

Programme Manager Update – January 2020

This update incorporates reports from a range of partners involved in delivering elements of the Caithness & North Sutherland High-level Programme.

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

Programme theme	Development Area	Project	Status
Energy	Offshore Wind	Beatrice Offshore Windfarm Limited(BOWL)	Green
		Moray East	Green
		Moray West	Red
	Oil & Gas	Scrabster Harbour St Ola Pier Redevelopment	Green
	Tidal	Simec Atlantis Tidal Stream Array	Yellow
Space	Space Hub Sutherland	Space Hub Sutherland Build and operate	Green
		STEM for Space related activities	Red
Business services	Nuclear Design and Support Services	Cavendish Engineering Centre	Yellow
		Rolls Royce Engineering Centre	Yellow
	General Business Services	Equinity Expanding	Green
Tourism	North Coast 500	North Highland Initiative Qualitative/Quantitative Impact assessment report.	Green
	Strategy development	CNSRP Strategy development	Yellow
Inward Investment	Develop approach		Yellow
Enabling activities	Skills Investment Plan		Yellow
	Battery North		Green
	Connectivity		Yellow
Progress reporting	Milestones for each project		
	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.

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: Sept 2019-Dec 2019

Jobs created/ retained (as at Dec 2019)

<u>Project</u>	3 year Target		Current projections		
	Low	Hi	New	Ret	Total
BOWL Offshore Wind	45	145	50	0	50
Tidal	0	10			
SpaceHub Sutherland	0	20	3	0	3
Oil & Gas	15	25	9	0	9
Nuclear services	60	120			
Business Services	15	100	51	0	51
North Coast 500	30	100			
Other Sectors	30	60	234	10	244
Local market	75	90	13	0	13
Totals	270	670	360	10	370

Summary:

- Space Hub Sutherland project continues to develop with a. A lease option between HIE and the Melness Crofters’ Estate was signed on 31st July 2019 which allows the lease to be taken up when planning consent for the launch site is granted. Planning consultation identified some areas where the application could be improved. To ensure these were properly addressed the planning application was delayed from end ’19 and is now planned for February ’20
- Moray West was unsuccessful in their bid for a CfD in Sept ’19 round, but remain committed to developing the project for future bids. In discussion with UHI/NHC regarding training opportunities to support potential O&M strategies.

Major Theme : Energy Offshore Wind (45-145 jobs by 2020)		Progress Last Update: 20 th January 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (45-145 Jobs by 2020)	Progress	Barriers and opportunities	Actions
BOWL Offshore Wind	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.	<ul style="list-style-type: none"> • Significant efforts by Wick Harbour have attracted the offshore wind company Beatrice Offshore Wind Ltd (BOWL) to establish themselves at the harbour • Offshore construction 100% complete; station fully operational 	<ul style="list-style-type: none"> • Project fully operational so supply chain established. • NH College being accredited to Global Wind Standard to allow training of staff for offshore wind operations. 	<ul style="list-style-type: none"> • Work with SSE/ BOWL/ O4B Contractor /Deepwind/ Scottish Offshore Wind Supply Chain Database to support supply chain development for O&M and next projects. • Consider opportunities emerging through Offshore Wind Sector Deal.

Major Theme : Energy Offshore Wind (45-145 jobs by 2020)		Progress Last Update: 23rd October 2019		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Offshore Wind Moray East	<p>The geographic proximity of Caithness and particular Wick Harbour to the offshore wind 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>Efforts are being undertaken to attract Moray Offshore Renewables Ltd (MORL). Fraserburgh identified as Moray East O&M base, but some activity attracted for survey and preparatory activities.</p>	<ul style="list-style-type: none"> • Some survey vessel activity attracted to Wick Harbour 	<ul style="list-style-type: none"> • Fraserburgh identified as Moray East O&M base. • Moray West in early discussions. • Next leasing round could identify further projects. • NH College being accredited to Global Wind Standard to allow training of staff for offshore wind operations. 	<ul style="list-style-type: none"> • Work with SSE/ BOWL supply chain/ O4B Contractor /Deepwind/ Scottish Offshore Wind Supply Chain Database to support supply chain development for O&M and next projects. • Consider opportunities emerging through Offshore Wind Sector Deal. • Continue discussions with Crown estates re: next leasing rounds

Major Theme : Energy Offshore Wind (45-145 jobs by 2020)		Progress Last Update: 20 th January 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Offshore Wind Moray West	<p>The geographic proximity of Caithness and particular Wick Harbour to the offshore wind 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>Efforts are being undertaken to attract Moray West Offshore Renewables Ltd (MORL).</p>	<ul style="list-style-type: none"> • Some survey vessel activity attracted to Wick Harbour • Discussions with Moray West consortium. • CfD agreement not achieved in Sept '19 Round. 	<ul style="list-style-type: none"> • Next leasing round 2021 could allow project to progress • O&M Strategy still to be identified, so opportunity still being pursued. • NH College being accredited to Global Wind Standard to allow training of staff for offshore wind operations. 	<ul style="list-style-type: none"> • Work with SSE/ BOWL supply chain/ O4B Contractor /Deepwind/ Scottish Offshore Wind Supply Chain Database to support supply chain development for O&M and next projects. • Consider opportunities emerging through Offshore Wind Sector Deal. • Liaise with UHI/NHC to ensure co-ordinated approach. • Continue discussions with Crown estates re: next leasing rounds

Major Theme : Energy Tidal Power (10 jobs by 2020)		Progress Last Update: 20 th January 2020		
Lead Partner: HIE Energy team		Lead contact: Norma Hogan		
Project	Project - Scope of Work (10 Jobs by 2020)	Progress	Barriers and opportunities	Actions
Simec Atlantis (SA) Tidal Stream development	<p>Tidal Energy (up to 10 jobs by 2020)</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.</p>	<ul style="list-style-type: none"> • Initial technology development is complete and could be readily scaled • Data centre possibilities being explored by SA • SA now a PLC • Contract for Difference not awarded • Political lobbying continues but so far progress seems unlikely • Commercial direct ‘private wire’ opportunities being explored. • Report on feasibility of Data part funded by SE Centre close to completion 	<ul style="list-style-type: none"> • Initial fabrication and installation of the turbine arrays, planned over several years • O&M opportunities over an assumed lifetime of ~25 years. Assumed output of ~1.5MW, when all arrays are in place. • UK Govt support for tidal technology not forthcoming • Identify a power user for ‘private wire’ supply opportunity. Data centre being explored 	<ul style="list-style-type: none"> • Understand the SA customer requirements • Create a proposition to attract high power use companies to C&NS? • Collation of data, market intelligence etc to create a compelling case for Caithness/NS for fabrication/ installation and O&M in the future. • Work with companies not already in the area (to complement local supply chain offerings), to establish bases in the local area.

Major Theme : Energy Oil and Gas (15-25 jobs by 2020)		Progress Last Update: 19 th December 2019		
Lead Partner: HIE Team		Lead contact: Julie McGee		
Project	Project - Scope of Work (15-25 Jobs by 2020)	Progress	Barriers and opportunities	Actions
Scrabster Harbour	Redevelopment of St Ola Pier. To establish a higher level of Oil and Gas Support activity based at the Port. (A Service base); To further develop the Tourism offering – supporting larger Cruise vessels alongside; To support potential developments for storing/assembling/transshipping Onshore and or Offshore Wind farm developments; To support potential developments for storing/assembling/transshipping items for Space Hub Sutherland	<ul style="list-style-type: none"> • Funding approved by NDA(£5.0M) and HIE(£3.0M) to allow pier redevelopment to complete by mid 2021 	<ul style="list-style-type: none"> • Planning, reconstruction works, dredging all need to be completed • Attraction of Oil and Gas service operators • Establishment of a benefits realisation approach • Attraction of additional cruise ships • Development of additional cruise offerings 	<ul style="list-style-type: none"> • Discuss benefits realisation process and measurement with SHPA • Establish Inward Investment support approach

Major Theme : Space SpaceHub Sutherland (15-25 jobs by 2020)		Progress Last Update: 20 th January 2020		
Lead Partner: HIE Space Hub Sutherland Team		Lead contact: Roy Kirk		
Project	Project - Scope of Work (15-25 Jobs by 2020)	Progress	Barriers and opportunities	Actions
SpaceHub Sutherland	<p>The project will deliver, coordinate, manage, facilitate as appropriate all supporting activities around three outcomes:-</p> <ul style="list-style-type: none"> • Project management, funding, procurement of commercial LSO. • Communications and stakeholder management • Tourism development <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> • Strategic Outline Case for a Launch Facility in North Sutherland • Strategic Business Case for a Launch Facility in North Sutherland • Achieve planning consent from Highland Council/ Scottish Govt • Achieve air-space control plan from CAA. • Implemented communications and stakeholder engagement plans • Procurement of a Launch Site Operator • A managed risk and opportunities register 	<ul style="list-style-type: none"> • Funding approved by UK Space Agency (£2.5M) and HIE (£9.5M) to allow project to progress • Pre-planning activity underway including Environmental studies being scoped and undertaken • Lease option signed Aug 19 with Melness crofters estates allowing construction to progress when planning consent is achieved • Planning consultations completed • Planning submission Feb '20 	<ul style="list-style-type: none"> • Achieve planning consent from Highland Council/ Scottish Govt • Achieve air-space control plan from CAA. • Procurement of a Launch Site Operator • Site construction • Tourism offering development • Inward investment for Supply chain and other attendant industries 	<ul style="list-style-type: none"> • Liaise with Space Hub Sutherland team • Pursue Inward Investment opportunities

Major Theme : Business Services Nuclear Services (95-300 jobs by 2021)		Progress Last Update: 20 th January 2019		
Lead Partner: Cavendish Dounreay Partnership		Lead contact: Simon Middlemas		
Project	Project - Scope of Work (15-200 Jobs by 2020)	Progress	Barriers and opportunities	Actions
Cavendish Engineering Hub	<p>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> <p>This Major Project will consist of several phases:</p> <ul style="list-style-type: none"> •Skills availability (current, future) and development of suitable skills •Realisation – the establishment of a business in the region, with appropriate support. •Working with key nuclear services companies to support forward plans. <p>Deliverables:</p> <ul style="list-style-type: none"> • Labour Market Intelligence reports • Market analysis report • Organised campaigns 	<ul style="list-style-type: none"> • CDP have established an internal process to develop a project team and approach. 	<ul style="list-style-type: none"> • Dounreay and Vulcan staff transition plans still not known. • 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. 	<ul style="list-style-type: none"> • Plans – to capture business interests, taking forward a case management approach by running planned campaigns to attract companies to locate into the local area • Working with key nuclear services companies to support forward plans • Labour Market Information based on Skills Transition Plans for both Dounreay and Vulcan workforces, identifying available skillsets.

Major Theme : Business Services Nuclear Services (95-220 jobs by 2021)		Progress Last Update: 19 th December 2019		
Lead Partner:		Lead contact:		
Project	Project - Scope of Work (80-100 Jobs by 2020)	Progress	Barriers and opportunities	Actions
Rolls Royce Operational Support Hub	<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"> • Decommissioning • O&M • New Build <p>This project focuses on the support required by nuclear companies and the assistance and encouragement they 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>	<ul style="list-style-type: none"> • Discussions with RR show committed to developing a deployable resource centre in the area 	<ul style="list-style-type: none"> • Dounreay and Vulcan staff transition plans still not known. • so these skills can be used to attract either local company growth or inward investment into the area. • RR plans for operational support hub still being formed, but progressing. 	<ul style="list-style-type: none"> • Market analysis, followed by matching of business requirements with available skills • Plans – to capture business interests, taking forward a case management approach by running planned campaigns to attract companies to locate into the local area • Working with key nuclear services companies to support forward plans • Labour Market Information based on Skills Transition Plans for both Dounreay and Vulcan workforces, identifying available skillsets.

Major Theme : Business Services Nuclear Services (75-220 jobs by 2020)		Progress Last Update: 20 th January 2019		
Lead Partner: HIE Area Team		Lead contact: Eann Sinclair		
Project	Project - Scope of Work (50-200 Jobs by 2020)	Progress	Barriers and opportunities	Actions
General Business Services	Work with service providers such as Sykes Homeworking project/ Equinity Developments; Seek Inward Investment Opportunities to attract further operators	<ul style="list-style-type: none"> • Sykes has established a presence in the region • Equinity has moved to Thurso Business Park and undergone a small scale expansion 	<ul style="list-style-type: none"> • Monitor progress with Sykes Homeworking project/ Equinity Developments • Identify facilities to provide further Inward Investment Opportunities 	<ul style="list-style-type: none"> • Market analysis, followed by matching of business requirements with available skills • Plans – to capture business interests, taking forward a case management approach by running planned campaigns to attract companies to locate into the local area • Working with key nuclear services companies to support forward plans • Labour Market Information based on Skills Transition Plans for both Dounreay and Vulcan workforces, identifying available skillsets.

Major Theme : Tourism NC500		Progress Last Update: 19 th December 2019		
Lead Partner: HI Area Team		Lead contact: Eann Sinclair		
Project	Project - Scope of Work (30-100 Jobs by 2020)	Progress	Barriers and opportunities	Actions
NC500	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 & opportunities. 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.	<ul style="list-style-type: none"> • Review of NC500 priorities being undertaken by HIE through the NC500 Working Group. Working Group meets regularly • Review of impacts published by NHI in Sept '19 identifies significant benefits already realised. Estimating 178 additional jobs across Highland. None of these factored into CNSRP reporting as difficult to attribute by sub area. 	<ul style="list-style-type: none"> • Identify specific opportunities • Jobs created may be seasonal or less skilled • Other activities will be defined 	<ul style="list-style-type: none"> • Identify CNSRP Partners' approach to support.

Major Theme : Enabling activities Skills		Progress Last Update: 19 th December 2019		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions

<p>Skills Investment Plan</p>	<p>Establish a Strategy and Action Plan, developing a set of activities that will help mitigate risks to successful implementation of the CNSRP programme</p>	<ul style="list-style-type: none"> • Skills Investment report produced by Caithness Chamber/SDS. • Newton Room to open at NH College, 25th March • Discussions underway regarding Shared Apprenticeship Hub 	<ul style="list-style-type: none"> • Agree how to progress actions from SIP. 	<ul style="list-style-type: none"> • Finalise plan. • Agree partnership agreement • Discussions on NH College capital plans
<p>Battery North</p>	<p>Establish a centre for research and training to support the development of Battery Storage technology.</p>	<ul style="list-style-type: none"> • 1st round bid successful Aug '19 • 2nd round bid submitter 13th September • DSEB submission for support 19th Sept • Decision expected Jan '20 	<ul style="list-style-type: none"> • Advancing Manufacturing Bid for Battery Storage technology centre of excellence 	<ul style="list-style-type: none"> • Seek match funding from CNSRP Partners and wider sources.
<p>Shared Apprenticeship Hub</p>	<p>A single third-party organisation would employ Apprentices for the duration of their training, offering training support, pastoral care and continuity of employment. Apprentices are placed with individual employers to receive their work experience which can be for all or part of the period of training. This approach can overcome the 'Critical Mass' issue that prevents smaller businesses being able to support an apprentice on their own. It also has the potential to reduce the risk for Dounreay Decommissioning Framework companies whose contracts can be of limited and variable duration, so encourage a higher number of Apprenticeship starts from amongst this group.</p>	<ul style="list-style-type: none"> • Approved for progression by CNSRP Exec Board 7th Aug19 • Preliminary discussions have been held with several stakeholders keen to explore the idea; • Oversight board to guide co-ordinated Socio-Economic support generated from the Decommissioning framework contracts met 3rd Dec and idea was met with general interest • Needs lead organisation and resource to progress. 	<ul style="list-style-type: none"> • Developing a viable business model, which adds and is able to demonstrate financial viability. • Fit the Skills Development Scotland definition of apprenticeship to enable training funding to be accessed. • Identifying/Creating the correct organisation to employ the Apprentices and lead the co-ordination of training. 	<ul style="list-style-type: none"> • Identify and approach other stakeholders to gauge potential support. • Seek to develop a business model, including the organisational structure based on the investigations above. • Identify lead organisation and resource to progress.

			<ul style="list-style-type: none"> • Establishing a collaborative approach between businesses who may see each other as competitors. • Competition for best apprentices from the scheme. 	
Space STEM Project	<p>We are seeking full funding for a two year programme of STEM activities relating to the space hub project. This seeks to commence STEM activity to enthuse young pupils of all ages to get engaged with the space industry and it is proposed that this would be integrated as part of the wider STEM that DSRL already carries out along with other local supply chain companies. Therefore this is an enhancement of the STEM programme already in place and costs associated with this relates to the fact that these require production of the strategy along with design and testing of the hands-on activities to delivery of the programme.</p>	<ul style="list-style-type: none"> • Agreed to progress at CNSRP Delivery Group 1st July 19 • Application submitted to DSG for decision 	<ul style="list-style-type: none"> • Approval from DSE Board 	<ul style="list-style-type: none"> • Additional information to be supplied to DSG Board • Rejected by DSG Board so project shelved for the time being

<p>Major Theme : Enabling activities General Supporting activities</p>	<p>Progress Last Update: 20th January 2019</p>
<p>Lead Partner: CNSRP Team</p>	<p>Lead contact: Peter Faccenda</p>

Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Airport PSO	To achieve Air services connections that meet the economic development needs of the region.	<ul style="list-style-type: none"> • Meeting with Transport Minister 29 Aug(Michael Matheson) demonstrated understanding and commitment to look at • Telecon with Transport Scotland 18 Sept encouraging - identified barriers and further information needed • Business case being developed for submission Jan 20. 	<ul style="list-style-type: none"> • SG Budget restrictions • Economic model to be developed • Requires financial and organisational support from CNSRP Partners to support strength of need to TS 	<ul style="list-style-type: none"> • DSEB approved support to allow reports to be procured from external consultants • Further information to be developed to support business case • Submit business case to Transport Scotland
Inward Investment	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"> • Small number of live opportunities being developed. 	<ul style="list-style-type: none"> • Resources • Plan of activity 	<ul style="list-style-type: none"> • Discuss and agree approach
Balance of Jobs	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 and North Sutherland. Also, where possible to identify jobs lost to the area economy through any redundancies and	<ul style="list-style-type: none"> • Significant numbers of jobs created to date 	<ul style="list-style-type: none"> • CNSRP Programme • Partners' projects • Third party projects • Delivery group, Advisory Group, Executive Board 	<ul style="list-style-type: none"> • Discuss and agree approach

	business contractions/ closures and share this information with CNSRP partners			
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