



## Programme Manager Update

November 2014

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

### Key Issues and highlights:

- 107 FTE jobs have been projected by companies since the start of the 2014/15 financial year (75 new and 32 retained).
- Process Safety Solutions (PSS) has opened a base at Wick Business Park, creating 30-40 jobs over the next two years.
- The Meygen project has reached financial completion for its first phase of delivery, with JGC Engineering being awarded a significant contract to deliver elements of the project.
- Beatrice Offshore Windfarm Ltd (BOWL) has announced Wick harbour as its preferred location for operations and maintenance activity. Moray Offshore Renewables Ltd (MORL) has also announced a Memorandum of Understanding with Wick Harbour Authority.
- HIAL and NHV helicopters completed construction of a new helicopter hangar for NHV helicopters.
- Dunnet Bay Distillery has begun production.

### 2014-17 Jobs progress

Sector	3 year Target		Current projections		
	Low	High	New	Ret	Total
Energy	138	197	42	32	74
Business Services	62	80	0	0	0
Tourism	12	22	0	0	0
Food & Drink	15	25	12	0	12
Other Sectors	22	45	12	0	12
Local market	110	110	9	0	9
<b>Totals</b>	<b>359</b>	<b>479</b>	<b>75</b>	<b>32</b>	<b>107</b>

## **Caithness & North Sutherland Action Plan 2014-17**

The key priorities identified for 2014-17 are to:

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

### **Key to “traffic light” reporting system:**

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

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

### **Progress with High-priority activities**

#### **Existing company growth**

##### **Support growth aspirations for companies**

**HIE**

JGC Engineering Services has been awarded a multi-million pound contract by Atlantis Resources to supply elements of the Meygen tidal project. The company will manufacture and supply 24 steel structures for the initial devices being deployed in the Inner Sound of the Pentland Firth.

Dunnet Bay Distillery has completed its distillery building at Dunnet, and has begun production of its Rock Rose Gin. Its first two batches sold out within days of going on sale. The company has received advice and support from HIE and the NDA-funded North Highland Regeneration Fund.

##### **Support non-account managed company growth**

**NHRF/BG**

Business Gateway reports continued strong interest and enquiries from both business start-up and existing businesses. 14 companies have committed to creating 21 new jobs.

##### **Inward investment**

**HIE/SDI**

Process Safety Solutions (PSS) announced the creation of a Caithness base at the HIE-owned Wick Business Park, projecting the creation of 30-40 new jobs over the next two years. The company has been approved financial support of up to £194,000 by HIE. This is the first example of successful relocation following the programme of business engagement in Aberdeen. The company’s office was opened by John Swinney MSP during the Scottish

## Cabinet's visit to Wick in July

Discussions also continue on potential investment plans with a renewables company and several more oil & gas companies – all seeking to establish a facility in Caithness. These and other discussions are progressing well, with proposition documents now prepared for six different energy sector companies. HIE led on a Caithness-focused event in Aberdeen on October 1<sup>st</sup> as part of Subsea UK's "National Strategy for Servicing The Atlantic Frontier" conference. And on 28<sup>th</sup> October around 25 oil & gas representatives from Aberdeen visited Caithness to see the area's facilities and meet local companies.

Atlantis Resources has announced the completion of the financial package for its first phase of the Meygen project. Highlands and Islands Enterprise awarded £3.3M to this £51M phase of the project, along with support from Scottish Government and DECC. Work is expected to commence on the ground by the end of 2014, with first power generation expected in 2016. A Power Purchase Agreement has been signed between Atlantis Resources and Smartest Energy, providing a revenue stream from the power generated in this first phase.

<b>Enabling Activities</b>
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<b>Scrabster Harbour</b>	<b>SHT</b>
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Scrabster Harbour Trust (SHT) formally opened the Jubilee Pier in September. The project attracted public funding from HIE/ Scottish Government, NDA, ERDF, EFF. The Trust continues to work to develop a Business & Industrial Park at land near Scrabster Farm.

<b>Wick Harbour development</b>	<b>WHA</b>
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Wick Harbour Authority has completed work on a heavy lift pad on the Commercial Quay, and associated dredging works will commence. CNSRP partners HIE and NDA approved funding for these works last year. WHA also welcomed news that Beatrice Offshore Windfarm Ltd (BOWL) has indicated that Wick is its preferred location for an Operations & Maintenance base for its proposed offshore wind development. The Harbour Authority also signed a Memorandum of Understanding with Moray Offshore Renewables Ltd (MORL) in July.

<b>Superfast broadband to key parts of C&amp;NS</b>	<b>HIE</b>
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It was announced in October that Wick & Thurso will be in the next round of areas to be enabled for Next Generation (superfast) Broadband access (speeds of up to 80 Mbps). Work will take place over the next 6 months to prepare exchanges and street cabinets. Discussions continue between HIE and BT regarding plans for the wider Caithness/ North Sutherland area.

<b>Skills Development</b>
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MTRC programme continues to move towards closure in December 2014. It is likely that the project's target of 800 beneficiaries will be met.

<b>Transport – Roads</b>	<b>TS</b>
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Transport Scotland aims to publish Traffic Order for Berriedale Braes in late November 2014, and will hold a further public exhibition in Caithness to coincide.

Discussions continue with Highland Council on long-term solutions for the B876 road between Bower and Reiss – particularly at the stretch crossing Killimster Moss.

<b>Transport - rail freight/ logistics</b>	<b>Private</b>
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A meeting with DRS was held by Caithness Transport Forum in June to update on progress with potential commercial rail-freight traffic. Private sector plans for freight arrangements also continue to be discussed.

<b>Transport - Support Enhanced infrastructure in &amp; around Wick JOG Airport</b>	<b>HIAL</b>
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Chevron has again been running helicopter transfer flights from Wick John O'Groats airport, giving a further boost to passenger numbers. Helicopter operator NHV has worked with HIAL

to construct a hangar facility at the airport. The facility is now complete, and is being used by two NHV helicopters. An energy market assessment for helicopter traffic was commissioned by HIE and is being finalised, with HIAL looking at any subsequent investment implications.

<b>Business space</b>	<b>HIE</b>
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Discussions continue between partners regarding business space in Thurso.

<b>Marketing</b>	<b>HIE</b>
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Events programme now produced for inward investment activity.

<b>Tourism – Peatlands project</b>	<b>RSPB</b>
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Lottery funding for £9M project reached next round.

<b>National Nuclear Archive</b>	<b>NDA</b>
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The NDA is currently going through a formal procurement process to appoint a commercial company that will manage and operate the NDA's archive facility. Records dating back to the beginnings of the nuclear industry from across the UK's civil sites will be permanently housed and managed at the site. The NDA has also issued an invitation to tender for the construction of the archive building, which will also include the Highland Council's North Highland Archive. Both contracts are due to be awarded in spring 2015 and construction is expected to start in summer 2015, with completion expected by the end of 2016. It has been estimated that the facility when fully operational will provide around 20 full time jobs.