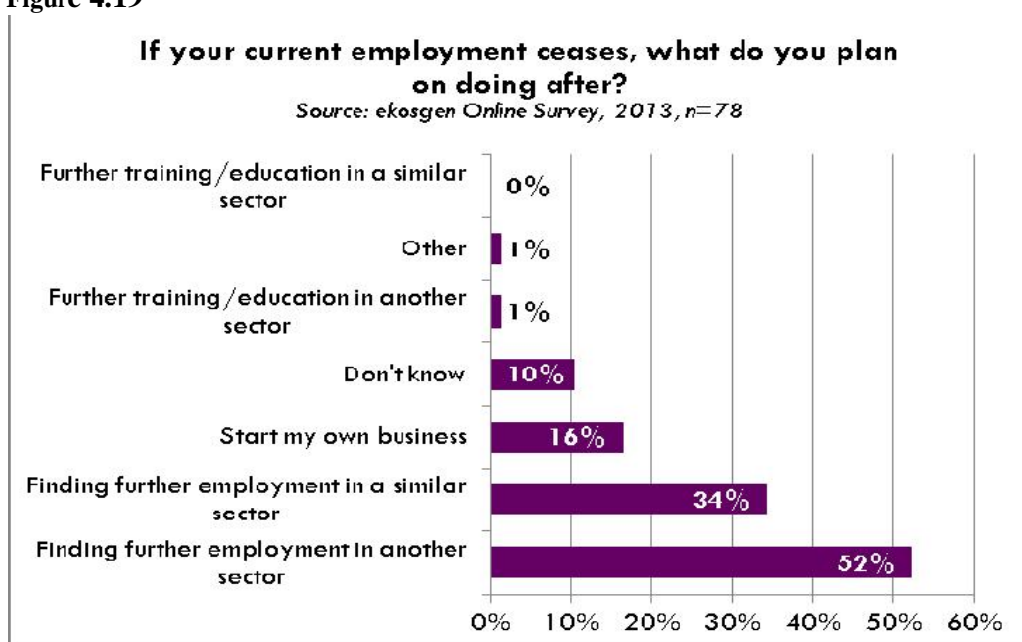
In part this reflects some respondents' concern that there is not enough new industry or regeneration in Caithness. Further, a large proportion of those who are optimistic about gaining future employment in the area expect this to be part time work.

Examples of related comments:

'Caithness is practically "dead on its feet"; once Dounreay has "closed" employment opportunities in my field will be remote'

'I am very worried I will be unable to secure another job locally & am considering leaving before it's too late & while I'm still able to sell my house'

Figure 4.19



As shown at **Figure 4.19** more than half the respondents would try and find further employment in another sector if their current employment ends. It is notable that of those who plan to find employment in a similar/another sector, or start their own business, over three in four were optimistic/very optimistic of doing so. This shows strong confidence in taking advantage of further opportunities.

Some consultees indicated that, despite the programme performing better than they perhaps thought it might, there was a very different demand for training than originally anticipated. It has included catering, tree surgery, ROV pilots and tourism, with much less demand for engineering-related training.

However, one consultee questioned whether MtRC had provided some of the skills that the local economy will need. They argued that engineering companies will be looking for experienced staff and a programme like MtRC cannot provide this experience. However, these companies will also be looking for a pipeline of upskilled/talented individuals which a programme like MtRC may be able to deliver.

Quantification of Impacts

Quantifying gross impacts at this stage is challenging. This is because many beneficiaries are currently in employment and their ability to find alternative employment following their participation in MtRC is untested.

However, if the one third who are moderately or very confident of finding employment in Caithness post-Dounreay (rating 3 and above) actually find employment, then this would equate to around 165 of the 500 beneficiaries to date. This falls to 40 beneficiaries if only those with a confidence rating of 4 or 5 are included in the calculation.

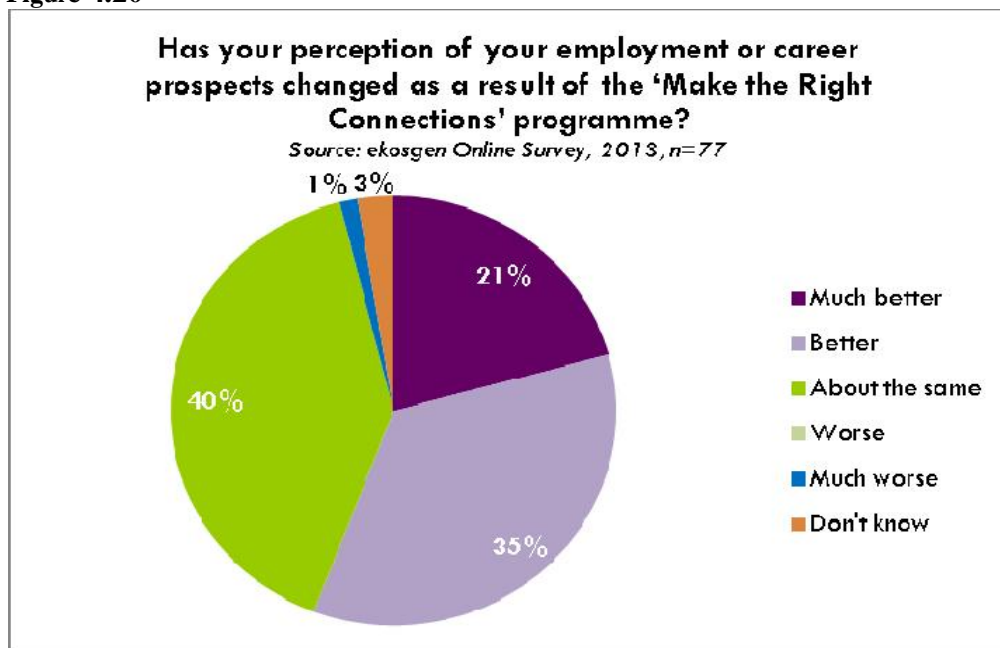
A measurable employment impact of the programme is that it has required two FTE posts to manage it. However, these will cease once the programme ends.

4.5.8 Additionality of Support

Assistance To Individuals

Prior to the MtRC programme, nothing similar was in place offering workforce skills support.

Figure 4.20



As shown at **Figure 4.20**, more than half of all beneficiaries stated their employment or career prospects were better (35%) or much better (21%) as a result of the programme. This is encouraging, although two in five believed that their employment and career prospects were unchanged.

Figure 4.21

As shown at **Figure 4.21** while levels of optimism about finding employment post-Dounreay are modest, these have risen as a result of the programme. over one in ten (11%) beneficiaries would have *not been confident at all* had they not participated in MtRC, and a further 28% would have been *not particularly confident*.

Reasons given for this were that the programme has brought forward in time the acquisition of new skills, opened up new opportunities, and given them a better chance in the job market.

Over one in five (21%) would have been *quite confident* without the programme, and one person (1%) would have been *extremely confident*. Reasons given were that they would have undertaken the training elsewhere anyway, or that job opportunities were not a main motivation for taking part in MtRC.

Funding

Based on the funding at profile shown at **4.5.2**, it is reasonable to conclude that the programme would not have proceeded in the absence of the NDA funding.

Alternative funding sources would likely have been very limited. HIE no longer have a direct remit related to skills. SDS' focus is very much on what was traditionally called "the careers service". It is difficult to envisage them being significant funders of a programme of this type.

The effect of DSRL funding will have been to increase the number of beneficiaries of the programme.

4.5.9 Net Additional Impacts

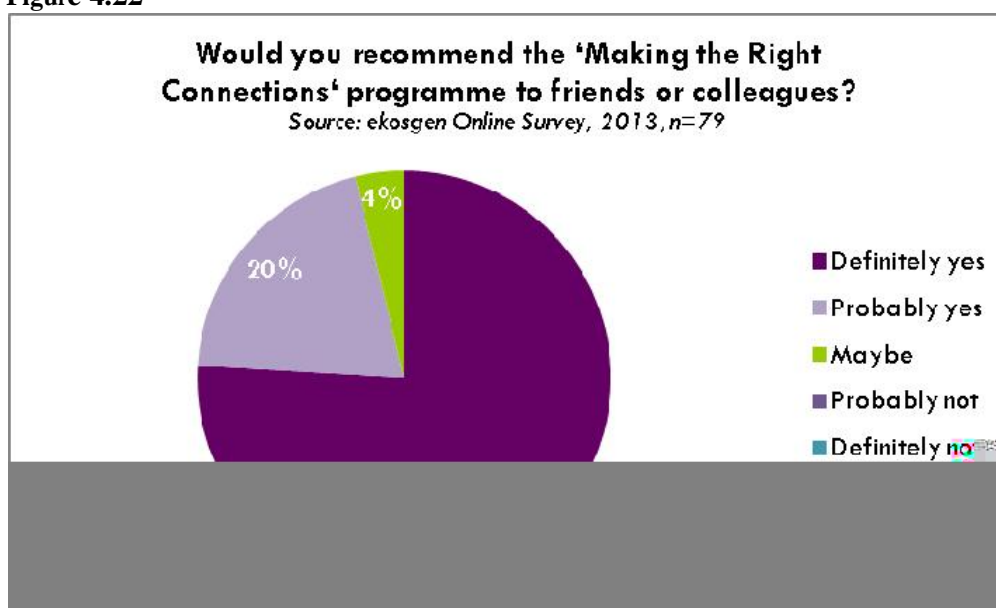
As with gross impacts, assessing net additional impacts is problematic. However, of the gross 40-165 individuals confident of finding future employment in Caithness, it is likely that the programme has played a role in potentially helping to secure

As shown earlier, 39% of respondents would not have been confident of finding future employment had they not taken part in MtRC.

The relatively low intensity nature of advice/guidance support means that the programme may not be the most important factor in determining future employment prospects. Yet, as shown earlier, more than half (56%) consider their career/employment prospects to be better as a result of the programme.

4.5.10 Survey Respondents' Final Comments

Figure 4.22



As illustrated at **Figure 4.22**, three quarters of beneficiaries (76%) would “definitely” recommend MtRC to friends or colleagues, with a further 20% “probably”, and 6% “maybe” doing so.

The vast majority of final comments about the MtRC programme were extremely positive. They often referred to what were seen as generous funding levels as the main reason why skills, experience and job prospects have been greatly improved. A large number of beneficiaries called for the programme, and its funding, to continue because it has given confidence and optimism to those who have taken part. For example:

'It has given Caithness a much needed boost following the downturn of Dounreay.'

'Worthwhile programme which needs to be extended'

'I think it is a fantastic programme and deserves a lot of credit. I have heard a few people criticise it, but generally they don't know what they are talking about. We are very lucky to have been given such an opportunity to enhance our knowledge/skills base, not a lot of people get that. Well done MtRC!'

4.5.11 Potential Future Developments

Several consultees see the programme as an example of good partnership working and as a good selling point with inward investors. However, they also identified that the change in the Dounreay site labour profiling meant that the MtRC programme came too early to deal with issues around redundancies.

They saw a need for such a skills the programme in the future. One consultee stated:

'There's a need for the programme in 2017-2019, not in 2013. In fact, Dounreay will be recruiting an additional 100-200 people in the next three years.'

The creation of a 'Make the Right Connections 2' is currently under discussion between DSRL, NDA, Skills Development Scotland, HIE and others. Consideration is being given to widening the programme to include young people and those in the local area who are unemployed. There is also discussion of addressing the wider skills needs of the area.

Local businesses continue to have a need for skilled workers. However, the majority need rapid training and shorter courses to allow potential employees to be quickly trained up with industry experience. This is in comparison to the current Modern Apprenticeship route which is a lot more time intensive.

Little other evaluation of the MtRC programme has been conducted to date. For future development of the programme there would be value in tracking beneficiaries and also assessing the business benefits for employers.

4.5.12 Other Benefits

The Chamber noted that MtRC has also been used to help address the impacts of significant job losses in other sectors. The programme has worked alongside the agencies delivering PACE. It has provided assistance for training, CV writing and career planning. This has supported some of the affected individuals in getting new employment in the local area.

The programme is also providing WorldHost customer service training to the retail and tourism sectors. This aims to raise the standard of customer care in the hospitality industry.

4.5.13 Summary

- The programme differed from that originally envisaged. This was due to the reprofiling of Dounreay's labour requirements. That meant a greater focus on workers in the supply chain and wider economy.
- Underspend has led to the programme running over four rather than three years.
- Around 500 individuals have been assisted to date. Most have received education & training support rather than "softer" advice & guidance.
- Participants' most common reason for taking part was to develop new skills or qualifications within their current occupation in the same or different sector.

- There are high levels of satisfaction with the programme. Over 85% rated overall satisfaction, quality and relevance as good/very good. The programme was very well received by participants.
- 70% said they now have a much better understanding of their employment goals and/or skills needs.
- 80% reported improved knowledge or skills as a result of the programme. Some 46% expect to make a career change within the next three years as a result of participation.
- More than half are confident/extremely confident of finding future employment due to the new qualifications/skills gained, although they are less confident that this will be in Caithness.
- Many beneficiaries are currently in employment and their ability to find alternative employment following their participation in MtRC is untested. However, if the one third who are *moderately* or *very* confident of finding employment in Caithness post-Dounreay actually do so, then this would equate to around 165 of the c500 beneficiaries to date.
- Participants' optimism about finding employment post-Dounreay has risen as a result of the programme. They said that it has brought forward in time the acquisition of new skills, opened up new opportunities, and given them a better chance in the job market.
- Without NDA funding the programme would not have taken place. The effect of DSRL funding will have been to increase the number of beneficiaries of the programme.
- Net additional impacts are also difficult to estimate. However, the difference made by the programme is shown by 39% stating that they would be *not particularly confident/not confident at all* of obtaining future employment had they not participated in MtRC. Other survey results point to the role of MtRC funding in encouraging greater take up of training than may have happened otherwise.
- A 'Make the Right Connections 2' is currently being considered. This should take into account the skills needs of the local economy (e.g. in engineering) and the nature and timing of job reductions at Dounreay. That is, the programme's objectives and design should clearly align with the CNSRP strategy. Consideration should also be given to longitudinal tracking of beneficiaries to fully assess the impacts of the current and any future programme, and also assessing the business benefits that have been generated.
- The programme h

4.6 NORTH HIGHLAND CONNECTIONS

4.6.1 Project Description and Rationale

North Highland Connections (NOHC) is a strategic development organisation. It aims to use the creative industries as a vehicle for the regeneration (social, cultural and economic) of the North Highlands (defined as Caithness, Sutherland and Ross-shire).

The brief was to assess two sets of assistance. First, funding from **NDA** for the years 2009-2010, 2010-2011 and 2011-2012. This funding was to support:

- A programme of activities.
- Marketing-in terms of website and profile.
- Two posts. One was a full-time Executive Director, the other a marketing assistant/admin manager.

The aim of NDA in supporting the programme of activities was a combination of:

- Economic impacts-increasing visitor spend by attracting visitors to the area, or getting existing ones to stay.
- Social impacts-for the benefit of those attending performances and also those receiving tuition, etc. The aim was to bring types of events/performers that would not otherwise be staged in Caithness-e.g. some forms of classical music.
- Enhancing the attractiveness of Caithness, and thus help companies recruit staff from outside the area by offering a broad cultural experience.

One of the aims of supporting the staff posts was to allow work on a major development project which is discussed later.

Second, funding for 2012-13 from **DSRL**. This was to be used to for:

- Core funding.
- Development work for proposed major projects.
- Programme of activities.
- Nordic programme.

The programme of relatively small scale cultural activities has run for a number of years. Since 2009, however, North Highland Connections' focus has increasingly been on development work to establish three cultural hubs at sites in Caithness. These would offer a varied programme of cultural performances and other events. The rationale for the hubs is that they will:

- Address a shortage of cultural venues in Caithness.
- Lead to a significant increase in cultural tourism, and tourism overall.
- Improve residents' quality of life by giving them access to a wider range of cultural experiences.

NOHC expect the capital cost of establishing the hubs to be around £20

4.6.2 Funding

NDA Funded Activity

According to NDA their funding was £180,000 over the three year period. NOHC, however, stated that NDA support was slightly less than this-around £160,000. Other funders included the public sector (e.g. HIE) and charitable foundations.

As shown earlier NDA funding was intended to support a number of aspects of NOHC's work. However, the split of the funding between these aspects does not appear to have been stipulated by them.

NOHC indicated that NDA monies mainly contributed towards staff costs. Their funding formed only a small part of the total costs of the programme of activities.

DSRL Funded Activity

DSRL provided a total of £105,000 of funding in the year 2012-2013. The agreed breakdown of spend was:

- North Highland Connections (Core Funding): £40,000.
- Development Support (Creative Hubs): £50,000.
- Cultural/Educational Programme Support: £10,000.
- Nordic Programme: £5,000.

4.6.3 Outputs: NDA Funded Activity

Programme of Activities

Table 4.7 contains a profile of events staged through the programme of activities.

TABLE 4.7: PROFILE OF EVENTS				
Measure	2009-10	2010-11	2011-12	Total
All Events	32	30	15	77
Events in Caithness & North Sutherland only				
Number	14	20	7	41
Months Covered	April-December	April-March	May-March	-
Performances	11	18	5	34
Exhibitions	2	1	1	4
Instruction/Classes	1	1	1	3
Total Attendances	608	1,371	500	2,479
Attendance Range	7-101	11-177	11-114	7-177

Source: NOHC

Over the three years, the total number of events was 77. Some 41 (53%) of them were held in the Caithness & North Sutherland area. They ran over at least a nine month period of in each year, including the main visitor season.

The vast majority (more than 80%) of events were performances. The rest were exhibitions and instruction/classes.

Approaching 2,500 people attended the events over the three years. Some events had fewer than ten attendees, while a number had audiences of more than 100 people.

Unfortunately NOHC were unable to provide a split of attendees between local residents and visitors to Caithness & North Sutherland. Therefore, it is not possible to estimate the visitor expenditure impacts associated with the events. NDA had requested that NOHC provide them with visitor bednight data to help monitor the tourism impact. However, the data were not supplied to them.

While part of the NDA contribution was used to fund the two staff posts, neither were based in Caithness & North Sutherland.

Cultural Hub Development Work

The cultural hub development work was reviewed in a report produced in November 2011 (Bryan Beattie Creative Services: *North Highland Connections: Proposal To Develop Three New Hubs For Arts Activity-Assessment of Proposals*). The overall concept is for three different types of hub, at:

- Wick-Hub for Visual Arts.
- Ham Girnal-Residential Hub for Performing Arts.
- Castletown Mill-Hub for Performing Arts.

The report noted that three hubs' collective impact could be greater than the sum of their individual parts. It also recognised that each was more or less a work in progress at that time, and that:

1

Some areas of the proposition were less well developed and would require more attention when detailed Business Plans for each hub are progressed.

2

Greater clarity was required over the distinctiveness of each hub, its purpose, users and partners.

3

Although options appraisal work had been undertaken for two of the projects, and a pre-options appraisal on the third, more detail was required regarding the demand and markets for each hub. The report noted that NOHC anticipated commissioning a Business Plan for each hub, and that those plans should be required to quantify potential income streams.

The report concluded that, as of late 2011, there was sufficient potential in each proposed hub to encourage it to be taken to the next stage of business planning and assessment before making a final judgement on its feasibility.

Specific to the proposed hub at Ham Girnal, the report noted a number of issues that needed to be addressed in a business plan.

These included:

- Firming up on the level of demand that could reasonably be expected from key residential users (e.g. Edinburgh College of Art).
- Reviewing two assumptions which were “not strong” but which underpinned the projected financial viability of the hub. These were sustaining high-level usage all the time, and no staff costs for the operation of, and programming at, the hub.

In addition to taking forward various supporting reports and development of the hub concepts, the development work also involved NOHC liaising with, and canvassing support, from various partners. This included funding bodies (such as Creative Scotland, NDA, HIE and Highland Council) and potential users of the hubs (e.g. Royal Conservatoire of Scotland).

NOHC saw this as necessary to ensuring that the hubs would be financially sustainable. They noted that, in some cases, it had required much time and effort. This is in the context of NOHC as a small organisation which also had to deliver its programme of activities.

4.6.4 Outputs: DSRL Funded Activity

Review of Monitoring Data

As a condition of their funding to NOHC, DSRL required them to provide data and information on the outputs of the funded activities. The content of the final monitoring report is summarised at **Table 4.8**, over.

To that are added some comments based on other information collected and from the consultations undertaken. Where no comment is shown for a particular output then this is because the information reported by NOHC appears reasonable based on the available information.

A total of 16 outputs were set for the funding provided. The monitoring report shows the vast majority (13) being 100% achieved.

It appears questionable, however, whether a funding strategy for the Ham Giral hub had actually been produced, nor is there evidence of a business plan document for the Castletown Hub. The output of 10 events was achieved by NOHC as an organisation-however, fewer than this number were in Caithness & North Sutherland.

The target for the numbers attending/participating in events was not achieved. However, if only *Caithness & North Sutherland* is considered then the desired 15% increase was, in fact, exceeded. Thus, the target could be considered to have been met in terms of Caithness & North Sutherland.

The target number of events in the Nordic Programme does not appear to have been achieved.

These comments should not overshadow the fact that a clear majority of outputs appear to have been achieved. However, those that were not tended to be in key areas-funding strategy and business plans for some of the hubs.

TABLE 4.8: NORTH HIGHLAND CONNECTIONS: OUTPUTS FROM DSRL FUNDED ACTIVITIES: 2012-2013			
Output	By When	Achieved?	Consultants' Comments
Core Funding			
Deliver New Website	Sept 2012	100%	-
Design and produce new promotional material	Sept 2012	100%	-
Electronic Newsletter: Produce & distribute 6 Electronic Newsletters	Mar 2013	95% (6th newsletter in preparation)	-
Submit funding applications as detailed in the Programme	Mar 2013	100%	-
Development Support (Creative Hubs) Wick, Harbour Quay Visual Arts Centre			
Deliver Options Appraisal (Highland Council responsibility)	Sept 2012	100%	-
Produce Business Plan	Dec 2012	70%	While some information is shown there is no clear indication of a business plan document being in production nor when it would be produced
Develop Funding Strategy	Dec 2012	100%	-
Development Support (Creative Hubs) Ham Giral			
Deliver Business Plan	Sept 2012	100%	-
Produce Funding Strategy	Sept 2012	100%	It is not certain from the information shown that a funding strategy had been produced. Rather, a series of discussions were underway/had been held with potential funders
Submit Creative Scotland Capital Funding Application	Jun 2012	100%	-
Development Support (Creative Hubs) Castletown			
Deliver Business Plan	Dec 2012	100%	There is no indication that a Business Plan document had been produced. The information shown refers to agreements and discussions about potential usage. However, there is no reference to financial projections or costings
Cultural /Educational Programme			
Deliver Creative Music Week	July 2012	100%	-
Deliver 10 performing arts and educational events	Dec 2013	100%-based on planning at April 2013	Based on information provided to NOHC in late August 2013 this would be achieved. However, fewer than 10 events would be in Caithness & North Sutherland
15% increase in attendance and participation across complete 2012 programme compared to 2011	Feb 2013	66%-a 10% increase was reported	Information provided by NOHC indicate a 29% increase for events within Caithness & North Sutherland alone, but fall of 21% for all events
Develop 2013 Cultural Programme	Dec 2013	100%	-
Nordic Programme			
Deliver NOHC contribution to Nordic Programme	Sept 2013	40%-expected that target would be met based on contacts made at April 2013	Information provided by NOHC in late August 2013 indicates two Nordic Lectures (Wick, Thurso) to be held by the end of September 2013. Suggests that the target (5 events) would not be met

Source: NOHC Progress Report to DSRL for April 2012-March 2013 (April 6 2013), with consultants' comments added

In contrast, the business plan for Ham and the options appraisal for Wick were important parts of developing the case for these hubs.

While part of the DSRL funding was used to fund the two posts, neither were based in Caithness & North Sutherland.

Programme of Activities

Table 4.9 contains a profile of events staged through the programme of activities in 2012-2013.

TABLE 4.9: PROFILE OF EVENTS 2012-13	
Measure	
All Events	14
Events in Caithness & North Sutherland only	
Number	7
Months Covered	May-October
Performances	4
Instruction/Classes	1
Awards Ceremony	1
Total Attendances	647
Attendance Range	35-174

A total of 14 events was held in the twelve month period. Half were in the Caithness & North Sutherland area. They ran between May and October 2012, thus including the main visitor season.

For those events for which sufficient information was provided, more than half were performances. The others were instruction/classes and an award ceremony.

Around 650 people attended the seven events held in Caithness & North Sutherland. The numbers per event ranged from 35 to 174.

Unfortunately NOHC were unable to provide a split of attendees between local residents and visitors to Caithness & North Sutherland. Therefore, it is not possible to estimate the visitor expenditure impacts associated with the events.

Cultural Hub Development Work

Introduction

As shown at **Table 4.8**, two documents were produced in 2012-2013 in relation to development of the cultural hubs. They were:

- Ham Girnal Business Plan. This was prepared by NOHC with key support from *Creative Services* (who, as shown earlier, had in 2011 reviewed the three proposed hubs).
- An options appraisal for redevelopment of the Harbour Quay site in Pulteneytown, Wick (Halliday Fraser Munro, for HIE).

Ham Giral Business Plan

The Plan identified the main proposed functions of the hub:

- Creative retreat.
- National youth arts centre.
- Locus for the Creative Futures programme-a series of nationwide residencies established by Creative Scotland.
- Learning hub-for UHI courses, Caithness schools and Highland music teachers.
- International gathering point with a particular emphasis on the Nordic countries.
- Visual arts satellite of the Edinburgh College of Art.
- Private hire of the venue at certain times of the year.
- A venue for some of the events in NOHC's continuing programme of activities (an estimated 5-6 per year).

The facility would be a refurbishment of an existing property. This would provide three floors of facilities, and an adjacent new-build for residential accommodation.

It is evident from the plan that NOHC recognised that further work on demand and financials would be required. In particular, first, they would be conducting further research to quantify demand in more detail for the creative retreat element. The plans states "we intend quantifying this demand in more detail as part of a more detailed market assessment by Autumn 2012".

Second, the document also states that "a full business plan will be prepared during the development phase" and that NOHC will "refine our market analysis and potential demand in order to develop a detailed three-year cashflow projection for the operation".

It is not entirely clear how far the business plan directly addresses the points raised in the 2011 assessment of the three hubs (see 4.6.3). It is not made explicit how far the usage levels assumed have firmed up the demand and income that could be generated by key users. Nor is it clear how far the income projections still rely on an assumption of the high level usage scenario.

However, the point around staff costs for the operation of, and programming at, the hub is addressed in the Business Plan (albeit a decision was still to be taken as to whether the staff would be in-house or from a third party contractor).

Wick Options Appraisal Report

This report appraised five potential future uses for the Harbour Quay site. The joint highest scoring uses, based on a range of criteria, were:

- Visitor Centre related to a specific locally based attraction; and
- Visual Arts Centre-i.e. the hub concept.

In the appraisal the following indicative list of facilities were given for the hub:

- Multi-functional exhibition space.
- Studio space.

- **Restaurant/bistro bar.**
- Gift shop.
- Other uses e.g. residential accommodation or office space.

The report notes that strong support for a Visual Arts Centre on the site came through the consultation undertaken with the arts and heritage sectors. It also notes the desirability of the following if the hub concept is taken forward:

- Promotion/further consultation to generate end user interest of the proposed facilities.
- Complementary ancillary uses such as a café/restaurant/gift shop, or it operating in tandem with a Visitor Centre.
- The Centre marketing itself as a destination in order to attract visitors to Wick and Caithness.

Other Activity

Similar to the 2009-2012 period part of NOHC's development work continued to be establishing and maintaining partnerships. Again, this was intended to help secure funding

Based on the 2012 Business Plan for Ham Girnal further work would be required to ascertain, first, projected actual levels of usage-including number of individuals and their length of stay-by the various user groups. This is key. Given the hub's residential nature a large proportion of economic impacts can be expected to come from those staying at the facility-rather than from events which attract visitors to the area.

Second, confirmation of the number of events likely to be staged at the venue in addition to those by NOHC. Within this, some information would need to estimate the audiences for the events and, importantly, the likely split between local residents and visitors.

NOHC's website currently notes the necessity of "the creation of strong Business Plans for all three hubs". It also states that "plans for the coming months include...the creation of an Economic Impact Study".

The robustness of such a study will depend on the robustness of the business plans on which it is based. However, it would also require direct research with key potential customers to understand how their use of the facility would translate into economic impacts.

4.6.7 Stakeholder Views

Most of those consulted showed some scepticism about NOHC and its activities. The main points made were:

- Quite limited/unknown economic impacts, and progress towards establishing the hubs, from NOHC activity compared to the funding they have received.
- A perceived lack of sustainability of NOHC as an organisation, with a continual dependence on grant funding and a lack of commercial focus.
- Three hubs being overly ambitious given the costs involved.
- The overall length of time that it could take to achieve the hubs, if this does in fact happen.
- Delays in the production of robust business plans.
- Lack of fit with the CNSRP strategy's stated aim of generating economic impacts.

4.6.8 Summary

- NOHC have delivered a programme of events in Caithness & North Sutherland. They have seen around 3,100 attendees/participants over a four year period. This will have had some social impacts. However, the economic impacts are unknown. This because NOHC have not collected data on the share of attendees that are from outside the local area. This is despite NDA having requested that they do so. However, the total attendance does suggest that the visitor spend impact is likely to been modest.
- Some progress has been made on development of the cultural hubs. However, this has been over a four year period. This length of time reflects a large and complex project. However, it also reflects that NOHC has limited resources/capacity, other commitments and an ongoing need to fund raise to cover its core costs.
- At late August 2013 the hubs still appeared to be some way from having a full case made for them. It appeared that a business plan had been created for

only one of the hubs and that this still required further work, with no overall agreed timeline for the further work to be undertaken. Overall, the issues identified in the 2011 review largely appear not to have been addressed.

- Throughout, there has been a general lack of consideration of the scale of the economic impacts of what NOHC has done/is seeking to do. This is both by NOHC and its funders.
- DSRL and NDA funding of NOHC posts has supported the continued work of the organisation. Without the posts there would be no development work undertaken and no-one to deliver the programme of activities. However, in the case of NDA funding it is unclear what proportion of it has been used for which parts of NOHC's work.
- It can be expected that NOHC will continue to look for revenue funding from NDA and, possibly, DSRL. There is a need for joint consideration by the various agencies that fund/interact with NOHC. This is to establish an agreed timeline for NOHC to develop their hubs and the resources required for this. This would include early development/finalisation of business plans and related economic impact assessment. This would help to address stakeholder concerns. It would allow an informed decision to be made by NDA, DSRL and others on continuing to support NOHC.
- If either NDA or DSRL support a further programme of activities then NOHC should be required to collect audience data which provide an indication of the economic impacts-and this should be enforced.

4.6.9 Conclusion

Impacts to date appear likely to have been modest. They are related to the programme of activities, while the cultural hub development work continues. The latter may produce positive outcomes. However, the scale of the hubs' potential economic impact is uncertain.

5 ASSESSMENT: LABOUR-BASED INTERVENTIONS

5.1 INTRODUCTION

This Chapter contains the assessments of interventions where DSRL support was wholly or largely through provision of labour. They are:

- Business development activities.
- DSRL secondment to HIE.

5.2 BUSINESS DEVELOPMENT ACTIVITIES

5.2.1 Project Description and Rationale

A number of research and intelligence papers have been either commissioned or prepared by PBO/DSRL staff. The aim of these is to develop a pipeline of ideas which some CNSRP partners may decide to take forward. The papers are tabled for discussion at Delivery Group meetings. Partners know in advance when a particular paper is being prepared.

The second strand is a sharing of learnings from conferences on renewables and other topics that DSRL staff attend. Their main purpose is to help CNSRP partners better understand what is needed to attract renewables-and other activity-to the area.

5.2.2 Activity

Research and Intelligence Papers

A range of papers have been produced. They are listed at **Table 5.1**.

TABLE 5.1: RESEARCH AND INTELLIGENCE PAPERS
Business Cases/Business Opportunities
<i>Outline Business Case: The Development of a Radio Pharmaceuticals Production and Processing Facility at Dounreay (2012)</i>
<i>Business Opportunity-To Design, Build And Operate A Facility Which Can Be Jointly Used For The Production Of Healthcare Radiopharmaceuticals And For Nuclear Research By Universities (2010)</i>
<i>Business Opportunity: Consultancy Services To Support The Operations, Maintenance And Decommissioning Of International Fast Breeder Reactors (2010)</i>
<i>International Fusion Materials Irradiation Facility (2010)</i>
<i>Commercial Overview of the Opportunity for Medical Isotopes In Caithness Research & Production (2010)</i>
CNSRP Discussion Papers
<i>Advanced Manufacturing</i>
<i>Marine Renewables: Labour Market Intelligence Discussion Paper: Labour Market Assessment</i>
<i>Marine Renewables: Operations & Maintenance</i>
<i>Offshore Wind Operations & Maintenance: Market Review And Recommendations On Actions</i>

The **marine renewables labour market intelligence paper** was based on commissioned research. It covered the potential size of future marine renewables operations and maintenance employment in the Pentland Firth area.

DSRL commissioned this to help inform CNSRP and their own workforce on potential employment opportunities. This was because there was only limited information available on the possible number and timing of renewables-related jobs. The CNSRP Delivery Team were aware, and supported the idea, of the research.

Notes of Conferences

A range of conferences have been attended. Those reviewed for this study are listed at **Table 5.2**.

TABLE 5.2: NOTES OF CONFERENCES
Offshore Decommissioning Conference
Offshore Wind & Supply Chain
Scottish Renewables: Marine Conference (2011)
Scottish Renewables: Marine Conference (2012)
Scottish Renewables Annual Conference
Scottish Highland Renewables Conference
SSE: Meet the Buyer Event
Sustainable Procurement Conference (to increase understanding of maximising the benefits of public spending)
UKTI: Support to Fukushima Dai-ichi Clean Up & Decommissioning

At five of the nine conferences as well as the DSRL attendee who compiled the note there was at least one other attendee from DSRL or another CNSRP partner. The latter were mainly HIE staff. However, some conferences were attended by staff from Caithness Chamber of Commerce.

The most common post-conference actions noted by the DSRL attendee were to:

- Send information about the area/opportunities to those from outside Caithness & North Sutherland.
- Review learnings at a CNSRP Delivery Group meeting.
- Suggest follow up actions to HIE staff.
- Highlight identified opportunities to other local companies and organisations.

5.2.3 Outputs

The research and intelligence papers have not led to any business development projects proceeding.

Two of the proposals in them were taken forward for further consideration. The radiopharmaceuticals proposal would, it is understood, have required a £100 million investment, or inward investment activity to attract a business to the area.

HIE were of the view that this would not be funded by the public sector. Therefore, they decided not to pursue the proposal following discussions with Scottish Government.

The fusion nuclear technology paper was also given further consideration. It is understood that HIE visited interested parties in England; and the paper also led to a local supply chain company attending a business event in mainland Europe.

However, the proposal did not fit with the UK government's policy. The proposed project was, therefore, not taken forward.

The marine renewables labour market intelligence paper was not well received by one of the CNSRP members. They felt that its content was inaccurate-and this could have been identified in advance if they had been consulted. (However, DSRL did not receive any specific comments on the content of the paper, or other information from the CNSRP member that could have been included in a revised version).

This issue appears to have caused some tensions between that member and DSRL. It may have coloured their perspective on the usefulness of some of the subsequent papers that have been tabled. In contrast, other consultees felt the papers to generally be worthwhile.

It was not possible to identify any specific outputs from the notes of conferences.

5.2.4 Additionality of Support

Given their specialist nature, it appears unlikely that many of the papers would have been produced without DSRL's contribution.

Some of the conference notes will have been useful and provided knowledge and contacts that would not otherwise have been available. This is particularly the case for local companies.

However, for some public sector bodies the information will have been of limited use. This is because their own staff will have attended the same conference. Alternatively, they may have access to specialist knowledge within their own organisation-e.g. HIE's Energy Team. (However, it should also be noted that no information is fed to CNSRP by other organisation attending conferences).

5.2.5 Summary

- The papers produced to date have not resulted in any business development projects. However, two were given detailed consideration.
- There does not appear to have been any significant outputs from the conference notes. Yet, as these are being produced anyway they have not created additional work for DSRL.
- The potential value of DSRL's pipeline of ideas is through their ability to access specialist knowledge.
- DSRL should consider discussing their future approach to the production and tabling of papers with other Delivery Group members. This is to confirm that they are the best vehicle for the pipeline.

5.2.6 Conclusion

There have been no economic impacts to date. There should now be a focus on ensuring the continued buy in from all Delivery Group members to using the papers as a pipeline for possible projects.

5.3 DSRL SECONDMENT TO HIE

5.3.1 Project Description and Rationale

Project Description

A member of DSRL's Socio-Economic Team works one half of the week at HIE. This is with the Area Manager, supporting his inward investment activities. The secondment is for two years, from April 2012 to March 2014.

The post has specific tasks and targets. These are set by HIE in conjunction with DSRL.

Rationale

The rationale for the secondment is:

- The importance of inward investment within the CNSRP strategy.
- HIE's area office has had a reduction in staff directly dealing with inward investment. Some saw this as needing to be addressed to retain a sufficiently Caithness and North Sutherland focus on inward investment activity.
- Ensuring that DSRL add value to, rather than duplicate, HIE's inward investment activity.

5.3.2 Activity and Outputs

Table 5.3, over, shows the post's objectives for 2013-2014. It also shows activity and outputs at September 2013.

The post's objectives are very similar to those set for 2012-2013. The most significant difference appears to be a tactical one: that is, the postholder and the HIE Area Manager are taking a more proactive approach by direct visits to potential leads.

Table 5.3 shows that to September 2013:

- Progress has clearly been made under the "Communication Activity" and "Hosting Visits" actions.
- Some progress has also been made on the Caithness Ambassadors and the Data Centre proposition.

Table 5.3 does not show any specific information for "Leads and Prospects for Inward Investment" nor for referrals from Caithness Ambassadors. However, it is understood that the numbers of leads and prospects are around expected levels; and that some progress is being made on the number of Ambassador referrals.

Given their timescales (i.e. to March 2014), the targets for these activities will receive increasing attention in the second half of the financial year. HIE appear reasonably confident of achieving (an) inward investment win(s) by that time.

TABLE 5.3: INWARD INVESTMENT SECONDMENT POST: OBJECTIVES, ACTIVITY AND OUTPUTS: 2013-2014-AS AT SEPTEMBER 2013		
Action	Due By	Status (at September 2013)
Develop And Implement The Communication Activity Noted In The CNSRP Marketing Plan For 2013-14		
Personal Information: Redacted		
Hosting Visits For Inward Investment Companies To Help Secure Prospects		
Personal Information: Redacted		
To Review And Progress Leads And Prospects For Inward Investment (With Support From HIE Area Manager)		
Personal Information: Redacted		
To Exploit And Realise The Potential Of The Caithness Ambassador Group To Provide Inward Investment Proposals		
Personal Information: Redacted		
To Develop A Proposition For A Data Centre Operation In Caithness And Assess Market Interest		
Personal Information: Redacted		

Source: HIE. Excludes some confidential company-specific activity

Overall, progress to date appears to have been greater than in 2011-2012. This appears to reflect:

- The postholder gaining experience in the post.
- The nature of inward investment activity which can sometimes prove complex, unpredictable and requiring significant lead times before an investment decision is made.
- Particular developments in the economy-notably increasing activity in the oil and gas sector.

5.3.3 Additionality of Support

The secondment has led to more inward investment activity taking place. This is particularly in terms of organising meetings with prospects and also following these up to provide required information. Thus, the post is providing a quicker and more efficient response to potential inward investors.

The result appears to be that more prospects are being generated than would otherwise be the case. Further, they are more likely to be progressed through face-to-face discussions. This will help to increase the chances of a greater number of leads and actual inward investments. HIE view the secondment as having a clearly positive effect, in part due to the quality of the postholder concerned.

It appears unlikely that HIE would have secured an additional internal resource in the two year period. Indeed, this resource may not be secured at all in the future or, at least, not in the next financial year. Delays in getting the additional resource could have led to inward investment opportunities being missed. This is in a context of:

- The CNSRP strategy focusing on renewables, where inward investment opportunities are starting to emerge.
- A limited number of years available to secure inward investment before significant redundancies commence at the Dounreay site.

The difference made by the secondment is reinforced by an expectation that HIE will look to continue it after March 2014.

5.3.4 Stakeholder Views

Consultees tended to focus on the wider context: that is, the importance of inward investment and its role within the CNSRP strategy. Some felt that there had been less progress on inward investment to date than in other areas of the strategy. There was no clear view on why this was the case. It was variously attributed to the: slower development of renewables than expected; lack of resource at HIE; and a perceived lack

- Decisions about future resourcing should take place within the context of any discussion with CNSRP about the future direction of inward investment activity.

5.3.6 Conclusion

There have been no economic impacts to date. However, the post has been worthwhile, increasing the likelihood of future inward investment in the area.

6 WIDER ISSUES

6.1 INTRODUCTION

Following on from the assessments shown earlier in the report this Chapter covers a number of wider issues:

- Process issues.
- The role of the alliance within CNSRP.
- Targeting of resources.
- Assessing interventions.

6.2 PROCESS ISSUES

The assessment of the ten interventions has identified the following process issues that DSRL and NDA may wish to consider.

In some cases funding has been given for a range of activities but without specifying the share of funding for each one. This could usefully be done in future. Without it, it is difficult to specify what the overall funding package is expected to be achieved.

Where those receiving assistance are required to provide monitoring data this should be made a condition of funding-and enforced.

The application process should place a greater emphasis on demonstrating what economic impacts will be generated. On larger projects, part of the funding provided could be ring-fenced for the applicant to provide an independent economic impact assessment some 2-3 years after the project has been completed. Again, this should be made a condition of funding and enforced.

Overall, potential economic impacts should be embedded in assessing applications and in specifying the monitoring data that third parties are asked to provide. This will help to ensure that they are demonstrably helping to deliver DSRL and NDA's objectives.

The assessments have generally shown a high level of additionality in the support provided. A lot of the activity supported either would not have happened or has time and/or scale additionality.

However, it would be worth including more explicit consideration of additionality within the application process. They would have to demonstrate why the funding cannot be obtained from another third party. This is especially the case where there is a repeat application for revenue funding. This is to ensure that the funding given maximises the difference that it makes.

The flexibility that DSRL and NDA have in providing funding is definitely an asset. It appears to have been particularly important for the interventions at Scrabster and Wick Harbour. However, this does not mean that additionality should not be assessed-particularly given DSRL's relatively limited budget.

6.3 THE ROLE OF THE ALLIANCE WITHIN CNSRP

6.3.1 Projects and Programmes

The contribution of the Alliance to CNSRP is, first, through funding and other support provided to a range of projects and programmes. These include the 10 interventions assessed in this report. Stakeholders also identified a number of others they felt to be particularly important:

- Other projects at Wick Harbour-principally the heavy lift pad/renewables investment.
- North Highland Regeneration Fund, providing loan funding to businesses, along with advice, mentoring and consultancy support.
- Technical work supporting the case for road improvements at Berriedale Braes.
- A range of activities by Caithness Chamber. This was also seen as important in ensuring the sustainability of the Chamber itself.

6.3.2 As Partners

Most consultees viewed the Alliance and its individual representatives as good partners within CNSRP. This was through:

- The quality of the people involved, in addition to simply the funding they bring.
- Contributing in particular, to the Delivery Group, including their willingness to be open about issues their organisations are facing.
- Their evident commitment to the area's future post-Dounreay.
- Reaching back into their organisations to draw on specific skills/knowledge.

This positive finding is clearly important. This is because the Partnership is *the* means by which the public sector and others will address the challenges of Dounreay decommissioning.

Consultees generally saw the Partnership as successful. There is no demand for it to cease, nor for radical changes to it.

A small number of other consultees identified where they felt the Alliance had been less successful as partners. This was, first, through not fully buying into the CNSRP strategy, with some of their activities not clearly aligned to it. The most commonly mentioned one was the continued funding of NOHC.

However, some consultees also referred to a lack of strategic alignment by other partner organisations.

Second, a reluctance by NDA to willingly share information including with others such as Dounreay Stakeholders Group. One consultee felt that this extended to NDA being not very good at publicising the investments they have made. This was seen as leaving them open to uninformed criticism about the amount of socio-economic activity they are undertaking.

6.4 TARGETING OF RESOURCES

6.4.1 Roles of The CNSRP Partners

NDA/DSRL

Most consultees had difficulty in identifying the distinctive role that NDA and DSRL should play in terms of future projects and programmes. Also, many did not distinguish between DSRL and NDA. They tended to conflate the activities of the two organisations.

Overall, their one key distinguishing feature was seen as an ability to make relatively large grants to individual projects. However, this generally applies to NDA rather than DSRL. The latter has a limited budget after staff costs and other commitments (notably Caithness Horizons) are accounted for.

Other Partners

In considering where DSRL and NDA can add value, it is useful to review the roles of other CNSRP partners.

HIE work with businesses and third sector organisations on an account managed basis. This includes financial and other support. They have a priority sector focus; one that is based around working with businesses with clear growth plans.

However, they also work with businesses whose size means they are significant in the local area, even where they are not in a priority sector. HIE also manage and/or fund business support programmes (e.g. Smart Exporter) which are open to all companies, including non-account managed. However, they no longer have a general remit for the provision of skills training.

Highland Council have relatively limited financial resources for economic development. Their role is more in physical aspects. These include planning, land and infrastructure. Within this they are able to, for example, contribute property (including housing) and land to a project.

Financial and other support is available to businesses through **Business Gateway** and the **North Highland Regeneration Fund**.

The overall role of **SDS** is what was formerly known as “The Careers Service”. In addition they work with the young unemployed and provide careers advice for some older people. However their focus is on S4/S5/S6 pupils. They appear to have very limited financial resources for other activities.

6.4.2 Stakeholder Views

Consultees were asked where NDA and DSRL might best focus their future efforts. The main responses are covered below.

6

There were also references to making sure that the **local supply chain** can receive support. This was to gear them up for the work involved in decommissioning the Dounreay site. One consultee also saw a role for NDA's experience and knowledge in helping the local supply chain to win contracts elsewhere.

6.4.3 Recommendations

Based on the research undertaken **Table 6.1** sets out recommendations on where NDA and DSRL should focus their resources. The actual amount of activity will, of course, depend on what projects are brought forward by others. It will also reflect the financial resources available to both organisations.

TABLE 6.1: RECOMMENDATIONS ON FOCUS OF RESOURCES
Physical infrastructure investments at the three ports and Wick John O'Groats Airport
Inward investment activity, reflecting the outcomes of a CNSRP discussion on the future strategy for inward investment
Skills development programme
Follow on from previous interventions (to be undertaken principally by DSRL)
Work with/via the Chamber of Commerce to support the local Dounreay supply chain
Continuing to progress the National Nuclear Archive project
Consideration of the feasibility of achieving spin-outs from Dounreay in the medium term

Table 6.1 shows a range of activities. Thus avoids putting most/all resources into one project or programme. That would risk a lack of impacts if the "big project" was unsuccessful. A broader based approach is generally adopted in regeneration efforts, partly for this reason.

The focus is also clearly aligned with the CNSRP strategy. Given the timescales of the redundancies at Dounreay, the emphasis is also on "economic" rather than "socio".

The infrastructure investments will support the key sectors in the CNSRP strategy. They will benefit from NDA's ability to provide relatively large grants.

The exact inward investment activities will depend on any discussion within the Partnership about: the future direction of inward investment activity; partners' individual responsibilities; and the resources that are required.

Inward investment will benefit from the flexibility in the support that both NDA and DSRL can offer. It could, for example, encompass extending the DSRL secondment beyond March 2014 and NDA also funding a further post, should these be required.

The inclusion of skills addresses a gap given other partners have a limited/no remit in this area. However, the intervention should reflect the skills needs of the economy (e.g. in engineering) and the nature and timing of job reductions at Dounreay, rather than simply being a "daughter of MtRC" (as discussed at **Chapter 4**).

DSRL has relatively limited financial resources (recognising that it can provide labour inputs to a project). Its future role could include considering follow up, smaller scale funding for projects that have received NDA and/or DSRL support.

Through discussion with those previously assisted this could include, for example:

- Financial support to Wick Harbour to increase marketing of the pontoons.
- A short life or contractor post to assist North Highland College to better promote the ETEC facility to industry.
- Following any investment at Wick John O'Groats Airport, funding via HIAL to market the new facilities, or for route development support to an airline to increase service frequency.

This will help to maximise the impacts of previous, larger investments.

There is interest from the clients in possibly supporting small businesses and the development of the tourism sector. For the former its not clear what gap in support this would fill given the existence of Business Gateway and the North Highland Regeneration Fund. DSRL believe there is a lack of new business ideas and business expansions in the area. However, this would need to be verified through discussions with HIE and Business Gateway.

The tourism sector has relatively low wages. It also has a relatively high proportion of seasonal and part-time jobs. Any support programme would therefore have to be clear about its economic objectives. Is it simply to create more jobs, or to increase the value of those that already exist?

Research would need to be undertaken-including with the industry itself-on the type of assistance that would best benefit the sector and achieve economic impacts. There would need to be cognisance of work that has been/is being undertaken by others. For example, HIE's assistance to tourism businesses and its Ambitious for Tourism Caithness and North Sutherland programme. These points apply equally to other sectors that NDA and DSRL might consider supporting (e.g. food and drink).

Overall, if interventions that are lower priorities within the CNSRP strategy are being considered then they require a firm evidence base.

6.5 ASSESSING INTERVENTIONS

6.5.1 Socio-Economic Plan (2013/16)

The Socio-Economic Plan (2013/16) sets out a very large number of activities to be undertaken over a three year period. Under "Key Activities for BDP/DSRL" there are four areas of activity. One of these is "Skills development". It alone has two strands- *apprentice training and other internships* and *internal skills enhancements*. Between them these two strands comprise seven individual activities.

Under "CNSRP Support" activities include:

- *Six high priority projects.*
- Two actions for *inward investment*, including a range of sub-actions in each one.
- *Marketing and communications support*, which has eight elements.

There are four strands of activity under “Dounreay Socio-economic Activities”. There are also three strands of “Enabling Projects”. As an example, one of them-“Education and Skills”-contains seven individual activities.

It is neither realistic nor tractable to produce a means of assessing/measuring the outcomes/impacts of such a large number of interventions. Each would require a detailed knowledge of every single intervention-and any changes to them since the 2013/16 plan was finalised. The resources that DSRL would require to implement such a system would be well beyond that available in the Socio-Economics team. It would also be beyond those allocated to monitoring and evaluation in larger economic development organisations.

6.5.2 Future Monitoring and Evaluation of The Ten Sample Interventions

DSRL also requested commentary on possible future monitoring and evaluation of the ten sample interventions. This is set out at **Table 6.2**. It draws on some of the analysis and comments on the interventions contained in the Chapters.

TABLE 6.2: SAMPLE INTERVENTIONS: POTENTIAL FUTURE MONITORING AND EVALUATION		
Intervention	Possible Monitoring and Evaluation	Comments
ETEC	Student numbers Information on other uses of the facility Revisit survey of employers to get greater response	Meaningful information on final impacts only possible through longitudinal survey of students
Scrabster Harbour Phase 1	Data on usage of new facilities Independent economic impact assessment after 2-3 years	The independent assessment could be commissioned along with others such as HIE
Wick Harbour Marina	Data on usage of the berths and showers/toilets	Could also consider small scale economic impact assessment. This would include direct research with users, and identify ways in which visitor spend could be increased
Caithness Horizons	Visitor numbers Robust survey/economic impact assessment to identify out of area users and the influence of Caithness Horizons on their expenditures	Survey should have sufficient sample to be representative. Could be co-commissioned with HIE as Caithness Horizons are an account-managed organisation
CNSRP Programme Manager	Continue to review performance based on Highland Council management of the post	-
Invest Caithness	None required as activities are complete	-
Make The Right Connections	Number of beneficiaries	Additional meaningful information on final impacts only possible through longitudinal survey of participants
North Highland Connections	If further funding is provided for programme of activities then independent audience research to assess visitor spend impacts. Economic impact appraisal of hubs in conjunction with development of full business plans (see Chapter 4)	The cost of audience research could be included in funding provided to NOHC. Economic impact assessment to be co-commissioned with other NOHC funders
Business Development Activities	None required as DSRL deliver this intervention	-
HIE Secondment	None required as performance data for the post are available to DSRL. Final evaluation will be possible towards the end of the secondment	-

Monitoring data should be used proactively. That is, contact should be made with the relevant organisation if outputs (e.g. visitor numbers) are declining. The reasons for the decline and any remedial action could then be discussed.

- Physical infrastructure investments at the three ports and Wick John O'Groats Airport.
- Inward investment activity, reflecting the outcomes of a CNSRP discussion on the future strategy for inward investment.
- Skills development programme.
- Follow on from previous interventions (to be undertaken principally by DSRL).
- Work with/via the Chamber of Commerce to support the local Dounreay supply chain.

In addition, they should:

- Continue to progress the National Nuclear Archive project.
- Consider the feasibility of achieving spin-outs from Dounreay in the medium term.

The actual amount of activity will, of course, depend on the projects brought forward by others. It will also reflect the financial resources available to NDA and DSRL. This may mean further prioritisation.

Any decisions to intervene in sectors or activities that are lower priorities in the CNSRP strategy should be firmly evidence based.

The Socio-Economic Plan (2013/16) contains a very large number of activities to be undertaken over a three year period. It is neither realistic nor tractable to produce a means of assessing/measuring the outcomes/impacts of such a large number of interventions. Each would require a detailed knowledge of every single intervention- and any changes to them since the 2013/16 plan was finalised.

The resources that DSRL would require to implement such a system would be well beyond that available in the Socio-Economics team. It would also be beyond those allocated to monitoring and evaluation in larger economic development organisations.

Appendix A

ETEC Student Survey: Additional Findings

A.1 INTRODUCTION

A survey was undertaken of student trainees on the actual and anticipated benefits of their attendance at ETEC. A total of 37 students completed the survey. Some 16 of them have completed their courses, while the other 21 are current students. Thus, it can be cited as fairly representative and provides a useful insight. The findings here supplement those shown in the main report.

A.2 PROFILE OF RESPONDENTS

The students were relatively young. Almost all (33 of the 37) were aged 16-24 years, with a further three aged 25-35 years. The remaining student was aged 45-54.

Of those that answered the question, 57% were employed at the start of the course. Almost all of them were with the same employer at the time of the survey.

Respondents (15) most commonly work in the nuclear sector. Other sectors/status each accounted for just 1-2 students. They included: engineering; retail; unemployed; catering; and maritime. All trainees stated their ethnic group as White Scottish.

A.3 FINDINGS

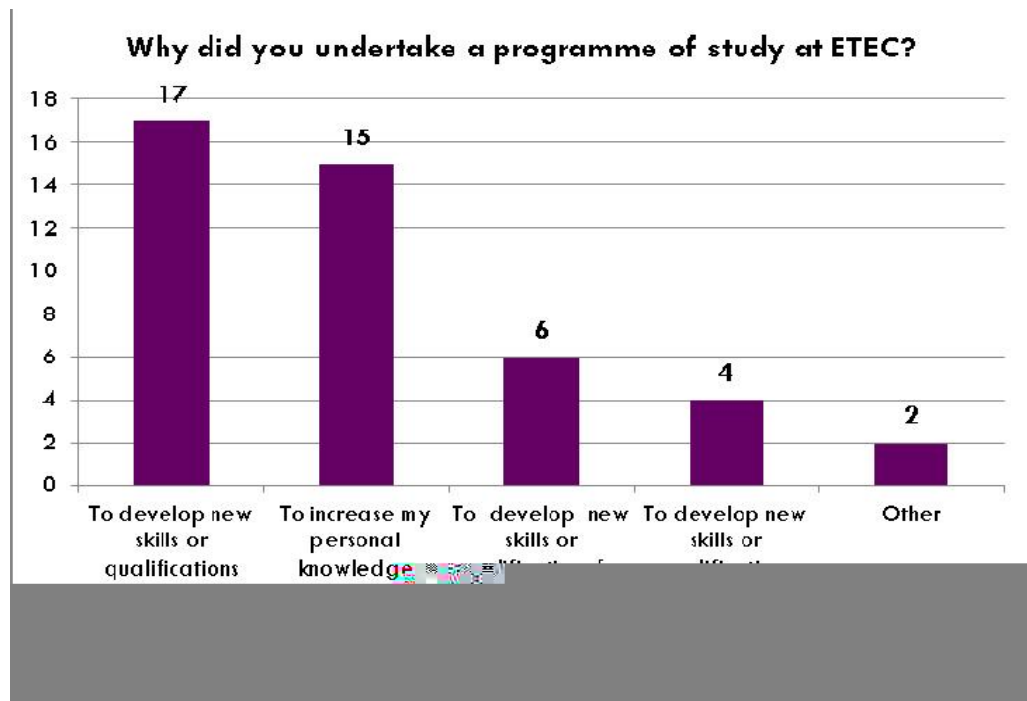
A.3.1 Type of Training



Most (28) respondents participated in educational training. In addition, 16 took part in vocational training, 13 in generic training and eight in nuclear-related.

The most commonly undertaken subjects were mechanical engineering, control and instrumentation, and electrical engineering. Each one was reported by 14 respondents. The main other subjects were welding and fabrication (five respondents) and construction safety (three).

A.3.2 Motivations For Studying at ETEC

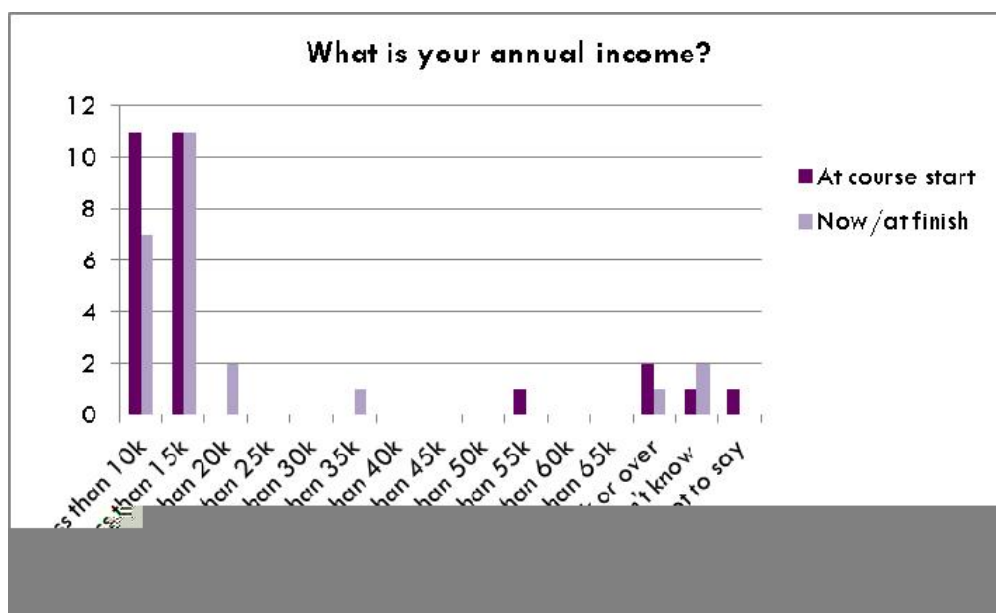


When asked why they participated in a programme of study at ETEC, the most common answer, chosen by 17 respondents, was to develop new skills/qualifications for their current occupation with the same employer. A similar number (15) sought to increase their personal knowledge. Smaller numbers were looking to change occupation and/or move to a new employer.

Respondents were also asked if they had experienced any negative effects of their ETEC training. Eleven of the twelve who answered this question stated that they had not experienced any such effects. However, one reported:

“I work on a 2/3 rota with a lot of my free time spent on the course rather than with family and friends. For part time the 18 months has been very demanding so far”

A.3.3 Income Levels and Benefits from Studying at ETEC



In terms of wage benefits, the training had seemingly not yet had a great impact on respondents' annual salaries, with little change noted. However, significantly fewer (seven from eleven) respondents expected their salary to remain at less than £10,000 by the end of the course, and two respondents expected incomes to rise to £15,000-£20,000.

A.3.4 How Found Out About ETEC

Respondents identified the main ways in which they first heard about the ETEC training. Most (nine) were contacted directly by employers, with a similar number (eight) hearing through word of mouth. Four each found out through attending an employer event/briefing and through an employer website.

A.3.5 Future Plans and Prospects

Respondents were asked "If your current employment ceases, what do you plan on doing after?" Most (14) respondents stated that they would "find further employment in a similar sector", five would "enter further training/education in a similar sector" and three respondent noted they would seek to "find further employment in another sector." A further three were unsure what they would do.

Seven respondents were extremely "optimistic [about]...finding future employment following the end of [their] position," rating this 5 out of 5 where 5 is "extremely" and 1 is "not at all." A further six respondents rated the statement a '4' and four respondents gave a '3'. Their reasons were as follows:

- "I am in a steady job at present with lots of opportunities moving forward."
- "Advance training opens more job opportunities."
- "Downreay workers have an easier advantage than most to getting a job elsewhere as we are already trained in nuclear and health & safety."

- *“Instrument technicians are in demand in the working world.”*

They were then asked, *“On a scale of 1-5 where 5 is extremely, and 1 is not at all – how optimistic are you of finding future employment following the end of your employment-specifically in Caithness?”*

This gave a slightly different response. The ratings given were as follows:

- ‘1’-two respondents.
- ‘3’-eight.
- ‘4’- five.
- ‘5’-three.

Reasons for a lack of optimism of employment in Caithness were because *“wages are not anywhere close to being competitive with Oil and Gas”, “not much instrument tech jobs available in Caithness”, “not a lot of places are available for jobs in Caithness”, and “less jobs in the area than in past years”*.

Thus, although respondents were seemingly optimistic about finding future employment, they were less certain that this could be in Caithness.

The completed students were asked *“How confident would you have been had you not taken part in the ETEC training?”* Four respondents answered that they would have been *“quite confident”*, three were *“neither/nor”*, and three would have been *“not particularly confident”*. This suggests that the training has, overall, had a mixed impact on their confidence. A few respondents gave reasons for their ratings:

- *“Mature student so confidence not too bad to start off with.”*
- *“Didn’t know a lot of theory but practical knew some but didn’t know it all.”*
- *“As a mature student my qualifications were no up to standards of others I was competing with in the job market within my company and industry in general.”*

Respondents were asked *“What are the main skills that will be of greatest relevance to you over the next three years?”* The findings were very clear-cut. The vast majority of those answering the question (25 respondents) stated *“specific technical or vocational skills”*. The remaining five stated *“general businesses skills and advice”*. Specific relevant skills highlighted included *“electrical”, “instrumentation”, “mechanical maintenance”, and “charter engineering”*.

Finally, respondents were asked to provide any further comments. The responses were:

- *“Excellent set up”.*
- *“Great engineering. Some great lecturers and support staff.”.*
- *“ETEC is a very good training facility. World Class based on comparison with other training establishments I have trained at in Europe and North America.”*
- *“Great place of training however some aspects can be improved.”*
- *“The ETEC training would be better if they resourced so that everyone in the class had a pc.”*
- *“Lack of computers hard for everyone.”*