<u>Programme Manager Update – July 2021</u>

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

Programme theme	Development Area	Project	Status
Energy	Offshore Wind	Moray East Windfarm Limited	
		Moray West Windfarm Limited	
		Future site developments – Scotwind leasing round 2020/21	
	Oil & Gas	Scrabster Harbour St Ola Pier Redevelopment	
	Tidal	Simec Atlantis Tidal Stream Array	
	Hydrogen/Power Storage	In Development – See pipeline	
Space	Space Hub Sutherland	Space Hub Sutherland Build and operate	
	Space cluster		
Business services	Nuclear Design and Support Services	Dounreay Engineering Centre	
		Vulcan Engineering Centre	
	General Business Services	Local providers expanding and recruiting	
Tourism	North Coast 500	HIE and DSEB funding to Venture North as Destination Management Organisation (DMO) now approved for tourism recovery plan development.	
	Strategy development	CNSRP Tourism Strategy development	
Enabling activities	Skills Development and Investment Plan	Progress actions identified in Skills Investment Plan	
	Connectivity Wick Airport	Establish a Public Service Obligation for routes at WJoG	
	Research activities - Talent attraction development and retention	Establishment of a research facility to support nuclear and energy related activities	
		Establish a research and training centre for Zero C Technologies	
	CNSRP Support Hub	Development of CNSRP Support Hub to Increase project development and Inward Investment (II) activities and sustainability approach (including Region of Sustainable Excellence - ROSE project)	

Infrastructure – Wick Harbour	Installation of High Water Protection Gate to increase safe berthing capacity	
Infrastructure - Building requirements	Potentially develop shared accommodation/development space	
Infrastructure - Naver Bridge	Replacement of Naver Bridge	
Infrastructure -Development space in West Caithness (Thurso)	Facilities for business attraction and development in West Caithness	

^{*}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.

Each activity is coloured Green ,	Green	Activity is on schedule to be delivered.
Amber or Red . to indicate the status of the project's delivery.	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.

<u>Jobs created/retained (as at March 2020)</u> Significant disruption/ furlough and business interruptions make reporting on jobs created difficult currently.

<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

General update: July 2021

- 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 continue be adapted to re-prioritise activities in support of the recovery effort when this phase is entered. Projects delayed as a result of Covid-19 have been identified in the summary.
- The jobs totals shown above do not consider any changes during the Covid period. It is as yet unclear the long-term effect on employment in the region. The CNSRP Support hub has been established and is already moving forward with new opportunities.
- Crown Estate Scotland has completed the review of the option structure for the ScotWind offshore wind leasing round, raising the maximum fee that might be paid per square kilometre of seabed from the previous £10,000 to £100,000. The deadline for applications, which was initially set for 31 March, has now been moved to 16 July

Major Theme: - Energy - Offshore Wind		Progress - Last Update: July 2021			
Lead Partner: CNSRP Team		Lead contact: CNSRP Hub team			
Project	Project scope of work (10 -40 Jobs by 2025)	Progress	Barriers and opportunities	Actions	
Moray East Offshore Wind	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.	Some survey vessel/ construction and potential O&M activity attracted to Wick Harbour	 Fraserburgh identified as Moray East O&M base. NHC Global Wind training for staff 	•	

Major Theme: - Energy - Offshore Wind		Progress - Last Update: July 2021			
Lead Partner: CN	SRP Team	Lead contact: CNSRP Hub Tea	m		
Project	Project scope of work (10 – 100 Jobs by 2030)	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.	 Discussions with Moray West developer. CfD agreement not achieved in Sept '19 Round, but developer continues to work to develop site. MOU with CNSRP signed 	 Next CfD round 2021 Slight delay in O&M Strategy as they have not concluded WTG supply negotiation so opportunity still being pursued. NH College Global Wind Standard training. Developer interested in skills development and transition from DSRL 	 Liaise with UHI/NHC & DSRL to ensure coordinated approach. Memorandum of Understanding (MOU) CNSRP/MW signed between CNSRP and MW 	

Major Theme: - Energy - Offshore Wind - New Sites		Progress - Last Update: July 2021				
Lead Partner: CN	ISRP Team	Lead contact: CNSRP Hub Tea	Lead contact: CNSRP Hub Team			
Project	Project scope of work 50 -200 Jobs by 2030	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 to 3 projects being based locally	Discussions are underway with several potential developers bidding for the next round of site leases via Scotwind leasing round	 NH College Global Wind training for offshore wind operations. Following the result of The Crown Estate's offshore wind leasing auction for sites in waters around England and Wales, Crown Estate Scotland has reviewed the option structure for their ScotWind Leasing 	Co-ordinate approaches with UHI/NHC/ /WHA/SHA/DSRL and others to offer a cohesive regional offer to attract developers and O&M activity		

	process. The deadline for applications to ScotWind Leasing has now moved to 16 July.
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Major Theme: - Energy - Tidal Power		Progress - Last Update: July 2021			
Lead Partner: CNSRP Hub Team		Lead contact: CNSRP Hub Team			
Project	Project scope of work (10 jobs by 2025)	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. Potential to provide ~400MW of initial generation capacity and expand further at Duncansby and Brough Ness sites.	 Technology ready to scale Direct 'private wire' being explored; Data centre being explored via feasibility study part funded by SE 	 O&M opportunities over lifetime of ~25 years. Commercial model Revised CfD approach by UK Gov may give best opportunity to progress 	Await outcome of CfD and if successful work with MeyGen to maximise benefits to area	

Major Theme: - Energy - Oil and Gas		Progress - Last Update: July 2021			
Lead Partner: HIE Team		Lead contact: HIE Regional De	Lead contact: HIE Regional Development Manager		
Project	Project scope of work (15-25 Jobs by 2020)	Progress	Barriers and opportunities	Actions	
Scrabster Harbour	Redevelopment of St Ola Pier. To attract Oil and Gas Support activity. (A Service base); To further develop the Tourism offering – supporting larger Cruise vessels; To support potential for Onshore/Offshore Wind, Space Hub Sutherland developments and others.	 Funding approved by NDA(£5.0M) /HIE(£3.0M) Construction works to complete by Sept-2021. 	 Attraction of Oil and Gas; and Offshore wind O&M service operators. Additional cruise ships Additional cruise tour offerings locally 	Discuss benefits realisation process and measurement with SHA	

Major Theme: - Space - SpaceHub Sutherland	Progress - Last Update: July 2021
Lead Partner: HIE Space Hub Sutherland Team	Lead contact: Roy Kirk

Project	Project scope of work (15-40 Jobs by 2020)	Progress	Barriers and opportunities	Actions
SpaceHub Sutherland	 Deliver, coordinate, manage, facilitate as needed to:- Build launch facility including project management and securing funding. Procure a commercial LSO. Engage with stakeholders, provide communications including Tourism planning and liaison 	 Initial funding approved UKSA Agency (£2.5M) /HIE(£9.5M) Lease option signed Planning approved 24th June 2020; Confirmed by SG August '20 Land court application for change of use submitted 	 Judicial review of planning by local landowner now complete awaiting written judgements. Land court approval Procurement of a Launch Site Operator Tourism offering Local supply chain opportunities 	 Liaise with Space Hub Sutherland team In the absence of UKSA funding, CCoC submitted funding application to NDA with 'in principle' balance funding from HIE (C&NS and Moray) to fully fund Ecosystem Audit, Gap Analysis and written Strategy for Space Cluster Development. Awaiting notification by mid Feb.

Major Theme: - Business Services - Nuclear Services		Pro	gress - Last Update: July 202	1
Lead Partner: DSR	RL .	Lead contact: DSRL Socioecon	omic Manager	
Project	Project scope of work (Unknown jobs by 2030)	Progress	Barriers and opportunities	Actions
Engineering Hub	To maximise the utilisation of existing and future skills generated in Caithness to attract companies offering business services into the area. The decision to replace the PBO with a directly NDA-owned and managed structure requires a re-visit of this legacy approach.	Outline case presented to DSRL Executive. Approval to proceed to next stage.	Redeployment and Reskilling can be used to support local company growth or attract inward investment into the area.	Awaiting sign off of Stage 1 prior to commencing Stage 2 – Concept Design.

Major Theme	e: - Business Services - Nuclear Services	Progress - Last Update: July 2021		
Lead Partner: HIE		Lead contact: HIE Strategic Accounts Manager		
Project	Project scope of work (80-100 Jobs by 2030)	Progress	Barriers and opportunities	Actions

Vulcan legacy Operational Support Hub	To maximise the opportunities presented by the skills locally to develop nuclear services market national and international; Ongoing support for legacy national assets; Decommissioning in other locations; New Build	 Previous discussions with RR identified opportunity to develop deployable resource locally post decommissioning 	 Vulcan decommissioning plans being developed. (Delayed) Plans for operational support hub unformed 	HIE have meeting on site in early August to discuss current work and future opportunities being pursued.
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Major Theme: - Business Services - Other Services		Progress - Last Update: July 2021		
Lead Partner: HIE Area Team		Lead contact: HIE Area Manag	er	
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/ Equiniti Developments; Seek Inward Investment Opportunities to attract further operators	 Sykes has established a presence in the region Equiniti has moved to Thurso Business Park and undergone a small-scale expansion 	 Monitor progress with existing Developments Identify facilities to provide more Inward Investment opportunities 	Market analysis, followed by matching of business requirements with available skills

Major Theme : Tourism - NC500		Progress - Last Update: July 2021		
Lead Partner: H	E Area Team	Lead contact: HIE Area Manag	er	
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 enabled.	HIE and DSEB funding to Venture North as Destination Management Organisation (DMO) now approved for tourism recovery plan development. VN seeking additional funding to undertake implementation activities. Recruitment of staff now completed.	 Identify specific opportunities Jobs created may be seasonal or less skilled Diversified sector 	DMO to develop recovery plan.

Major Theme: - Enabling activities - Skills		Progress - Last Update: July 2021		
Lead Partner: DSRL		Lead contact: DSRL Socioecond	omic Manager	
Project	Project scope of work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Skills Development Plan	Establish a Strategy and Action Plan, developing a set of activities that will strengthen skills to meet area needs, in line with site transition plan. On -site skills audit to update competency analysis. This baseline will allow planning for onsite and offsite transitional skills development.	 DSRL Skills audit pilot complete- next steps being considered Shared Apprenticeship Hub to meet needs identified, particularly post COVID19. 	 Agree how to progress actions from SIP. Co-ordinate needs for onsite development with wider area needs and opportunities. 	 Procurement process for full skills audit underway. Understand transitional skills needs and opportunities to develop opportunities.
Other Skills Actions 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. This approach can overcome the 'Critical Mass' and shorter contracts issue that prevents businesses being able to support an apprentice on their own, so encourage a higher number of Apprenticeship starts.	 Approved for progression by CNSRP Exec Board 7th Aug19 Socio-Economic Oversight board for Decommissioning framework contracts progressing idea Needs lead organisation and resource to progress. Covid19 has stalled discussions 	 Developing a business model, which adds value and financial viability. Meet SDS definition of apprenticeship Identifying/Creating the organisation to employ the Apprentices. 	 Develop a business model, including the organisational structure based on the investigations above. Identify lead organisation and resource to progress.

Major Theme: - Enabling activities - Research		Progress - Last Update: 18th Feb 2021		
Lead Partner: NHC/UHI		Lead contact: ETEC Director		
Project	Project scope of work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Nuclear/Decommissioning Research activities	Develop research facilities and capability in support of Nuclear Decommissioning programme	Plan being developed Seek match funding from wider sources and present to CNSRP	Provide facilities to meet local and wider needs	Draft case for Scottish academic proposition.

Low C Engineering Centre	Establish a centre for research and training	BN Bid unsuccessful Jan	• Facilities, funding	Develop proposal
	to support the development of Battery	'20		
	Storage/ Low C technology.	Revised approach being		
		developed		

Major Theme: - Enabling activities - Connectivity		Progress - Last Update: 18th Feb 2021		
Lead Partner: C	Caithness Chamber of Commerce	Lead contact: CCoC Chief Execu	utive	
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.	• Scottish Government is committed to providing up to £1 million annually to Highland Council in 2021-22 and 2022-23 to support air services from Wick with a further £1 million in each of 2023-24 and 2024-25 subject to growth in passengers in years 1 and 2.	 SG Budget restrictions No current operators Financial and organisational support from CNSRP Partners Covid-19 lockdown 	UK government have advised they will not be funding shortfall in funding. Early discussions with NDA have been held to see if they may be able to fund this.

Major Them	ne: - Enabling activities – General Support	Progress - Last Update: 18 th Feb 2021		
Lead Partner: 0	CNSRP Team	Lead contact: CNSRP Programm	ne Manager	
Project	Project scope of work (Up to 36 Direct Jobs)	Progress	Barriers and opportunities	Actions
CNSRP Hub development	To support greater pace of project and opportunity development. Resource will consist of two additional members of staff – a Business development manager and a Project manager and a contracted communications resource	 Funding agreed for 1st year by DSEB BDM and PM recruited Comms resource being procured 	 Projects and II/BD opportunities to be Developed to expand CNSRP Socio-economic programme. 	 Undertaking programme of BD /II activity Develop sustainability plan Develop Comms plan
Sustainability ROSE Project	The development of a regional Sustainability approach to help to transform the economy to meet challenges of a changing climate.	Small Budget approved as part of CNSRP Hub to	Buy-in from partnersGetting initial activities underway	 Continue to progress phase 1 BEST tool and prioritisation tool.

	develop strategic tool and integrate approach • Meetings commenced	Sustainable development assessment tool	 CCoC will be running food waste project, supported by ROSE as they require. Other pilot projects still under discussion.
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Major Theme: - Enabling activities – Infrastructure		Progress - Last Update: July 2021		
Lead Partner: Various		Lead contact: CNSRP Programme Manager		
Project	Project scope of work (Unknown jobs)	Progress Barriers and opportunities Actions		
Wick Harbour	Procurement and installation of a High Water Protection Gate (HWPG) on the Outer Harbour to double safe berthing capacity.	 Revised Business Case submitted to funders 16 Jan. Potential funders to commence due diligence 	•	 HIE continuing with due diligence. Application submitted to UK Government Levelling Up Fund
Offsite accommodation (DSRL Lead)	DSRL are seeking to establish an offsite facility to house staff.	Approval received to proceed to develop a full plan.	Different timescales from different potential partner participants	Seek engagement with partner orgs to identify any potential synergies
Naver Bridge replacement (Highland Council lead)	Replacement of ageing Naver Bridge to facilitate Sutherland Developments and NC500 route	 HC awarded design contract in March to Fairhurst; Construction2023; Completion 2024 	 Technical issues as yet unidentified Identified in HC capital programme 	Seek engagement with partner orgs to identify any potential synergies
Development space in West Caithness (HIE Lead)	Identify facilities (land and accommodation) to enable attraction of Inward Investors/ expansion in support of numerous project opportunities.	Review as previous opportunities undevelopable	Identification of possible optionsFunding	Develop options

Major Theme: - Enabling activities – New opportunities		Progress - Last Update: July 2021		
Lead Partner: CNSRP Hub		Lead contact: CNSRP Hub BD Manager		
Project	Project scope of work (Unknown jobs)	Progress	Barriers and opportunities	Actions
Hydrogen Economy	 Creation of demonstration integrated Hydrogen infrastructure for industrial power and transport. Target the use of area renewable power assets Attract inward investment to address supply chain gaps in design, manufacture and maintenance of Hydrogen production, storage and transportation Equipment 	 CNSRP hub compiled shortlist of initial options Applied for Georgemas Feasibility Study through UK Community Renewal Fund – notification due from late July 2021. Commissioned Area Hydrogen Demand Study through ERI 	Barriers Iack of Hydrogen Business Model from UK Gov Lack of coherent Scottish Strategy Opportunities Leverage / influence NDA/DSRL decarbonisation ambitions Leverage Rail and HIAL decarbonisation ambitions	 Identifying Lead partners Identifying end users/customers Producing project proposals and funding applications
Digital Economy	 Encouraging businesses to use online business models – this would likely increase road transportation locally. Encourage tech/creative businesses to base locally and work remotely. 	Established relationship with Opportunity North East (ONE) Digital to share intervention ideas.	•	Draft paper to be written.
STEP Fusion Reactor	Nomination of site at Dounreay for STEP Fusion Reactor	Have responded to additional questions which will be used to inform next shortlisting stage which will be early summer / late autumn. Also hosted site visit for 3 UKAEA staff on 9 July.	Scottish Government Energy policy does not currently include fusion.	Awaiting additional queries from UKAEA following site visit and these will be responded to.