



DSG(2015)P014

Programme Manager Update June 2015

This update incorporates reports from a range of partners involved in delivering elements of the *Caithness & north Sutherland High-level Programme*. 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. The major projects being taken forward through the Programme (and reported against in this paper) are:

Project Title	Project Owner	Project support
Skills 1 – NH College	Donald MacBeath, NHC	Debbie Gray, NHC
Skills 2 - Talent attraction	Roy Kirk, HIE	Keith Muir, HIE
Business & Industrial Land	Roy Kirk, HIE	Keith Muir, HIE
Inward Investment	Roy Kirk, HIE	June Love, HIE
NDA Nuclear Archive	Simon Tucker, NDA	Anna MacConnell, NDA
Cavendish Nuclear Project Programme	Simon Middlemas, CN	Shona Kirk, CN
Dounreay Business Development	Ken Nicol, DSRL	June Love, DSRL
Scrabster Harbour	Sandy Mackie, SHT	Claire Conway, HIE
Superfast Broadband	Roy Kirk, HIE	Stuart Robertson, HIE
Roads 1 – A9 Trunk (Berriedale)	Andy Anderson, TS	TBC
Roads 2 – Non-trunk (B876)	Stuart Black, THC	Ian McGillivray, THC
Wick Harbour	Willie Watt, WHA	Hilary Budge, HIE
Wick John O'Groats Airport	Mark Stuart, HIAL	Claire Conway, HIE
Thurso Community Sports Hub	Phil Cartwright	Shona Kirk
Balance of Jobs	Eann Sinclair	Shoshana Mitchell, CNSRP
Dounreay Decommissioning Programme	Ken Nicol, DSRL	Marie Mackay, DSRL



Reporting system:

The Title Box for each major project will be coloured **Green, Amber or Red**. This will indicate the status of the project's delivery.

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

General update: Apr-Jun 2015

Jobs created/ retained (as at 31 March 2015)

Sector	3 year Target		Current projections		
	Low	Hi	New	Ret	Total
Energy	138	197	84	32	116
Business Services	62	80	0	0	0
Tourism	12	22	5	0	5
Food & Drink	15	25	38	0	38
Other Sectors	22	45	22.5	0	22.5
Local market	110	110	23	0	23



Energy/ Business Services:

A new company is being set up with bases in Aberdeen and Lybster, creating a planned 5 new jobs in Caithness. Enerquip is Chaired by Andrew Polson, the Caithness native who set up AMC Engineering before its purchase by Forum Energy Technologies. Enerquip has purchased the Lybster facilities formerly owned by AMC/ Forum Energy, and has said it wishes to use Lybster for manufacturing and repair. Mr Polson was one of the “Caithness Ambassadors” who supported the work of CNSRP partner Highlands and Islands Enterprise. It reinforces the view that despite the wider uncertainties in the oil & gas industry, the north continues to offer a cost-effective place from which to do business.

Atlantis Resources have continued to make good progress with the MeyGen tidal project. Atlantis Chief Executive and Chairman both remain confident of the project’s planned 2016 date for generating power from turbines to be located at the Inner Sound of the Pentland Firth. The project’s onshore infrastructure at Ness of Quoy near Gills is progressing, and the turbines and cables also remain on course for delivery. JGC Engineering is fabricating the bases for the turbines at its Janetstown site.

Forss Business & Technology Park is making progress under new owners Abbey Ecosse. A new partnership has been established between Abbey Ecosse and Enercon, a major German renewables company, which will see Enercon establishing a service base at Forss for its operations and maintenance personnel in the north. This is one of several developments being worked on for the Park, and new jobs are likely to result from this.

North Highland College UHI North Highland College has announced the return of its “Engineering & Construction Employability Skills” course. Following the success of last year’s six-week summer programme – where every candidate entered employment, apprenticeship or further education – this year’s programme will again offer a course aimed at equipping young people with the knowledge, skills and certification to help them into employment. The course has been designed with the support of local engineering and construction companies.

Tourism Food & Drink:

The North Highland Initiative’s “North Coast 500” project has received substantial national and international media coverage both before and after its launch in May. The route, from Inverness round the north Highlands, offers great potential for complementing more local product development projects such as Venture North’s tourism app and a proposed food festival.

Scrabster Seafoods has announced a new project to create a crab processing plant at Scrabster harbour. The project, which hopes to build on the company’s existing export business, will create around 25 new jobs.



Infrastructure:

Southern Energy Power Distribution (under its Scottish Hydro Electric Transmission company name) continues to make progress with several major projects in the north. The major Caithness-Moray link has seen earthworks and associated activities at the site of the AC substation at Spittal. As mentioned last week Tier 1 contractor Balfour Beatty is making use of local facilities at the Forss Business & Technology Park during its contract. Work is also going on to test directional drilling, and enabling works along the route of the land cabling have started. Two line reinforcements are also being worked on as part of the Grid enhancements. The Dounreay-Mybster reinforcement will see the replacement of a 132kV line with a 275kV line, via a new substation just south of Thurso. Enabling works for the new substation have started with road traffic restrictions around the site during June. A new line will also be built from the new substation at Thurso to a new substation planned for Gills Bay. The route for this line is still being planned, and design work on the proposed substation in the Gills Bay area has started. Both reinforcements are scheduled for completion in 2018/19.

Other:

Invest Caithness/ CNSRP was a part of the Highland Council's presence at All-Energy Exhibition & Conference in Glasgow in May.

Major Project	Scope of Work	Progress - Current	Progress – Next period
Skills 1	Establish a relationship with a business partner(s) to support commercial development of the NHC offerings Establish a Business Development Unit (BDU) at NHC to support a programme of activities including employer engagement Establish Foundation, Community and Advanced Apprenticeships Develop the curriculum and courses to meet the further and higher education and business demands Establish a pool of associate lecturers from industry to support a range of curriculum areas Research activities NHC resources – understand and meet the course demands of the future Campus & Facilities - Upgrade the Thurso campus to provide	<ul style="list-style-type: none"> • BDU plan being developed - expected June 2015. • Advanced apprenticeship model being taken forward in September 2015 in line with start of academic year. Funding received 03/15. • Foundation apprenticeship model being developed with schools for 2016/17 intake • ITT as part of wider business case now approved with Sheppard Robson as preferred bidder 	<ul style="list-style-type: none"> • In the next three months we will concentrate on recruiting to BDU, advancing apprenticeship provision with SDS as funder. Working with Sheppard Robson on creating a “shovel ready” project.



	<p>modern facilities. Re-establish a presence in Wick to meet future offshore requirements. Utilisation of community facilities to deliver courses</p>		
Skills 2	<p>To develop and implement the plan to attract talented people to Caithness and North Sutherland. This will include:</p> <ul style="list-style-type: none"> • Carry out a needs assessment of the private and public sector requirements for skilled labour for the near term and medium term. This will include the private and public sectors. • Work with Talent Scotland (www.talentscotland.com) to maximise the use of this programme in the North. • Work with public sector partners to implement the Highlands and Islands Regional Skills Investment Plan, to maximise the benefits in Caithness and North Sutherland. This will focus on the workstream, “people attraction”. • Work with the private sector (recruitment companies) to develop their knowledge of the opportunities in the area and to build links with the local companies to understand the cost effectiveness of using a private sector solution. • To assess previous recruitment events and if appropriate to hold a recruitment fair outside of the Highlands and Islands. 	<ul style="list-style-type: none"> • Needs Assessment scope revised to make clear need to engage public & private sector. Completion by end Sept 2015. • Talent Scotland agreement likely to be a Memorandum of Understanding with HIE to better understand local opportunities from their national programmes and activities. Due by end September. • Physical localised RSIP plan completed by end September. • Recruitment Companies engagement & recruitment event dependent on outcome of Needs Assessment 	<ul style="list-style-type: none"> • Discuss and agree local version of Regional Skills Investment Plan with THC, SDS and UHI. • Discuss & agree localised Talent Scotland plan.
Business & Industrial Land	<ul style="list-style-type: none"> • To develop and implement the provision of business and industrial space in Caithness to support growth in key sectors. • Identify business case for provision of business and industrial space (particularly around Thurso) 	<ul style="list-style-type: none"> • Initial demand assessment being incorporated into revised Options Appraisal scope, following expansion of original delivery scope. 	<ul style="list-style-type: none"> • Agree conclusions/ recommendations from Options Appraisal • Commence Feasibility.

	<ul style="list-style-type: none"> • Carry out Site(s) Options Appraisal • Agree costed development plan for site(s) • Implement 		
Inward Investment	<p>HIE will pro-actively seek to attract companies, in the energy and business services sectors, to relocate part of their existing business to the area. This will be carried out in a number of ways drawing on others within HIE, Scottish Enterprise and Scottish Development International to assist in this approach.</p> <p>Marketing of the area, raising awareness of the skills and supply chain capability that already exists will form a part of this scope as well as regular business meetings.</p> <p>This includes all HIE Inward Investment opportunities where there is no potential direct commercial arrangement with an existing local business.</p>	<ul style="list-style-type: none"> • Reviewed current Inward Investment pipeline. • Proposition document delivered for a potential project (II Project S). • Holyrood reception held (over 20 businesses/MSPs attended) – aim to raise awareness of opportunities. • Business meetings held in Aberdeen (follow on discussions with 6 companies). • Meetings with intermediaries held in Aberdeen (April): use of intermediaries is to raise awareness of opportunities. • Attendance at HIE Inward Investment forum. • Attendance at All Energy (2 prospects identified) 	<ul style="list-style-type: none"> • Preparations for Offshore Europe conference commenced (identification of companies at event to target). • Marketing plan – to be updated. • Marketing plan – to establish 2 year sustained programme of activities, including adverts, editorials, visits to area, events etc. • Two proposition documents to be completed. • Further work on “Project S”. • Diary of oil and gas events/conferences to ensure appropriate planning. • Follow on discussions with identified company leads/prospects. • Commenced planning for potential event in autumn in London.
NDA Nuclear Archive	<p>To build a public archive repository and to manage and conserve archived records from across the NDA estate. As well as housing records from across the UK’s civil nuclear sites the building will provide a permanent location for the Caithness (North Highland) archive. The NDA Nuclear Archive will provide, where appropriate, public access to records from across the UK and the Caithness archives. The facility</p>	<ul style="list-style-type: none"> • Planning consent granted • Commercial Partner contract award imminent • Value engineering exercise almost complete • Design & Build contract to 	<ul style="list-style-type: none"> • NDA Archives Ltd set up completed and company operational • Commercial Partner awarded and involved • Value Engineering exercise completed



	<p>will be managed by a commercial partner on behalf of the NDA and agreements put in place to provide a service to the Highland Council in respect of the Caithness (North Highland) Archive.</p>	<p>follow from Value Engineering contract (Morrison)</p>	<ul style="list-style-type: none"> Design & build contract commences – contractors on site.
<p>Cavendish Nuclear Project Programme</p>	<p>Investigate the formation of future new business in Caithness to meet the future requirements of Cavendish Nuclear, support wider Babcock interests or support to other likeminded and aligned sustainable inward investment or growth opportunities. Initial concepts are: Project T Project M Project K Project E Note: Including office facilities for all projects, including Dounreay off-site office requirements. Working with the wider Babcock companies, investigate opportunities and encourage investment in the following market sectors locally: Project N Project E Investigate the opportunities thoroughly so that it they can be progressed further, shelved or handed to another party for development Prepare a programme for the implementation and transition plans. Identify barriers to success for action eg. State aid, local issues. 4. Specific activities: Confirm, or not, the initial concepts are viable and sustainable and underpin assumptions. Identify where additional resources will originate, ie. Existing</p>	<ul style="list-style-type: none"> Indicative timescales have generally slipped approximately 1 year due to precursor business activities, however, this will not stop progress on all activities up to, but not including implementation and office build. 	<p>The next 12 months will concentrate on development of the concepts to allow a decision to be taken on the commercial viability of moving into the implementation phases. There is a window of opportunity for initiating these projects to take advantage of the skills at the Dounreay site from 2018 to approximately 2023.</p>

	<p>fully skilled staff, partially skilled staff suitable for up-skilling, external resources that could be attracted into the area, graduate trainees and apprentices. Training requirements and availability of courses in the short, medium and long term. Quantify the potential number of jobs to be created locally and timescales for such jobs. Identify the infrastructure and asset requirements. Consider and identify areas of potential support – funding, support in kind, expertise etc from appropriate bodies including HIE, NDA, PBO Parents, Dounreay. Identify partners and potential business model that would underpin the opportunity.</p>		
<p>Dounreay Business Development</p>	<p>DSRL Business Development relates to activities for the creation of sustainable businesses based upon the skills of individuals and /or products & services from within the Dounreay site. This may take a variety of forms such as a new business start-up or spin out. There are a number of fundamental challenges which need to be understood and addressed to ensure that any business is sustainable post Dounreay. Individuals are (or may in the future) establishing their own business utilising their skills or interests and may require advice and mentoring to enable them to establish a sustainable business or develop business skills. In order to deliver this DSRL will work with organisation such as the Business Gateway; Caithness Chamber of Commerce and the Highlands & Islands Enterprise; maintain an awareness of different established or emerging markets which may offer opportunities for individuals (or groups of individuals) to establish / develop a businesses</p>	<ul style="list-style-type: none"> • Report to NDA on business spin-outs received and accepted. No new activities on spin-outs anticipated • Committed to maintain support for individuals employed at Dounreay who are considering starting up businesses. • Pilot Business support programme likely to be extended to accommodate slower spend. Interventions Initial Guidance 33 (target: 50); Advice/Consultancy 15 (target 30); Mentoring 1 (target 6). Also 2 Workshops delivered: Marketing (6 	<ul style="list-style-type: none"> • Continue to provide support to potential and new businesses • Communicate business events and information to staff

	<p>DSRL will look for opportunities which as a result of the decommissioning programme could support the economic development of the area. This could include relocating selected Dounreay staff into new office accommodation in the Thurso area or encouraging contractors to establish a permanent presence in the area.</p> <p>The above has to be balanced with the requirement to deliver the decommissioning programme, therefore the timing of this activity is crucial.</p>	<p>attendees); Practical Finance Workshop (4 attendees).</p> <ul style="list-style-type: none"> • Businesses Established & Trading (Dounreay Staff) - Far North Occupational (3); Lasting Impressions (1); Pest Remove (1); Storyboard Films Ltd (1) 	
<p>Scrabster harbour</p>	<p>Phase 1a – Development of the 32 Acre Enterprise Area at Scrabster Mains</p> <p>Phase 2 – Re-development of the St Ola Pier to create modern deep-water harbour infrastructure</p> <p>Phase 3 – Seabed reclamation works to create laydown / industrial space to the south of the harbour</p> <p>Phase 4 and 5 would build on the earlier phases of development (but not currently scoped)</p>	<p>All projects have progressed over the period. The major issue applicable to all three is funding and prioritisation of scarce resources.</p>	<p>The major focus for the next period will be possible funding sources and clarity on development options for Ph1a.</p>
<p>Superfast Broadband</p>	<ul style="list-style-type: none"> • Improve connectivity through implementation of improved fixed broadband. Target is to maximise coverage at superfast speeds (>24Mbps download) • Provide the following capability for business by end 2016: <ul style="list-style-type: none"> • Access to affordable fixed fibre based broadband • Installation of additional Points of Presence (PoPs) to increase availability/affordability of Ethernet services • Provide the following capability for home working by end 2016: <ul style="list-style-type: none"> • Access to affordable fixed fibre based 	<p>Expansion of “Fibre to the Cabinet (FTTC)” installation in additional exchange areas:</p> <ul style="list-style-type: none"> • Castletown live from 03/15, • Lybster live from 06/15 	<ul style="list-style-type: none"> • Further expansion of FTTC rollout in additional exchange areas – Brora, Halkirk, Helmsdale, Thrumster and Watten. • Initial FTTC “Exchange Only” installations in Thurso and Wick but more to come.

	broadband		
Roads 1	To deliver a realigned stretch of the A9 Trunk Road at the north side of Berriedale Braes, addressing the current issue with both the gradient and severity of the hairpin bend.	<ul style="list-style-type: none"> The draft Compulsory Purchase Order (CPO) and Trunk Road Order (TRO) were published on 21 November 2014. Two objections to the orders have been received and one has been withdrawn. Funding is available for the next stage of the design process, to prepare the contract documents, but there is no funding beyond this point at present to progress construction. 	<ul style="list-style-type: none"> Correspondence with remaining objector. Preparation for Autumn Spending Review.
Roads 2	The project is the improvement of a 900m section of the B876 across Killimster Moss to bring the load capacity up to Scottish Government recommended strength standards.	<ul style="list-style-type: none"> Options appraisal completed. Budget confirmed May-2015 by Development & Infrastructure Cttee. budget allocation for 2015/16 2016/17 and 2017/18 	<ul style="list-style-type: none"> Issue 2 of project plan will be created with CNSRP PM.
Wick Harbour	<p>Phase 1 – creation of a High-Water Gate</p> <p>Phase 2 – Creation of pontoons/ berthing; offices; parking; laydown space</p> <p>Phase 3 – Development of land at the south of the harbour (Shaltigoe development)</p> <p>Phase 4 – Development of land at the north of the harbour (Dunbar development)</p>	<ul style="list-style-type: none"> Good progress on detailed design of onshore facilities, and funding investigations. MORL O&M tender issued, discussions ongoing. Discussions on options for High Water Protection gate. 	<ul style="list-style-type: none"> Continuation of same plus discussions with Planning and other stakeholders. MORL preferred O&M port to be named by end of year.



Wick JOG Airport

Enhance the service offer at the airport:

- Facilitate the provision of modern, fit for purpose hangars
- Improved safety in approach procedures
- Aim for equivalence of Cat 1 ILS decision heights
- Improved environmental performance on approaches
- Introduction of new fire appliances
- Improvement of “first impressions”, e.g. the removal/refurbishme



	<p>Sutherland. Also where possible to identify jobs lost to the area economy through any redundancies and business contractions/ closures and share this information with CNSRP partners.</p>	<ul style="list-style-type: none"> In 2014/15 companies committed to creating 144.5 FTE jobs and retaining 32 FTE jobs. 	
<p>Dounreay Decommissioning Programme</p>	<p>To provide information to CNSRP on the overall DSRL decommissioning programme in relation to site employment numbers up until the Interim End State date.</p>	<ul style="list-style-type: none"> Initial resource profile was submitted to CNSRP on 5 January 2015 & updated 9th April. Work continues to develop the site's people plan. 	<ul style="list-style-type: none"> Provide data on non-DSRL staff to CNSRP Develop Communications Plan for DSRL People Plan.