

Focus North Programme Update

DSG Socioeconomic subgroup

14th January 2025

General

Since the last meeting various priorities have been progressed but one major adverse change has been the announcement by Orbex that it is suspending the development of launch operations in Sutherland and moving these to Shetland.

One of the key issues continues to be resourcing to progress the multiple opportunities in the region and included in each area of activity is an update on progress that's being made to bolster capacity.

Early discussions are being held on Focus North conference for 2025 and any feedback on location, format or content would be welcomed.

Space Industry Opportunities

Following the disappointing announcement by Orbex that they are relocating their launch activities to Shetland for the foreseeable future, and mothballing the Sutherland launch facility the inclusion of space related opportunities in the Focus North programme is to be reviewed. A meeting to update stakeholders is now set for 20th January led by Orbex. This will help inform next steps.

Skills and Talent

Industry Forum

The Industry Forum the main area of focus has been to develop a skills/talent/people strand. The first action is to produce a detailed skills map quantifying likely jobs/skills required across developments and indicative dates when these jobs will be required. Magnus Davidson at Dounreay is leading with a first pass with 'standardised' descriptions of skill types to allow aggregation across different projects and industries. This will be collated through a series of 1:1 discussions. This schedule of personnel requirements will underpin an action plan and inform other regional needs.

Resourcing of next steps

Dounreay as lead partner on this strand of activity are providing additional internal resource to support the skills and personnel group.

Innovation opportunities

Multiple stakeholders continue to support the concept of a regional Innovation initiative. Varying concepts have been/are being examined including buildings and a virtual network. This concept has been explored extensively over the last years, with several unsuccessful attempts at attracting funding for various concepts. Support from the University of Chester researcher continues.

Resourcing of next steps

To bring this project to the next stage requires a dedicated resource and it has been agreed that Dounreay will fund 50% of a UHI post to lead the steps below: -

- Create a partner steering group.
- Develop a Programme to bring this concept to an outline business plan.

- Explore other opportunities in nuclear and other innovations areas

For the success of this programme, it will require additional partner resources. In particular identified individuals to support from HIE - Energy team and Innovation teams and Highland Council. With both Advisory board and Board support additional resources will be added to the team as identified.

In the shorter term several strands of skills initiatives for the region continue to progress.

- **Net Zero Nation** – First cohort of 15 organisations commenced the first programme on the 9th July and is generally progressing well, with only Wick Harbour unable to continue.
 - **Next cohort – NRS Dounreay are seeking interest from their Supply chain, and we'll liaise to agree next steps**
- **Privately subsidised apprenticeships** – Initial funding from Dounreay & West of Orkney is now fully committed. NRS Dounreay have indicated that additional funds may be included in 2025/26 budget and a bid to SSEN's regeneration fund has been submitted for Sutherland.
- **Talent attraction initiative** – Recruit North Highlands brand re-appraised and 'Live North' identified as a brand to align with the Focus North and Venture North (destination management organisation) brands.
- **Peatland restoration training** ('For Peat's Sake') – Multiple local parties successfully undertook training in September at Forsinard with 7 local crofters seeking opportunities.
- Second cohort completed in November - **funded by NatureScot was Oversubscribed.**

Resourcing of next steps

Further developments are being reappraised following the recent changes in personnel and external resources.

Skills development

Peatlands restoration

PF continues to support Flow Country Partnership SCIO development. £240k from FIRNS (successor scheme to IRNS) & the National Lottery Heritage fund, has allowed the recruitment of a **peatland restoration officer & a project officer**. Two restoration schemes - Armadale farm (Phase 1 now complete) & Achentoul Estates (30th Sept). Total £600k cost, reduce 2,240 t+ of CO₂ and create c2,200 Carbon credits pa). A pilot common grazings for a third restoration has now been identified.

Work undertaken by the restoration team have identified 285,000 Ha of land for potential restoration inc. 65,000 Ha of common grazings.

Both initial restorations have bridging financing place, with both Social Investment Scotland and Highland Opportunities Investments Limited supporting.

Resourcing of next steps

Restoration requires up front development resourcing and finance, with fully validated carbon credits only available for sale five years after restoration is completed. To move this initiative beyond the two pilot projects requires significant further support, both financial and organisational. **PF has been supporting in a General Management capacity as a side of desk activity, but to make the progress necessary this requires additional capacity.** Discussions with investors and potential sources of finance are underway. **HIE will be providing some additional support in developing these options in the medium term.**

Focus North support for regional projects.

Wick John O' Groats Airport

The working group has been established with Transport Scotland re: the Wick-Aberdeen PSO has completed the report for the Airport highlighting its route to sustainable operation not only for the route but for the airport.

Resourcing of next steps

Highland Council are leading PSO development with a dedicated officer – a final business plan has been created and circulated around key stakeholders for approval.

General Promotion and awareness-raising

Focus North conference 2025

After initial discussions stakeholders are particularly keen to engage with younger people and as a result have decided to hold this year's event later in the calendar year. This will avoid clashes with exams and align with other activities planned by partners. Initial indications are this will fall in June and work alongside the Developing the Young Workforce initiative.

Website and social media output continues to raise awareness of activities and successes.

Inward investment.

- Rebel creative has been asked to collate and produce an inward investment 'regional brochure'.
- An interactive map identifying potential development opportunities in the region is being created to act as a catalyst for outreach to attract inward investment opportunities.
- Specific industries/opportunities are being identified for targeted promotion.
- HIE is currently reviewing property availability in the area, and this information will be incorporated as potential inward investment opportunities where appropriate.

Resourcing of next steps

- **Identify how to support continued promotional activity to expand in-house capacity.**
- **A supplier has been identified through HIE's comms team to develop the map.**
- **Support for comms and events will be provided by the addition of subcontract capacity.**

Focus North – Future structure & Resources

The Focus North Communications and admin support officer (Cathy Souter) has accepted a role within HIE and leaves to take this up on the 17th of January 2025. I'd like to put on record my thanks to Cathy for all of her support and hard work over the last several years. With Cathy's leaving and the impending conclusion of the Focus North support hub project, a review is being undertaken of options and potential next steps. The output from the industry group discussions will also be included in the development of Focus North priorities as they develop. Discussions with Stakeholders and Partner input and will be sought as any new structure is developed.

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