

## Dec 2013-Mar 2014

This update incorporates reports from a range of partners involved in delivering elements of the *Caithness & north Sutherland Action Plan*. It is hoped that 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.

### **Key Issues and highlights:**

- 141.25 FTE jobs have been projected by companies since the start of the 2013/14 financial year (115.75 new and 25.5 retained).
- Meygen Ltd has applied to Highland Council for planning consent for onshore infrastructure at Ness of Quoys to support its site at the Inner Sound of the Pentland Firth. Parent company Atlantis Resources Corporation has carried out a successful flotation on the Alternative Investment Market.
- Borth Beatrice Offshore Windfarm and Moray Offshore renewables had their applications to Scottish Government consented during March.
- Partners staged a successful "Jobs and How to Get Them" event in Wick during February, attracting around 40 exhibitors and over 300 attendees.
- A successful CNSRP inward investment event took place at the Scottish Parliament in Edinburgh in February.
- Caithness Chamber ran digital engagement events in February on behalf of HIE.
- New owners have been confirmed for AGM Batteries and ABSL Power Solutions, which will safeguard around 35 jobs at their Thurso site offering further growth and jobs potential.
- Plans for the proposed Berriedale A9 trunk road scheme go on view to the public in April.
- The NDA has published a revised timescale for the National Nuclear Archive project.

## Caithness & North Sutherland Action Plan 2011-14

The key priorities identified for 2011-14 are to:

- Work with existing area businesses in the energy and business services sectors to help them diversify and grow their businesses.
- Encourage new business starts in the energy and business services sectors
- Deliver a targeted programme of inward investment activity focused on energy and business services-related opportunities.
- Support the delivery of key enabling infrastructure such as ports and harbours, road, rail and air transport, skills transition and digital connectivity.

### Key to “traffic light” reporting system:

Each text entry will have a colour-coded box. This will indicate the status of the project's delivery, and will indicate the responsible owner for the activity. The box will be colour-coded as follows:

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

### **Progress with High-priority activities**

#### **Energy and Business Services - existing company growth**

##### **Support growth aspirations for companies**

HIE

HMRC remote/ home working pilot is now underway.

##### **Support non-account managed company growth**

NHRF/BG

Business Gateway reports continued strong interest and enquiries from both business start-up and existing businesses.

#### **Energy and Business Services - inward investment**

HIE/SDI

Discussions continue on potential investment plans with a renewables company and two oil & gas companies – both seeking to establish a facility in Caithness. These discussions are progressing well, with a detailed proposition now prepared for one oil & gas company.

A successful CNSRP event was held in the Scottish Parliament in February. Hosted by Rob Gibson MSP and with guest speaker Fergus Ewing MSP, the Scottish Government Energy Enterprise and Tourism Minister, talking to business invitees about potential for investing in Caithness/ North Sutherland. Willie Watt of Subsea 7 and Stephen Sutherland of JGC Engineering Services also spoke at the event, which was coordinated by HIE's Roy Kirk, June Love and Lindsay Foord.

Meygen has applied to Highland Council for planning consent to create onshore infrastructure at Ness of Quoys to support its site at the Inner Sound of the Pentland Firth. This includes buildings to house switching equipment and an access road. Parent company Atlantis Resources Corporation has carried out a successful £12M flotation on the Alternative Investment Market, and has also been successful in attracting €7.7M in EU funding through the 7<sup>th</sup> Framework Programme to support the design, installation and operation of its bigger 1.5MW tidal turbine the AR1500. The company has also just signed a partnership agreement with Australian wave power developer Carnegie Wave Energy to help drive solutions that will lower generating costs for both tidal and wave devices.

Applications from Beatrice Offshore Windfarm Ltd (BOWL) and Moray Offshore Renewables Ltd (MORL) to develop offshore wind sites in the Moray Firth were given consent by Scottish Government in March. Both projects now proceed to final investment decisions. Wick harbour remains well placed to attract operations & maintenance jobs if the two projects go ahead.

Discussions are taking place with Highland Council, HIE and Caithness Chamber on Caithness/ North Sutherland presence at May's All-Energy Exhibition in Aberdeen.

#### Wick Biomass project

Ignis Energy

Ignis Energy project continues to progress, with £400,000 from the Scottish Government's District Heating Loan Fund to support further expansion of its network in Wick. The Wick scheme already connects 196 domestic customers, Pulteney Distillery, a care home and the Assembly Rooms. The extension will connect a further 200 households and Mackay's Hotel.

#### Enabling Activities

#### Scrabster Harbour

SHT

In late January Scrabster Harbour Trust (SHT) submitted the planning application for its Business & Industrial Park to Highland Council– a CNSRP priority project. Support currently being discussed for further phases.

#### Wick Harbour development

WHA

Wick Harbour Authority currently delivering the project to create a heavy lift pad and associated dredging works. CNSRP partners HIE and NDA approved funding for these works last year. WHA also awaits information on whether offshore wind developments in the Moray Firth will receive consent from Scottish Government.

#### Invest Caithness

CCoC

Caithness Chamber is currently reviewing options for future development of Invest Caithness.

#### Supply Chain Diversification

CCoC

#### Marine Energy Park

HIE

The Pentland Firth & Orkney Waters Leadership Forum ran an Information Day in Thurso in November 2013 to update the public on progress within the wave and tidal industry over the past year. Developers Meygen, Pelamis and SSE Renewables/ Open Hydro were in attendance.

Pelamis Wave Power will hold public exhibition events from 24-26 March in Caithness and North Sutherland in support of its plans to develop a wave power site at Farr Point in North Sutherland.

#### Marine Energy "Onshore Vision" action plan

THC

A further "call for sites and ideas" was carried out by Highland Council during September 2013. Update report on the Onshore Vision was presented to the Highland Council's Caithness & Sutherland Area Committee in November 2013.

#### Superfast broadband to key parts of C&NS

HIE

HIE announced the procurement of the contract to roll out delivery of next generation broadband. BT will deliver the contract. Preparatory work on exchanges like Wick and Thurso started in December 13, with Thurso and Wick exchanges due to be enabled by early 2015 and others during 2015. In the meantime ADSL 2+ Ethernet services are available in both Thurso and Wick. Caithness Chamber undertook a series of Digital Engagement events in February 2014 on behalf of HIE.

#### Electricity Grid enhancements

SSE

Plans for Grid reinforcements and new links between Caithness-Moray have now all been consented by Scottish Government. The programme includes a new overhead line from the new Dounreay substation to Mybster, a new substation south of Thurso, an HVDC converter station at Spittal and a subsea HVDC link to Blackhillock in Moray. SSE Power Distribution has now submitted all these projects to Ofgem.

<b>Skills Development</b>	
<b>Engineering Technology &amp; Energy Centre</b>	<b>NHC-UHI</b>
<p>As ETEC's Engineering apprentices enter work placements during year two of their course, a video highlighting their experiences to date has been produced.  <a href="http://www.youtube.com/watch?v=c3vgSxfzJFQ">http://www.youtube.com/watch?v=c3vgSxfzJFQ</a></p>	
<b>Centre for Energy &amp; the Environment</b>	<b>NHC-UHI</b>
<p>ERI and CfEE staff are pursuing a number of European collaboration projects. A Conference "Research on Peatlands – Looking Forward" was held in Thurso in March, attracting 60 attendees from across the UK. Meanwhile RSPB, SNH, Highland Council and North Highland College UHI have agreed to work together under RSPB lead to deliver the £9.1M "Flow to the Future" project for the Peatlands.</p>	
<b>Make The Right Connections</b>	<b>CCoC</b>
<p>Good progress being made with the Programme. Development work being undertaken with HIE, Highland Council, SDS, Job Centre Plus and N Highland College to scope possible "skills academy" approach to future skills needs. The multi-agency "Jobs and How to Get Them" event took place in the Pulteney Centre, Wick in February. Around 40 organisations took part, with over 300 attendees.</p>	
<b>Schools Programme</b>	<b>THC</b>
<p>Highland Council and SDS are developing Bridges to Employment programme in local High Schools, based on successful model developed in association with Lifescan Scotland. Wick High Schools innovative technology classes have been successful in the UK-wide "Apps for Good" competition, and have launched 2 apps on both Apple and Android platforms. A joint project is underway with MAK Labs to create a digital fabrication lab in Wick High School, with an association mobile facility to cover the rest of the north.</p>	
<b>Innovation Challenge</b>	<b>CCoC</b>
<b>Young Chamber programme</b>	<b>CCoC</b>
<p>Staff from Caithness Chamber and DSRL have worked with teams from local High Schools on Young Enterprise competition ideas.</p>	
<b>Transport – Roads</b>	
<b>A9 – Berriedale</b>	<b>THC/TS</b>
<p>Transport Scotland is staging a public exhibition on 2<sup>nd</sup> April with plans for the proposed realignments of the A9 at Berriedale. The funding for the work that has led to this has come from Transport Scotland, Highland Council and the NDA.</p> <p>Discussions also taking place with Highland Council re: business case for work to B876 road across Killimster Moss. Council options study being considered. Caithness Chamber has received support from DSRL and Highland Council to continue its successful management of the Caithness Transport Forum and Bus Users' Group.</p>	
<b>Caithness "internal" transport infrastructure study</b>	<b>THC/HITRANS</b>
<p>Study now complete and recommendations being considered by Council TECS team. Elements of this incorporated into Charrette planning and North Highland Onshore Vision. Discussions begun between CNSRP Programme Manager and Development &amp; Infrastructure Service staff regarding links between economic opportunity and roads infrastructure.</p>	
<b>Transport – Rail</b>	
<b>Caithness freight railhead</b>	<b>DSRL/DRS</b>
<p>DRS Ltd continues to work on potential commercial traffic opportunities and related line issues.</p>	
<b>Transport – air</b>	
<b>Support Enhanced infrastructure in &amp; around Wick JOG Airport</b>	<b>HIAL</b>
<p>Impact of oil &amp; gas traffic to Chevron North Sea sites boosted flight and passenger numbers, with discussions continuing on future helicopter opportunities following the end of the contract. Wider discussions also taking place on further opportunities to position Wick JOG as a strategic airport for energy traffic. Market assessment has been commissioned by HIE, with</p>	

HIAL looking at any subsequent investment implications.

## Progress with other priority activities

### Tourism - existing company growth

Support growth aspirations for companies in Tourism sector	HIE
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Natural Retreats self-catering lodges development at John O'Groats has received encouraging visitor business. The self-catering complex around the former hotel building (called "The Inn at John O'Groats") was officially opened in mid-September 2013.

Support non-account managed company growth	NHRF/BG
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A group of companies that came together under the HIE-funded contract with the Centre for Design Innovation have now begun working as "Venture North" and are considering a number of activities to enhance the tourism offering in the area.

North Highland Initiative staff are working on proposals to develop a "Northern Skyway Drive" around the north mainland, taking inspiration from international benchmark routes such as Pacific Coast Highway in the USA..

### F&D - existing company growth

Support growth aspirations for companies in F&D sector	HIE
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Dunnet Bay Distillery has begun work on its distillery building at Dunnet, and aims to begin production of its Rock Rose Gin in Spring 2014. The company has received advice and support from HIE and the NDA-funded North Highland Regeneration Fund.

Support non-account managed company growth	NHRF/BG
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### Other Sectors - existing company growth

Support account-managed company growth	
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AGM Batteries and ABSL Power Solutions, who share premises at Thurso Business Park, have new owners. Both were previously under the ownership of US multi-national Enersys. AGM has been bought by AMTE Power Ltd, but will continue to trade under the AGM name, whilst ABSL has been bought by a new company, Denchi Power Ltd. Around 35 jobs in Thurso have been secured as a result of the plans, which are supported by CNSRP partner HIE.

Support non-account managed company growth	NHRF/BG
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### Other sectors - Enabling activities

National Nuclear Archive	
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The NDA has published a revised timetable for the National Nuclear Archive project, which will also ensure a long term home for the Highland Council's North Highland Archive. A notice was published in the Official Journal of the EU in March, with an Invitation to Tender issued in May. The facility will be operated for the NDA by a specialist partner. NDA plans to have the facility operational by the end of calendar year 2016.

Town Centre development programme	
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Initial discussions with the developer of Mi-Scotland app re its relevance to Thurso/ Wick/ wider area.