



CNSRP ADVISORY BOARD MEETING

19th March 2014
T3UK, Janetstown, Thurso

Attendees: Cllr Drew Hendry (Chair), Cllr Thomas Prag, George MacDonald (CVG), Connie Bremner (JCP), Alastair Ferrier (SDS), John Robertson (Crown Estate), Eann Sinclair (CNSRP), David Flear (DSG), Derrick Milnes (T&WTC), Cllr Roger Saxon, Fiona Bruce (Secretary), William Sutherland (HIAL), Trudy Morris (CCoC), Stuart Black (HC), David Sutherland (HC), Stephen Sutherland (CCoC), June Love (DSRL & HIE), Gordon Jenkins (NHC), Sandy Mackie (SHT), Roy Kirk (HIE), Lesley Cranna (SNH),

Rebecca Machin (Wick High School)

Apologies: Frances Gunn (CVS North), Anna MacConnell (NDA), Seonag Campbell (SDS), Ken Nicol (DSRL), Alastair MacDonald (Cavendish Nuclear), Susan Johnson (JCP), Bill Baxter (CCoC), Willie Watt (WHA). ES noted that Susan Johnston had moved on to a new role in Job Centre, and would be replaced by Shirley Baker at future meetings.

1. WELCOME

The Chair welcomed everyone to the meeting. It was noted that announcements are expected imminently on planning with regard to Scrabster Harbour Business Park and Meygen. It is important that the group keep the momentum up and time needs to be taken to reflect on how things are taken forward. The Advisory Board needs to be a focus on what the next milestones are.

2. PREVIOUS MINUTES AND MATTERS ARISING

The minutes of the previous meeting were accepted as a true record of the previous meeting by those members present.

3. PROGRAMME MANAGER UPDATE

Eann Sinclair provided a presentation to update members on progress and to look forward to the next few years. The following points were of particular note:

- Meygen are making steady progress and moving forward, with work due to start on the onshore enabling works at Gills.
- An application for planning permission has been submitted for the creation of a business park at Scrabster.
- In terms of job numbers in the last 3 years 215 jobs have been lost and 429 jobs have been created.
- Job predictions for the next 3 years are challenging at a target of up to 479. The main focus will continue to be within the Energy and Business Sectors. Some members questioned if more focus should be put on creating jobs in the Tourism and Food & Drink sectors as there have been some real success stories in recent years that should be built on.
- David Flear raised a concern about the lack of visibility of any progress in terms of enabling activities and how they will create opportunities for the future.
- A press release is about to be issued on the Berridale Braes report, URS will also be holding a stakeholder engagement event. The preferred option is option 4A which removes the hair-pin bend with least change to the road.
- Roy Kirk advised that no tenders were returned for the Wick John O'Groats Hangar survey. HIE are trying to determine why no tenders were returned before the package of work is re-tendered to a larger group. Roy Kirk agreed to report back to the Advisory Board with a new timeline for the hangar report.
- In terms for a forward longer look at jobs, current predictions are up to 830 jobs to be created in the energy sector. There will potentially be opportunities in the Renewables & Oil & Gas sectors created through inward investment.
- In terms of Skills the Chamber of Commerce are working on a proposal for MtRC 2, this version will be more focused on smaller businesses and supporting them to adapt to the changing business needs of the county in future years.
- Stuart Black briefed the members on the Highland Council Create & Employ Scheme, which has already successfully supported 67 businesses within Caithness.
- Stephen Sutherland expressed a view that he thinks the job prediction figure are slightly pessimistic and that the opportunities are great. However training is key and more interaction is needed with businesses to determine what skills are needed. Stephen also highlighted the importance of having a clear timelines for the key sectors to allows business to plan for the future.
- A variety of partners have contributed to positive press coverage recently, the key messages are getting out. The widest media coverage recently has come from the food & drink sector. Questions were asked about how to get more national press coverage – Thomas Prag advised that the key is to gain local confidence and build on it, it is important that the articles are interesting and capture the audience. It was also suggested that social media should be exploited more. Work needs to continue on building the relationship with the local press, Trudy Morris advised that she has a meeting arranged with new local business reporter. Work is currently is on-going in preparing the comms plan for next year.
- David Flear noted the recent significant press coverage related to Vulcan. He re-emphasised the importance of spreading the word about the skilled workforce in Caithness.

Action 1 - Roy Kirk to provide an update on the new timeline for Wick John O'Groats Airport Hangar survey.

Action 2 - It was agreed that a press release should be produced following this

meeting about hitting the target on job numbers.

4. INWARD INVESTMENT – PROGRESS REPORT

June Love provided an update on the on-going Inward Investment activities, which are summarised below:

January

- Meetings held with representatives from Financial & Business Services teams in HIE and Scottish Development International to discuss opportunities to attract new business to this area.
- Two days were spent in Aberdeen meeting a number of companies and agencies as part of our effort to attract new business to the area.
- Roy Kirk travelled to southern England to take forward discussions with potential inward investors in the energy sector.

February

- A business event, sponsored by Rob Gibson MSP, took place at Holyrood and had Fergus Ewing as guest speaker. Mr Ewing had visited the area just before the event and spoke very positive about the opportunities available here. Local business reps Willie Watt and Stephen Sutherland both spoke at the event with Roy Kirk providing the context for partner support. There were about 30 businesses from a range of sectors at the event and also a cross-part support from MSPs.
- HIE launched a new scheme to support businesses. The “Innovate Your Business” service aims to help innovative companies grow their businesses through expert advice, support sessions and funding.
- In Aberdeen for two days following up with existing business contacts and having initial discussions with new contact.
- June Love also attended a 2 day Inward Investment training event organised by HIE.

March

- Support from HIE and NDA have allowed Wick Harbour Authority to make progress with its plans to create a heavy-lift facility on the commercial quay at Wick harbour, with contractors Gunns Lybster Ltd having now begun the work.
- Hosted a visit by senior representatives of a business who are looking at potential for basing some work in Caithness.

Future

- A further trip to Aberdeen are planned next week for two days – again we are following up with some contacts and having initial discussions with new companies.

- A SDI delegation will be visiting Caithness on 25th March as a fact finding visit. A presentation will be provided outlining the opportunities for business, especially in energy and business services.
- Trips to Aberdeen and London are planned in April to following up contacts.
- More business events will be organised in the coming months and the team are looking at 'additional' activity around established conferences, ie a visit to Caithness. Considering all the logistics at this time.

The Chairman noted the momentum that has been put into inward investment recently and potential long term payback, mention was made to the positive networking event held at Holyrood and the value of this type of event.

Roy Kirk acknowledged the valued support from June Love, who provides 50% of her time to inward investment. However Roy did say that if more resources were available more effort could be focused on further inward investment. The Chairman questioned if a collective approach would work if a clear set of objectives were set. David Flear stated that at a recent meeting with Alex Paterson of HIE there was an offer of additional support from the Regional HIE Team. It was agreed that this issue would be raised with the Executive Board.

| |
|--|
| <p>Action 3 - Raise issue of additional support to Inward Investment activities with CNSRP Executive Board.</p> |
|--|

It was suggested that business to business linkages with the Aberdeen Chamber of Commerce should be developed. Stephen Sutherland commented that the work HIE and the Chamber are doing is making a real difference in terms of business opportunities. Resource is important and we need to make sure that we are all sending out the same message. Thomas Prag suggested that we identify what the current resource delivers well and what we need to do more of. As a group a strong message needs to be sent out that with a bit more resource we could deliver more.

| |
|--|
| <p>Action 4 – Scope additional inward investment resource requirements.</p> |
|--|

A note of thanks was made to Sandy Mackie, Stephen Sutherland and Willie Watt for their support at the various business events that have been held recently.

5. MEMBER UPDATES

Association of Caithness Community Councils

- There was no representative available to attend the meeting.

Caithness Chamber of Commerce

- The CCoC attended the Best of Britain & Ireland exhibition again this year. There was a clear message that Air Passenger Duty and VAT are having a detrimental impact on attracting tourists to the county. It was noted that both Jersey and Ireland are thriving tourism hubs and both areas have either no or lower air passenger duty and VAT rates. Trudy Morris is taking this forward through the Scottish Chamber.
- A series of digital engagement events were conducted in February 2014, however it was disappointing that the events were poorly attended by the community. Lessons

have been learned about how this type of event should be marketed in future. Positive feedback was received from those who did attend. It was noted that HIE are offering digital health checks to help businesses ensure they are up to speed on what is available to them. 'Internet Anywhere' are looking at options for Bower and John O'Groats.

- Trudy Morris thanked DSRL and HC for their continued funding commitment to the Caithness Transport Forum.
- Frazer Henderson, Head of Rail Policy at Transport Scotland is due to meet with local stakeholder on 31st March about the Scotrail franchise. It was noted that National Express are bidding for the franchise and that they want to set up some stakeholder sessions.
- The NHRF has been rebranded to try and attract new business applications.

Caithness Voluntary Group/CVS North

- Caithness Community Transport project has received funding to continue its work.
- Best wishes were extended to John Green who was unable to attend due to ill health.

Crown Estate

- Pelamis – work is beginning to start, a number of engagement events are planned.
- Inward investment is key for the long term renewable energy market. A government subsidy level has now been settled. A ring-fenced level of capacity for wave and tidal projects has been agreed. The level of investment is key to how projects will be kept moving forward.
- The latest Crown Estate leasing process is expected to conclude in May 2015.

Dounreay Stakeholder Group

- David Flear advised that he represented DSG at InSotec conference in Berlin, with DSG the only representative from the UK.
- The DSG have been engaged in consultation on planning and plan.
- Caithness Conversations are on-going on the best use of community benefit funding from onshore renewables in the area.
- Regular meetings have been set up with HIE, DSRL, NDA & Vulcan.
- Consultation continues about the DFR Control Room.
- An announcement is expected in June 2014 on a commercial partner for the NNA.
- Concerns were raised about the threat to maternity provisions in Caithness.
- At the recent AGM David Flear was re-appointed as Chairman and Derrick Milnes appointed as Vice Chairman.

DSRL/NDA/BDP

- This year's Socio-economic Plan has been completed, and in process of producing an annual report
- The next Plan is in draft, and is being shared with CNSRP Delivery Team and DSG for views. It will be submitted to NDA at end of March but can be refined.
- Alastair MacDonald, Cavendish Dounreay Partnership leaves Dounreay at end of March: Phil Cartwright will take over as department head
- Simon Middlemas will be looking at socio economics on behalf of Cavendish Nuclear, and Shona Kirk will also be undertaking some activities

- An independent report has been produced on the impacts of socio-economic interventions that have had NDA or Dounreay involvement. The report has allowed us to consider what we should focus on moving forward into new year. Still awaiting responses from some of the beneficiaries but we will be putting a summary report to the DSG in April.

Additional update from Anna MacConnell, NDA: NDA will continue to work with organisations including HIE on a number of important projects within the CNSRP priorities, and a full update will be provided when these are in a mature state. In addition the C&NS fund continues to be a success and a recent NDA audit demonstrated good governance. We are working with DSRL to agree 2014/15 Socio-economic PBIs, carrying out an ongoing review of the DSRL Socio-economic Plan and its outputs, and the PBO's socio-economic contribution.

Highland Council

- Stuart Black advised that the local development plan will go to the committee in May 2014. It is expected that the Dounreay Planning should be turned around soon.
- It was noted that to date 28 new businesses in Caithness and North Sutherland have been supported by Business Gateway.
- David Sutherland commented on the Council's capital investment in Wick.
 - The enabling work for the new primary school has begun with the school expected to be opened in August 2015.
 - Enabling works for the new High School are due to begin in April 2014.
 - The new children's home in Wick is expected to be complete in April 2014.
 - Work is progressing on the new Highland Council offices with work expected to be complete late 2014/early 2015.
- It was noted that there are very few vacant shop premises in Wick now. During discussions with two local shopkeepers it was positive to hear that they are investing money to develop their businesses as a direct result of the investment in the Highland Council Town Centre Offices.
- It was agreed that there is a good story to be told around the investment in Wick.

HIAL

- Work is progressing on the installation of the GNSS system at the airport. A press release will be issued in parallel with a public engagement exercise.
- A structural survey is being conducted on the Farmers Hangar.
- A recent recruitment exercise has been conducted with 2 new fire fighters being appointed. The team are diversifying by training members of the fire team as air Traffic Controllers to support the Air Traffic control team during periods of absence.
- The Friday afternoon Edinburgh flight has been reinstated and will be back on the schedule from April 2014.
- As an impact of the recent review on helicopter safety they will be operating on a reduced capacity from June 2014. The airport team are engaged in advanced discussions on possible opportunities for Wick John O'Groats airport as a result of these changes.
- Ignis Energy have visited the airport with a view to establish a renewable energy project.
- William Sutherland thanked Highland Council for the work that has been undertaken to improve the approach road and fencing at the airport. Thanks were also extend to

the other members round the table for the partnership working that has enabled real progress to be made at the airport.

HIE

- Some positive progress is starting to be made in terms of inward investment. Some important announcements are expected later this year.
- In terms of existing business there are some real opportunities and ideas that are being progressed.
- It was noted that Meygen are close to financial closure, with the Pentland Firth having the potential to be the first place in the world to have a tidal stream array.
- Major work is expected over the next few years in the offshore wind industry at both the Beatrice Offshore Windfarm and Moray Offshore Renewables sites.
- Monthly contact continues with Chevron about the Rosebank Field as Caithness is placed well to service the site.
- Roy Kirk added that more infrastructure development is required in terms of office space. The infrastructure needs to be in place to encourage developers/businesses into the area.

North Highland College

- Operationally the college is working well in terms of student and employment targets.
- Gordon Jenkins will retire at the end of March 2014 and Donald MacBeth will take on the post of Acting Principle.
- College regionalisation is progressing well. There are some governance and funding issues that are currently being worked through.
- Funding is yet to be confirmed but plans are being made for student residence in Dornoch and possibly Thurso in future years.
- ERI held a good conference recently on the Flow Country and the research that has been conducted. Gordon Jenkins complemented the ERI on the great work that they are doing.

Scrabster Harbour Trust

- Oil & Gas business is improving and the new pier is now in use.
- There have been some issues with fishing but business is up 17% from last year.
- The Trust want to retain their traditional business streams as well as developing new energy-related business streams.
- There have been issues with continuity of ferry services to and from Orkney.
- A marketing consultant has been employed to raise the harbour's profile – they will focus on updating the website and social media links.
- Representatives have attended a Cruise Tourism Conference and Fishing Expo, and will attend All Energy 2014 to promote the services the harbour can provide.
- The Harbour is the first in the UK to have its entire staff obtain a NVQ Level 2 Port Operations Qualification. Caithness Chamber was thanked for co-ordinating this package of training through the Make the Right Connections programme.

Scottish Natural Heritage

- A funding bid for £4.3 million has been submitted to the National Lottery from the Peatlands Partnership. An impacts survey conducted by HIE has reported a gross value in excess of £6.3M will be made as a result of this project, in terms of job opportunities and construction work.

Skills Development Scotland

- Follow up work continues on School Leaver Destination Report (SLDR), there has been a noted increase in positive destinations in the Wick area.
- Employability Fund contracts have now been issued.
- Attended the national conference on PACE: there are some differences in terms of how rural areas implement PACE services.
- There have been a number of PACE engagements related to small businesses within the county. PACE engagement may be required for some agency staff from Dounreay who will not have their contracts extended beyond March 2014.

Job Centre Plus

- There was no representative available to attend the meeting. It was noted that Susan Johnston has changed roles and will no longer represent JCP on the Advisory Board. Shirley Baker will attend future meetings.

Thurso & Wick Trades Council

- Concerns have been raised about the threat of closure of the Maternity Ward at Caithness General Hospital. This is the third time that closure has been threatened and the county has had to fight to retain it. These services are vitally important in terms of retaining and encouraging people into the community.
- Friday afternoon Flybe/ Loganair flight to/from Edinburgh has been re-instated on the schedule. However concerns were raised about the high cost of Eastern Airways flights.
- The Trades council are keeping a close check on how the changing programme at Dounreay will impact on contractors and the supply chain.

Wick Harbour Authority

- There was no representative available to attend the meeting. However it was noted that work has begun to repair the storm damage. Work has also begun on the first phase of the Harbour Authority's development plans - the heavy lift pad on the commercial quay, which was supported by NDA and HIE.

Wick High School

Rebecca Machin, Deputy Head Teacher at Wick High School expressed her thanks for the invitation to observe the Board meeting.

- Rebecca Machin advised that the focus has been changed at the school. Many small things have been addressed in order to help change perceptions of the school. More focus has been put on preparing pupils to transition into the workforce and prepare them for life after school. The staff want to inspire pupils to work and to learn what they need to do to achieve this. Good links have been formed with North Highland College. A level of effort has been targeted on specific pupils who need a little more guidance to ensure they transition into a positive destination. Work is ongoing to increase teacher's awareness on employment opportunities, further education opportunities and the support that SDS can offer. The focus is on vocational curriculum with work and college placement opportunities – employers are being invited to get involved.
- The Chairman thanked Rebecca for her insight into how things are progressing at Wick High School. He felt it is important that young people can connect with real

businesses opportunities. An invite was extended to members to participate in a Business Breakfast being held by the School in April.

Action 5 – Rebecca Machin to invite AB members to Business Breakfast.

6. AOB

It was noted that this was Gordon Jenkins' and Alastair MacDonald's last meeting as they move on to pastures new. The Chairman took this opportunity to express his thanks to both Gordon and Alastair for their contribution to the partnership over recent years. Donald Macbeth will represent North Highland College at future meetings.

The chairman thanked the members for attending the meeting and contributing to the invigorating discussions.

7. SUMMARY OF ACTIONS

| | Action: | Lead: | Due Date: |
|---|---|--------------|------------------|
| 1 | Provide an update on the new timeline for Wick John O'Groats Airport Hangar survey. | R Kirk | 02/05/14 |
| 2 | It was agreed that a press release should be produced following this meeting about hitting the target on job numbers. | E Sinclair | 04/04/14 |
| 3 | Raise issue of additional support to Inward Investment activities with CNSRP Executive Board. | E Sinclair | 25/03/14 |
| 4 | Scope additional inward investment resource requirements. | R Kirk | 02/05/14 |
| 5 | Rebecca Machin to invite AB members to Business Breakfast | | 25/03/14 |
| | | | |