

## Programme Manager Update

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.

This is the first update under the 2017-2020 CNSRP Programme.

The major opportunities being taken forward through the Programme (and reported against in this paper) are:

Offshore Wind
Tidal
UK Vertical Launch
Nuclear Services
Business Services
North Coast 500
Skills Investment Plan
Inward Investment
Balance of Jobs

**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 during both the last period and the current period of activity.

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

**General update: Sep-Dec 2017**

Jobs created/ retained (as at October 2017)

Sector	3 year Target*		Current projections		
	Low	Hi	New	Ret	Total
Offshore Wind	45	145	20	0	20
Tidal	0	10			
UKVL	0	20			
Nuclear services	60	120			
Business Services	15	100	1	0	1
North Coast 500	30	100			
Other Sectors	30	60	21	10	31
Local market	75	90	13	0	13
<b>Totals</b>	<b>270</b>	<b>670</b>	<b>65</b>	<b>10</b>	<b>75</b>

Summary:

- Offshore and onshore construction work on the Beatrice Offshore Windfarm has progressed well over the summer. As of November, 84 of the 86 sets of offshore foundation piles have been installed, and the first jackets to support turbines have been installed. Work on the onshore Operations and Maintenance base at Wick harbour is also progressing well, and the first SSE jobs associated with the O&M phase are being advertised. SeaCat Services has also run a recruitment event for personnel to work on its fleet of Crew Transfer Vessels.
- News on the UK Government’s “Contracts for Difference (CfD)” auction was announced in September. Moray Offshore Windfarm (East) was approved with a Strike Price of £57, but the MeyGen project was not awarded a contract.
- Scottish Government has launched the procurement for the work to deliver the improvement scheme at the A9 Trunk Road at Berriedale Braes. <https://www.transport.gov.scot/news/9-million-berriedale-braes-road-contract-off-to-market/>
- Town Centre Wi-Fi is due to be installed in Wick and Thurso town centres by December this year, with funding from the Inverness City-Region Deal.

Major Project		Scope of Work	Progress	
Last period	This period		This period	Next period
Offshore Wind	Offshore Wind	<p><b>Offshore Wind (45-145 jobs by 2020)</b></p> <p>The geographic proximity of Caithness and particular Wick Harbour to the offshore wind projects (and potential projects) in the outer Moray Firth offers significant economic opportunities in and around the harbour itself and for existing local supply chain companies, as well as offering potential for new business to start up in or relocate to the local area.</p> <p>Significant efforts by Wick Harbour have attracted the offshore wind company Beatrice Offshore Wind Ltd (BOWL) to establish themselves at the harbour, which will create significant long term direct and indirect skilled employment. Similar efforts are being</p>	<ul style="list-style-type: none"> <li>• Initial contact and discussion within HIE to identify mobile investment opportunities. Piece of work to identify supply chain opportunities now agreed with BOWL O&amp;M manager.</li> <li>• Discuss/ agree funding for this work with CNSRP</li> </ul>	<ul style="list-style-type: none"> <li>• Start to articulate strategy for developing local supply chain and identifying and targeting inward investors.</li> <li>• Undertake a supply chain gap analysis – this will be informed by the discussions with the lead commercial companies.</li> </ul>

		<p>undertaken to attract Moray Offshore Renewables Ltd (MORL) to use the harbour for their base of operations as well, something that is dependent upon a Contract for Difference (CfD) being awarded, and a final investment decision from Moray Offshore.</p> <p>Alongside the existing investment by BOWL and the potential investment by Moray Offshore, a significant opportunity also exists in the value chain; to maximise the benefit to the local supply chain and/or future locally based supply chain to benefit the local economy and therefore jobs. This Project therefore aims to support the supply chain growth opportunities. This will be a phased approach:</p> <ul style="list-style-type: none"> <li>• Development and deployment of a supply chain value chain strategy by investigating the needs of BOWL (and potentially MORL should the project progress) from their supply chain for local companies and potential inward investors, conducting a gap analysis.</li> <li>• Work with local partners and locally based companies to benefit from this information</li> <li>• Work with companies not already based in the area (where skills gaps currently exist) with a view to attracting them to establish a local presence in the area.</li> <li>• Identify wider service opportunities and develop a work plan to engage with local providers.</li> </ul> <p><u>Deliverables</u></p> <ul style="list-style-type: none"> <li>• Report on supply chain requirements of the</li> </ul>	<p>partners.</p>	
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		<p>offshore wind companies.</p> <ul style="list-style-type: none"> <li>• Associated gap analysis of local capabilities.</li> <li>• Agreed local supply chain engagement strategy and plan.</li> <li>• Agreed wider supply chain investment plan and marketing material to support engagement</li> </ul>		
<b>Tidal</b>	<b>Tidal</b>	<p><b>Tidal Energy (up to 10 jobs by 2020)</b></p> <p>The success of Atlantis Resources Ltd (ARL) in taking steps to develop the world’s first commercial tidal power station in the Pentland Firth offers a number of economic opportunities for the local area. ARL are developing the MeyGen site with an aim to provide ~400MW of generation capacity. They have also acquired the rights to develop the neighbouring Ness of Duncansby and Brough Ness sites with the potential for a further 100MW each.</p> <p>This Project seeks to maximise the opportunities presented by these developments, Should other tidal energy commercial opportunities appear in the future, these will be assessed at the time for inclusion in this project scope. The target areas are:</p> <ul style="list-style-type: none"> <li>• the O&amp;M opportunities over an assumed lifetime of ~25 years. With an assumed generator output of ~1.5MW, when all arrays are in place there will be a requirement to carry out significant annual planned maintenance, let alone any breakdown and planned replacement work.</li> </ul>	<ul style="list-style-type: none"> <li>• Route to develop strategy and approach agreed.</li> <li>• Discussed funding for this piece of work.</li> <li>• Commission piece of work</li> </ul>	<ul style="list-style-type: none"> <li>• Commission piece of work</li> <li>• Undertake work.</li> </ul>

		<ul style="list-style-type: none"> <li>• the initial installation of the turbine arrays, planned over several years</li> <li>• supporting the value chain by supporting the integration of local supply chain capabilities</li> </ul> <p>The development is focussed on several phases, where a detailed scope will emerge as the work progresses:</p> <ul style="list-style-type: none"> <li>• Establish meaningful customer engagement and understanding the customer requirements of the future</li> <li>• Collation of data, market intelligence and other information to create a compelling argument to utilise Caithness to support primarily O&amp;M in the future, but also build out activities</li> <li>• Work with companies not already in the area (where a gap exists in the local supply chain offerings), with a view to attracting them to establish bases in the local area</li> </ul> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> <li>• Data, information and market intelligence report on the potential of this opportunity</li> <li>• Plan for ARL O&amp;M strategy and their Tier 1 supply chain engagement, including the area strategy for O&amp;M support</li> <li>• Value chain engagement plan to support local supply chain collaboration Inward investment plan to engage other companies that can establish a local presence and further enhance the area’s supply chain offerings</li> </ul>		
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<p><b>UKVL</b></p>	<p><b>UKVL</b></p>	<p><b>UKVL (up to 20 jobs by 2020)</b>                  This Project concerns the establishment of a satellite launch facility (&gt;500kg payload) on the Moine in Sutherland to enable low cost, micro-launchers to insert satellites into low earth orbits (500-700km altitude). All activities will be undertaken in partnership with a range of industry and Government organisations in order to:</p> <ul style="list-style-type: none"> <li>• Realise the UK and Scottish Government ambitions of entering this market</li> <li>• Bring economic benefit to the area by generating high value direct, indirect and induced local jobs</li> <li>• Bring wider benefits to the Highlands, Scotland and the UK by capturing a portion of the launch vehicle and satellite technology market</li> </ul> <p>The project is accountable for three key outcomes, i.e.:</p> <ul style="list-style-type: none"> <li>• Capture involvement and commitment of commercial launch vehicle operators to use a facility in North Sutherland</li> <li>• Based on Industry User Requirements, procure a commercial Launch Site Operator (LSO) and establish a fully functional launch facility with ancillary services. This facility should be expandable to accommodate increasing use by other Launch Vehicle Operators</li> <li>• Capturing the interest and commitment of the space industry to bring benefit to the entire value chain, by using the wider supply chain</li> </ul> <p>The project will deliver, coordinate, manage, facilitate</p>	<ul style="list-style-type: none"> <li>• Continue to work with UK Space Agency on due diligence for potential support.</li> <li>• Environmental work continuing and discussions with interested parties from commercial side, planning, community and legal.</li> <li>• Strategic Outline Case concluded.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to seek approval for capital support from a number of agencies.</li> <li>• On-going legal discussions with land owner.</li> <li>• After public announcements engage with a wider range of stakeholders.</li> <li>• Engagements with political and local bodies to develop understanding of opportunity.</li> <li>• Confirm resource requirement and specialist support.</li> <li>• Develop Strategic Business Case.</li> </ul>

		<p>as appropriate all supporting activities around these three outcomes, eg.:</p> <ul style="list-style-type: none"> <li>• Project management, funding, procurement of commercial LSO.</li> <li>• Communications and stakeholder management</li> <li>• Tourism development</li> </ul> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> <li>• Strategic Outline Case for a Launch Facility in North Sutherland</li> <li>• Strategic Business Case for a Launch Facility in North Sutherland</li> <li>• Achieve planning consent from Highland Council/ Scottish Govt</li> <li>• Achieve air-space control plan from CAA.</li> <li>• Implemented communications and stakeholder engagement plans</li> <li>• Procurement of a Launch Site Operator</li> <li>• A managed risk and opportunities register</li> </ul>		
<b>Nuclear Services</b>	<b>Nuclear Services</b>	<p><b>Nuclear Services (60-120 jobs by 2020)</b></p> <p>To maximise the opportunities presented by the skills and/or current major nuclear companies in the local area to focus on a national and international nuclear services market, particularly:</p> <ul style="list-style-type: none"> <li>• Decommissioning</li> <li>• O&amp;M</li> <li>• New Build</li> </ul> <p>This project focuses on the support required by nuclear companies and the assistance and encouragement they</p>	<ul style="list-style-type: none"> <li>• Staff data to help support the case now received.</li> </ul>	<ul style="list-style-type: none"> <li>• Further investigation of staff data from DSRL and develop the need for extra LMI.</li> </ul>



		<p>might need to establish businesses in the local area that transcend the closures of Dounreay and Vulcan. It will coordinate, manage and facilitate as appropriate all activities necessary to assist the companies establish themselves in the local area with a business services rather than their previous site management remits and realise the objectives (see Benefits) below.</p> <p>In parallel, this Project will work with Dounreay and Vulcan sites on the outputs from their staff transition plans so these skills can be used to attract either local company growth or inward investment into the area.</p> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> <li>• Mutually agreed project plans (including land/ property requirements where required) for Nuclear Services companies that will support their ambitions as Caithness-based businesses</li> <li>• Labour Market Information based on Skills Transition Plans for both Dounreay and Vulcan workforces, identifying available skillsets.</li> </ul>		
<b>Business Services</b>	<b>Business Services</b>	<p><b>Business Services (15-100 jobs by 2020)</b> To maximise the utilisation of existing and future skills generated in Caithness to attract companies offering business services into the area. This Major Project is an inward investment activity that will coordinate, manage and facilitate as appropriate all local and market contact to attract companies to establish themselves in the local area and realise the objectives below.</p>	<ul style="list-style-type: none"> <li>• Strategy and approach discussed with partners.</li> </ul>	<ul style="list-style-type: none"> <li>• Initial LMI requirement confirmed and research undertaken.</li> <li>• Market analysis of likely targets that have a fit for current</li> </ul>

		<p>This Major Project will consist of several phases:</p> <ul style="list-style-type: none"> <li>• Skills availability (current, future) and development of suitable skills</li> <li>• Market analysis, followed by matching of business requirements with available skills</li> <li>• Plans – to capture business interests, taking forward a case management approach by running planned campaigns to attract companies to locate into the local area</li> <li>• Realisation – the establishment of a business in the region, with appropriate support.</li> </ul> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> <li>• Labour Market Intelligence reports</li> <li>• Market analysis report</li> <li>• Organised campaigns</li> </ul>		and potential labour market.
<b>North Coast 500</b>	<b>North Coast 500</b>	<p><b>North Coast 500 (30-100 jobs by 2020)</b></p> <p>The success of the North Coast 500 offers a number of opportunities to the local area. A multi-agency working group has been established to consider issues &amp; opportunities, and to optimise the economic and community benefits for those parts of the route that can be supported. This project looks at supporting employment generating opportunities in Caithness and North Sutherland created by the increased footfall and profile that the NC500 has brought and is likely to continue to bring over and above those being actively worked on by the already established working group.</p>	<ul style="list-style-type: none"> <li>• Initial scoping started and discussions with expert advisors started.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify through research the supply chain gaps both current and future, and forecast products for NC500 and in particular the Caithness and North Sutherland location.</li> <li>• Establish contact</li> </ul>

		<p>Specific issues that this Major Project is focussing on are:</p> <ul style="list-style-type: none"> <li>• Investigation of possible job creating projects that may come forward as a result of the success of NC500</li> <li>• If appropriate the encouragement, facilitation and support to the establishment of a new “5 star equivalent” hotel in Caithness either by local companies/individuals or by national/international companies.</li> <li>• Other activities will be defined</li> </ul> <p>The development is focussed on several phases:</p> <ul style="list-style-type: none"> <li>• Definition of those investment opportunities that the NC500 may generate.</li> <li>• Investigation into other gaps in the local provision of services associated with NC500 that could lead to investments that would lead to the net creation of jobs.</li> <li>• The project will then be reviewed once the investigation has been undertaken.</li> </ul> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> <li>• Investment opportunities and gap analysis reports in local provision to realise those opportunities</li> <li>• Review of opportunities taking into account existing industry capabilities</li> </ul>		<p>with potential investors and intermediaries.</p>
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Enabling Activity		Scope of work	Progress	
Last Period	This period		This period	Next Period
<b>Skills Investment Plan</b>	<b>Skills Investment Plan</b>	Establish a Strategy and Action Plan, developing a set of activities that will help mitigate risks to successful implementation of the CNSRP programme.	<ul style="list-style-type: none"> <li>Skills Development Scotland has commissioned Ekos Consultants to carry out this work. Inception meeting held 7<sup>th</sup> September.</li> <li>Consultations with schools, parents, stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Ekos carry out programme of consultations leading to a draft plan by December 2017.</li> </ul>
<b>Inward Investment</b>	<b>Inward Investment</b>	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. 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.	<ul style="list-style-type: none"> <li>Discussions with colleagues in HIE and where appropriate SDI for action to cover wider sector issues than those covered above.</li> <li>Small number of live opportunities being developed.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to leverage wider contacts and to grow the number of general investment cases being managed with a chance of success.</li> <li>Develop links with intermediaries.</li> </ul>
<b>Balance of Jobs</b>	<b>Balance of Jobs</b>	To gather, collate and disseminate information to partners and stakeholders on the range of jobs being created and retained in the area economy of Caithness	Total of 65 FTE jobs (55 new, 10 secured).	

		and North 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.		
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