

Programme Manager Update – April 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 in this paper) are:

Programme theme	Development Area	Project	Status
Energy	Offshore Wind	Beatrice Offshore Windfarm Limited (BOWL)	
		Moray East Windfarm Limited	
		Moray West Windfarm Limited	
		Future site developments – Scotwind leasing round 2020	
	Oil & Gas	Scrabster Harbour St Ola Pier Redevelopment	CV19*
	Tidal	Simec Atlantis Tidal Stream Array	
Space	Space Hub Sutherland	Space Hub Sutherland Build and operate	CV19*
Business services	Nuclear Design and Support Services	PBO Engineering Centre	
		Vulcan Engineering Centre	
	General Business Services	Local providers expanding and recruiting	
Tourism	North Coast 500	Impact assessment report/ Market health.	CV19*
	Strategy development	CNSRP Tourism Strategy development	CV19*
Inward Investment	Develop approach	Seek to establish resources and approach to accelerate II	Cv19*
Enabling activities	Skills Investment Plan	Progress actions identified in Skills Investment Plan	
	Low/Zero C Engineering centre	Establish a research and training centre for Zero C Technologies	CV19*
	Connectivity	Establish a Public Service Obligation for routes at WJoG	CV19*
Sustainability	Development of ROSE Support Hub	Develop a regional sustainability resource and approach	

*CV-19 – these activities have been identified as directly affected/delayed by CV19 restrictions, longer term activities or those where no direct effect has been identified are not seen to be affected, although longer term effects may yet arise.

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: Jan 2020 - March 2020

Jobs created/ retained (as at March 2020)

<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:

- The Covid-19 Pandemic continues to affect all aspects of life, with most businesses affected to varying degrees. It is likely that the CNSRP programme will be adapted to re-prioritise activities in support of the recovery effort when this phase is entered. Discussions on this are ongoing and the approach will evolve in response to the situation. Projects have been identified as delayed as a result of Covid-19 where these are expected to continue to operate or develop in a normal fashion during the Covid-19 restrictions.
- Space Hub Sutherland project continues to develop. 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 has now been submitted (Feb'20). Planning committee was due to examine this on 21st April, but this has been delayed due to Covid-19, new date awaited.
- 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. MOU being prepared with CNSRP.

Major Theme : Energy Offshore Wind (45-145 jobs by 2020)		Progress Last Update: 16 th April 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 Easterly 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/ offshore wind sector deal to support supply chain development

Major Theme : Energy Offshore Wind (20-40 jobs by 2022)		Progress Last Update: 16 th April 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work	Progress	Barriers and opportunities	Actions
Moray East Offshore Wind	Same rationale as for BOWL. Efforts are being undertaken to attract Moray Offshore Renewables Ltd (MORL). Fraserburgh identified as Moray East O&M base, but some activity also being based at WHA for developmental activities due to proximity.	<ul style="list-style-type: none"> Some survey vessel/ construction and potential O&M activity attracted to Wick Harbour 	<ul style="list-style-type: none"> Fraserburgh identified as Moray East O&M base. Next leasing round could identify further projects. NHC Global Wind Standard training of staff 	<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

Major Theme : Energy Offshore Wind (45-145 jobs by 2020)		Progress Last Update: 16 th April 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Moray West Offshore Wind	The geographic proximity of Wick Harbour to the Moray West site offers significant economic opportunities in a similar vein to BOWL.	<ul style="list-style-type: none"> Discussions with Moray West developer. CfD agreement not achieved in Sept '19 Round, but developer continues to work to develop site. MOU Being prepared 	<ul style="list-style-type: none"> Next CfD round 2021 but may progress prior to this O&M Strategy still to be identified, so opportunity still being pursued. NH College Global Wind Standard training. Developer interested in skills development and transition from DSRL 	<ul style="list-style-type: none"> Liaise with UHI/NHC & DSRL to ensure co-ordinated approach. Complete MOU

Major Theme : Energy Offshore Wind (10-200 jobs by 2030)		Progress Last Update: 16 th April 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work	Progress	Barriers and opportunities	Actions
Future wind farm developments	The geographic proximity of Caithness and particularly Wick and Scrabster Harbours to the North and East potential offshore wind projects offers significant economic opportunities in a similar manner as has developed around the BOWL project at Wick. Jobs total is an estimate based on 1 to3 projects being based locally	<ul style="list-style-type: none"> • Discussions are underway with several potential developers bidding for the next round of site leases via Scotwind leasing round 	<ul style="list-style-type: none"> • NH College Global Wind training for offshore wind operations. • Leases need to be taken up; Projects developed – significant development and capital needed – uncertain market 	<ul style="list-style-type: none"> • Co-ordinate approaches with UHI/NHC/ /WHA/SHA/DSRL and others to offer a cohesive regional offer to best attract developers and O&M activity to be based here

Major Theme : Energy Tidal Power (10 jobs by 2025)		Progress Last Update: 16 th April 2020		
Lead Partner: HIE Energy team		Lead contact: Norma Hogan		
Project	Project - Scope of Work	Progress	Barriers and opportunities	Actions
Simec Atlantis (SA) Tidal Stream development	Atlantis Resources Ltd (ARL) have developed the world’s first commercial tidal power station in the Pentland Firth. The MeyGen site has an aim to provide ~400MW of generation capacity. Potential to develop the neighbouring Ness of Duncansby and Brough Ness sites with the potential for a further 100MW each.	<ul style="list-style-type: none"> • Initial technology development is complete and could be scaled • Commercial direct ‘private wire’ opportunities being explored -Data centre being explored by SA; feasibility study part funded by SE close to completion 	<ul style="list-style-type: none"> • O&M opportunities over lifetime of ~25 years. • Identify a power user for ‘private wire’ supply opportunity. Data centre being explored • CfD not awarded • Political support lacking 	<ul style="list-style-type: none"> • Create a proposition to attract high power use companies to C&NS? • Work with local companies/Inward Investors on identified opportunities.

Major Theme : Energy Oil and Gas (15-25 jobs by 2020)		Progress Last Update: 16 th April 2020		
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/transhipping Onshore and or Offshore Wind farm developments; To support potential developments for storing/assembling/transhipping 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 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 (15-40 jobs by 2022)		Progress Last Update: 14 th April 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 	<ul style="list-style-type: none"> Funding approved UKSA Agency (£2.5M) /HIE(£9.5M) Lease option signed with Melness Crofters Planning submission Feb '20 Planning Ctte postponed from 21st April 	<ul style="list-style-type: none"> Achieve planning consent Achieve air-space control plan from CAA. Procurement of a Launch Site Operator Site construction Tourism offering Inward investment for Supply chain and others 	<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: 16 th April 2020		
Lead Partner: Cavendish Dounreay Partnership		Lead contact: Simon Middlemas		
Project	Project - Scope of Work (15-200 Jobs by 2020)	Progress	Barriers and opportunities	Actions
PBO Engineering Hub	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.	<ul style="list-style-type: none"> PBO have established an internal process to develop a project team and approach. 	<ul style="list-style-type: none"> Work with Dounreay site to incorporate staff transition plans. Redeployment and Reskilling can be used to support local company growth or attract inward investment into the area. 	<ul style="list-style-type: none"> 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: 16 th April 2020		
Lead Partner:		Lead contact:		
Project	Project - Scope of Work (80-100 Jobs by 2020)	Progress	Barriers and opportunities	Actions
Vulcan legacy Operational Support Hub	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: Ongoing support for legacy national assets; Decommissioning in other locations; New Build	<ul style="list-style-type: none"> Previous discussions with RR identified commitment to developing a deployable resource centre locally post decommissioning 	<ul style="list-style-type: none"> Vulcan decommissioning plans being developed. Plans for operational support hub unformed Change in site manager. 	<ul style="list-style-type: none"> Liaise with RR/MOD/ NDA to ensure local supply chain maximised Seek discussions with site operator to identify next steps

Major Theme : Business Services Nuclear Services (75-220 jobs by 2020)		Progress Last Update: 16 th April 2020		
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 existing Developments • Identify facilities to provide more Inward Investment opportunities 	<ul style="list-style-type: none"> • Market analysis, followed by matching of business requirements with available skills
Major Theme : Tourism NC500		Progress Last Update: 16 th April 2020		
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"> • NC500 priorities being undertaken by HIE through the NC500 Working Group. Review of impacts published by NHI in Sept '19 identifies significant benefits already realised. Estimating 178 additional jobs across Highland but not in CNSRP reporting - difficult to attribute by sub area. 	<ul style="list-style-type: none"> • Identify specific opportunities • Jobs created may be seasonal or less skilled • Covid-19 has changes outlook fundamentally • CNSRP Partners response to be developed 	<ul style="list-style-type: none"> • Identify CNSRP Partners' approach to support.

Major Theme : Enabling activities Skills		Progress Last Update: 16 th April 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Skills Investment Plan	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"> • 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
Battery North/Low C Engineering centre	Establish a centre for research and training to support the development of Battery Storage/ Low C technology.	<ul style="list-style-type: none"> • Bid unsuccessful Jan '20 	<ul style="list-style-type: none"> • Advancing Manufacturing Bid for Battery Storage technology centre of excellence 	<ul style="list-style-type: none"> • Revised plan being developed • Seek match funding from wider sources and present to CNSRP Partners.

Shared Apprenticeship Hub	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.	<ul style="list-style-type: none"> • Approved for progression by CNSRP Exec Board 7th Aug19 • Preliminary discussions have been held with stakeholders to explore the idea; • Socio-Economic Oversight board for Decommissioning framework contracts progressing idea • Needs lead organisation and resource to progress. 	<ul style="list-style-type: none"> • Developing a business model, which adds value and financial viability. • Meet SDS definition of apprenticeship • Identifying/Creating the organisation to employ the Apprentices. • Establishing a collaborative approach • Competition for best apprentices from the scheme. 	<ul style="list-style-type: none"> • Seek to develop a business model, including the organisational structure based on the investigations above. • Identify lead organisation and resource to progress.
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Major Theme : Enabling activities General Supporting activities		Progress Last Update: 16 th April 2020		
Lead Partner: CNSRP Team		Lead contact: Peter Faccenda		
Project	Project - Scope of Work (Up to 36 Direct 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 • Ongoing Telecons with Transport Scotland encouraging • Business case submitted Jan 20. 	<ul style="list-style-type: none"> • SG Budget restrictions • Requires financial and organisational support from CNSRP Partners to support • Loganair withdrawal of Edinburgh Service • Covid-19 lockdown 	<ul style="list-style-type: none"> • DSEB approved support to fund external consultants • Business case submitted to TS, ongoing discussions positive • Holding response from Cabinet Secretary

<p>Sustainability ROSE Project</p>	<p>The development of a regional Sustainability approach to help to transform the economy to meet challenges of a changing climate.</p>	<ul style="list-style-type: none"> • Numerous presentations done – general acceptance of the principles from all • Presented to CNSRP Exec Board – well received 	<ul style="list-style-type: none"> • Buy-in from partners • Getting initial activities underway • Structure of organisation and expertise 	<ul style="list-style-type: none"> • Discussions with CCoC as host for Advice centre and pilot projects.
<p>Inward Investment</p>	<p>HIE working to attract companies to the area, drawing on HIE, Scottish Enterprise and Scottish Development International resources. Marketing the area, raising awareness of the skills and supply chain capability continue.</p>	<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