

# A new environment for change

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# Introduction from Sir Anthony Cleaver

## Partnership lays “Foundations for the future”

When I was asked back in 2007 to Chair the newly-formed Caithness & North Sutherland Regeneration Partnership I think it is fair to say that there was considerable concern locally at the impact that the Dounreay decommissioning programme would have on the economy of the area.

An economic study the previous year had found that some 15% of all local employment was dependent upon Dounreay, and many local people wondered what the future held beyond the end of decommissioning. The Partnership's 2006 “Strategy for Caithness & North Sutherland” had begun to seek answers to this question, and the first “Caithness & North Sutherland Action Plan”, published in December 2007, put more detail on how our strategic aims could be achieved.

I think we can look back on three years of real achievement. In that time the development of major opportunities such as marine renewable energy in the Pentland Firth has moved from initial discussions to a world-leading wave and tidal energy

programme that is attracting serious investment, while a start has been made on providing the necessary supporting infrastructure with the development of Scrabster Harbour.

In the last few months we have seen the launch of HIE's “Caithness Ambassadors” programme, with meetings in Aberdeen and in London of senior figures from the business world who have Caithness or North Sutherland links. They will act as a pool of ambassadors for Caithness and North Sutherland as a place to do business.

We have also seen the publication of the Crown Estate's report “Wave and Tidal Energy in the Pentland Firth: How the Projects Could be Built”, providing CNSRP partners and the local business community valuable data on timescales, costs and requirements associated with this developing industry. We have also seen the launch of Caithness Chamber of Commerce's major NDA, ESF, DSRL and SDS funded initiative to assist with skills transition for the area's workforce; HIE's

announcement of further investment in the redevelopment of John O'Groats; and Highland Council's announcement of its multi-million pound redevelopment of the Council offices in Wick town centre.

Together with the investments by CNSRP partners the NDA, HIE, Highland Council and Scottish Government in North Highland College's ambitious plans this should ensure that one of our competitive strengths remains the engineering expertise available for marine energy developers to capitalise on.

We are now establishing our position with the new Scottish Government, ensuring our needs are fully understood and also seeking support for further improvements to our transport infrastructure.

The next three years will see CNSRP's partners focusing on key opportunities in the energy sector and in the financial/ business services sectors. It is our view that these sectors not only hold significant growth potential, but they also play to our area's key strengths of high



Sir Anthony Cleaver

skill levels; a loyal workforce; and appropriate infrastructure.

Within the Partnership we are now able to take a more structured approach to our relationships, regularly communicating with all our partners.

I hope that in the pages of this magazine you will find much to interest you, including two more in-depth features from local journalist Iain Grant on the two priority areas of energy and business services.

All in all, while there is no room for complacency, I believe we have laid the foundations for the future, enabling us to take advantage of the very real assets this area has. 

## What is the Caithness & North Sutherland Regeneration Partnership?

**CNSRP is a partnership of the main public sector bodies with a remit to address the socio-economic effects of decommissioning at the Dounreay site.**

The partners are: Highlands & Islands Enterprise, The Highland Council, The Nuclear Decommissioning Authority, Skills Development Scotland and The Scottish Government.

Our strategic aim is **“to maintain and if possible to increase the GDP of the Dounreay travel to work area by actively working to promote existing employment, encourage new employment and promote the area as an attractive location in which to live and work.”**



The *Caithness & North Sutherland Action Plan 2007-2010*, provided a framework for the delivery of actions designed to broaden the economy away from its reliance on decommissioning work at Dounreay. An Action Plan for 2011-2014 has been developed.

The Partnership's key grouping is its Executive Board, which brings together the Chief Executives or senior staff from the local/ regional partners and an official from the Scottish Government's Enterprise

Team under the independent chairmanship of Sir Anthony Cleaver.

The Executive Board oversees the strategic delivery of the Action Plan, enabling the key partners to commit to actions that will drive forward the regeneration process.

It also provides direction to the Partnership's Programme Manager and to area managers in the partner bodies who sit on the Partnership's Delivery Group, which delivers actions, and also includes a

representative from Caithness Chamber of Commerce, to reflect the role played by the private sector.

The Executive Board also takes advice and comment from local stakeholders through the Partnership's Advisory Board, which brings together politicians, business groups, community representatives and trades union officials, as well as other bodies such as The Crown Estate and SNH. 

## Who's who on CNSRP Executive Board



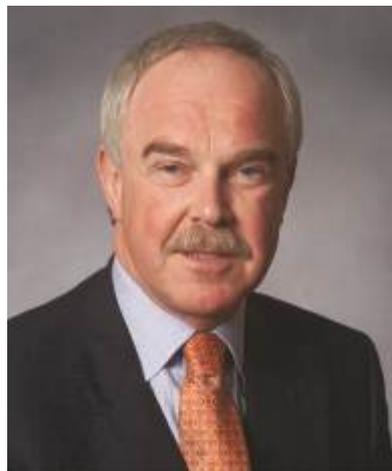
Independent Chairman  
**Sir Anthony Cleaver**



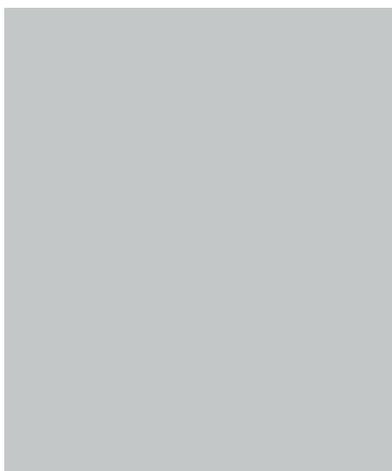
HIE – **Alex Paterson**  
Chief Executive



Nuclear Decommissioning  
Authority  
**Nigel Lowe**  
Head of Programme -  
Dounreay



Highland Council  
**Alistair Dodds**  
Chief Executive



Scottish Government  
**Karen Jackson**  
Enterprise team



Skills Development Scotland  
**Anthony Standing**  
Operations Manager,  
Highlands, Islands &  
Grampian

## CNSRP Activities: 2007 - 2010

- **Pentland Firth Marine Energy:** The world's first commercial scale wave and tidal energy developments were announced for the Pentland Firth and Orkney waters. All four CNSRP partner organisations played a key part in establishing the original Pentland Firth Tidal Energy Project, from which the Crown Estate formulated its leasing of the seabed for multi-billion pound renewable energy developments.
- **Scrabster Harbour:** A number of CNSRP partners helped Scrabster Harbour Trust achieve a £20M finance package to develop Scrabster Harbour as a key local and national asset to support development of the marine energy industry.
- **Centre for Energy & the Environment:** A £7M centre and associated marine energy research programme, supported by HIE, Scottish Government, ERDF and UHI opened at North Highland College in early 2011.
- **Engineering Technology & Energy Centre:** An £8.7M capital project at North Highland College opened in 2011 supporting the area's aspirations in renewable energy and other engineering disciplines. Funding for this was attracted from NDA, Scottish Funding Council, ERDF, UHI and Highland Council.
- **Skills Transition:** A £2.3 million programme funded by NDA, ESF, DSRL and Skills Development Scotland is being led by Caithness Chamber of Commerce. The programme focuses on the local workforce, and aims to support companies and individuals to address the skill issues faced in moving the area economy away from its current dependence on Dounreay-related work.
- **STEM project:** High schools in Caithness and North Sutherland are participating in a £110,000 project – funded by DSRL and HIE - to enhance teaching and learning opportunities in science, technology, engineering and mathematics.
- **Wick marina:** This £600,000 development, supported by the NDA and HIE, was opened by the Princess Royal in 2009. The 70 berth facility saw a 50% increase in visiting yacht numbers following a successful second season in 2010.
- **Caithness Chamber of Commerce:** The Chamber was relaunched in 2009 with financial support from HIE and the NDA. It now boasts a growing membership and a strong voice in the diversification of the area's economy.
- **Caithness Horizons:** This £4M tourism and community facility was supported by Highland Council, UKAEA, HIE, Heritage Lottery Fund, Historic Scotland, SNH and NDA, and opened to the public in December 2008. It plays a growing role in staging events and festivals, as well as developing its museum status.
- **Employment creation/ retention:** more than 80 local businesses committed to the creation and/ or retention of over 500 full-time equivalent jobs. ○

# CNSRP Priorities: 2011 - 2014

## Partners focus on energy and business services for growth

In addition to the existing economic and socio-economic development work being delivered by Highlands and Islands Enterprise, Highland Council, Skills Development Scotland, Scottish Government and the Nuclear Decommissioning Authority the partners in CNSRP have agreed that the period from 2011 to 2014 will require further prioritisation of resources.

Two priority areas have been agreed – energy and business services.

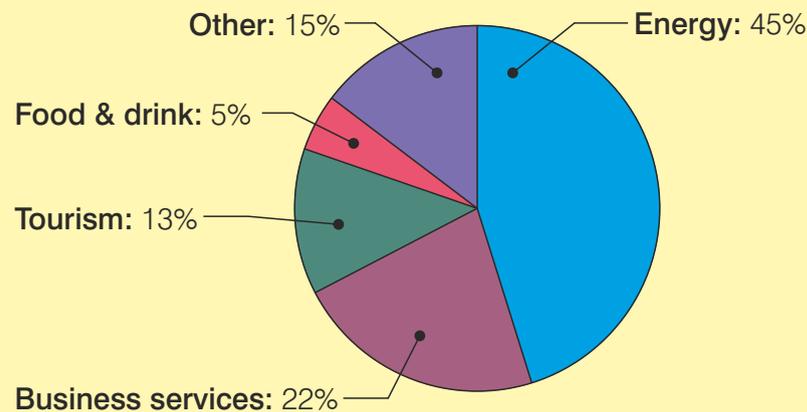
The partners will also continue to identify and pursue diversification opportunities within the broader economy – particularly in tourism, food and drink. The partners will work with other organisations as appropriate to ensure that these aspirations are supported. The partners will

focus their efforts and resources on:

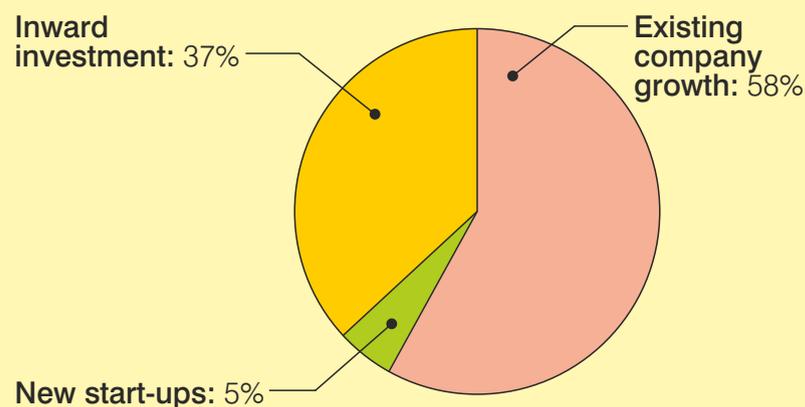
- Working with existing area businesses and new start-up businesses in the energy and business services sectors to help them diversify and grow their businesses.
- Delivering a targeted programme of inward investment activity focused on opportunities such as marine renewable energy, oil & gas, contact centres and higher-skill back office functions.
- Supporting the delivery of key enabling infrastructure such as ports and harbours, road, rail and air transport, skills transition and digital connectivity.

During the period the partners expect to support the creation or retention of up to 410 FTE jobs. 

### Projected employment 2011-14 by sectors



### Projected employment 2011-14 by source



## Inward investment campaigns

### New secondees to support HIE efforts

**A novel approach in combining the skills of the private and public sectors is being tried in Caithness and North Sutherland.**

A senior project manager with internationally renowned engineering services company Babcock International is working on secondment with the North's social and economic development agency Highlands and Islands Enterprise (HIE).

Chartered Engineer **Simon Coles**, who is general manager of the Babcock Forss office supporting operations at Dounreay, is involved in a project to grow inward investment opportunities.

Simon, who has worked in the area for 15 years, leads proactive work from HIE in attracting companies to invest and locate in Caithness. He is

working closely with local partners, the recently established Caithness Ambassadors and other government agencies including Scottish Development International.

**Roy Kirk**, HIE area manager for Caithness and Sutherland said: "HIE is all about working in partnership, whether with the private sector or with our colleagues in Caithness and North Sutherland Regeneration Partnership. Babcock, as one of the largest employers in the area, has a good overview on what attracts the private sector.

"We want to further develop a climate for private companies to flourish. This type of interaction allows us to have a direct link into a number of developments that are happening in the private sector and to continue to diversify our economy to encourage businesses to locate or grow here. We also see the opportunity to develop our learning in new ways and new approaches to working."

Simon is also a member of the Board for Decom North Sea, which was established with HIE, Scottish Enterprise and the Department of Energy and Climate Change to support the decommissioning supply chain. Locally he is involved with the Pulteneytown Peoples project. He says he was keen to look at how closer links between the private and public sector could help provide a more rounded view on creating opportunities to develop the future economy of the area.

"Caithness and North Sutherland has many opportunities and two of the main ones are in the areas of energy and business services; both sectors we have a strong history in supporting. These sectors are quite broad and we need to focus on well defined opportunities within them,"



said Simon.

The secondment is for a year and Simon hopes he can bring some additional structure and momentum in the delivery of inward investment activities.

He added: "The private and public collaboration is valuable for the economic development of the area. By bringing the skills and resources of both together we can ensure we develop projects that will deliver the best benefits." 

# Feature on Energy sector

by Iain Grant

## The fortunes of Caithness and north Sutherland and its people remain tied inextricably to developments of one kind or another in the energy sector.

Nuclear power was the mainstay of the local economy for the second half of the 20th century. The ending of Britain's experiment with fast reactors duly sounded the death-knell for operations at Dounreay, although its decommissioning has continued to provide valuable employment and other spin-offs to the area. But the clock is ticking for the ongoing efforts to attract alternative employment and fill the sizeable gap which the atom plant will leave in the local economy.

Caithness and North Sutherland Regeneration Partnership, the inter-agency body spearheading the drive, feels that progress is being made to prepare the far north for life beyond Dounreay. And it foresees energy continuing to play a crucial role in effecting as smooth a transition as possible. Increasing focus has been placed on the exciting prospects opening up for wave and tidal energy production in the Pentland Firth and the partners in CNSRP continue to work hard to optimise the major benefits this activity can bring to local firms.

The Partnership's Programme Manager **Eann Sinclair** is eager to emphasise the potential the area has to win new business in a range of different energy fields.

"In addition to marine energy, there are other very promising opportunities opening up in the renewables sector, notably offshore wind and biomass. There are also openings to develop our involvement in the oil and gas industry, both in terms of servicing and in decommissioning North Sea structures, and in new fields in the west of Shetland area. Nuclear also remains on the agenda in the form of developing the area's expertise in decommissioning and in helping our highly-skilled local companies to seek work as new-build stations in England and

Wales are planned."

The Partnership is encouraged by successes far north companies have had to date in the sector. Among them has been EnergyHunt Ltd, a start-up business based at Harrow Harbour, near Mey. Run by **Richard Hunt**, it has already serviced several contracts for offshore wind and marine energy companies.

Mr Hunt said: "There are fantastic opportunities for companies based here to get work from renewable energy developments as they move through the scoping phase and carry out environmental and other studies over the next two years."

Mr Hunt's perseverance in targeting the renewable energy sector has paid off handsomely over the past year. His one-man operation has grown to two-and-a-half full-time equivalents and he is currently looking to recruit two graduate level engineers and a part-time administrator. The company, which has a registered MCA coded work-boat, also uses half-a-dozen sub-contract staff from 3 local businesses.

EnergyHunt is building up an impressive portfolio for its project and health & safety management, engineering and marine logistic support. It was recently commissioned by ScottishPower Renewables to help it identify companies in the far north which can help it with its preparations for its 95-turbine tidal energy scheme off the Ness of Duncansby. The company has been provided advice in its early days by Business Gateway, which is managed in this area by Highland Opportunity on behalf of Highland Council, and was provided loan funding through the North Highland Regeneration Fund, which is funded through the NDA. The company is now account-managed by Highlands and Islands Enterprise.



Richard Hunt

Scrabster Port Services has meanwhile been steadily building up its business and its workforce servicing offshore oil and gas traffic. For the past year, it has been run as a joint venture between international oil and gas logistics specialists ASCO and the Port Services Group.

SPS General Manager **Kathy Wares** said: "It was obviously very encouraging for us to see someone as big as ASCO buy into Scrabster. We've seen a substantial increase in our turnover and we now employ four full-time and 15 part-time."

Mrs Wares said the Company is looking forward to a further major fillip to trade with the planned redevelopment of the tanker pier at Scrabster. The creation of new lay-down areas and other facilities will greatly help the firm's bid to become the main port for the servicing of the new fields

opening up west of Shetland.

Said Mrs Wares: "We're getting a lot of interest from our clients in the redevelopment of the harbour as it ties in with some of their plans for the new fields. We have 24/7 access at Scrabster, and if everything goes to schedule I could see one of the big oil companies establishing a base here."

While promoting opportunities based within the area, the Partnership is also keen to exploit growing opportunities to win contracts further afield. This does not relate solely to applying skills honed on decommissioning Dounreay to other nuclear sites, whether within the UK or further afield.

Harpsdale-based JGC Technical and Engineering Services Ltd has been a flagbearer in winning nuclear work south of the border. But it recently broke new ground



Scrabster Port Services

## Feature on Energy sector (continued)



in working along with Caithness-based Nuvia to complete a job on a hydro-electric power station in south-west Scotland. JGC director **Tim O'Brien** said that currently about three-quarters of its work is based outside Caithness.

Mr O'Brien said: "We regularly work in partnership with the likes of Nuvia and Babcock and we've proven that firms here can be competitive working well outside their home area."

EnergyHunt and JGC are examples of a number of businesses in the area that are now "account-managed" by HIE. These companies all work to agreed growth plans, and are supported by account managers within HIE's area team. JGC account manager **Keith Muir** believes the new approach is working well.

He said: "I think it's fair to say that it's allowed us to achieve more with less resources. It means we have been able to focus our activity much more narrowly on the areas that can make the biggest difference to the economy and we now work much more strategically with the account-managed companies."

"This is particularly relevant in the energy sector where opportunities may not be immediate and laid on a plate for companies. They may need to take strategic decisions to position themselves in order to take advantage of the opportunities when they arise. We're here to help them stand back from the day-to-day business and help them decide where their company is going and how they can best capitalise

on their skills and resources."

The Partnership also believes that once the marine energy sites and offshore wind farms start to take root around the north and east coasts of Caithness, conditions will be ripe for the start-up of energy-rich onshore industries. Local company Navertech has also announced plans to expand, based on the forthcoming

***"The area is ideally situated to capitalise on its skilled labour force and its developing infrastructure to become a multi-energy hub."***

availability of superfast broadband connections in the area, following HIE's successful bid to run a pilot project to roll out superfast broadband in the area.

Highland Council is leading the delivery of a development plan to cover future on-shore marine energy-related developments. The work is being led through Highland Council's planning team, and will involve close working with local and regional partners over the coming months.

Highland Council's **Stuart Black** said: "It's important to create the right planning and development environment so that a new industry like this can move with some confidence from testing through to commercial-scale deployment. What we hope to do is provide as clear and pro-active a service as possible, working with HIE, Scottish Government and marine developers."

The development of Scrabster Harbour remains a cornerstone for local economic benefit in the energy sectors. Trust chairman

**William Calder** sees the port's role in the future economy of Caithness and north Sutherland as crucial.

He said: "In 2007 the Trust brought forward a bold and forward thinking development plan to capitalise on the ports strategic location and the skills and resources of the local area. Over the intervening period we have worked up the financial, technical and contractual elements required to redevelop the old fish market pier. The physical construction works began at the port at the beginning of August and are scheduled to be complete by summer 2012.

I have consistently said that development of the port will act as the catalyst to deliver a sustainable future for the Caithness and North Sutherland

Connections" programme being developed by a team of local bodies led by Caithness Chamber of Commerce.

Chamber chief executive **Trudy Morris** said: "The Dounreay workforce, its supply chain companies, and indeed the wider Caithness business community, should be able to benefit economically from these new opportunities.

"But it is crucial to understand the kinds of skills that will be needed, so that we can ensure the current working population is able to plug any skills gaps, and that the next generation of workers is able to leave school with the right skills connections already in place."

The chamber's three-year, £2.3M programme was launched in May this year by John Thurso MP.

**Sir Anthony Cleaver**, CNSRP's independent chairman, is delighted with progress to date but sees the need for even greater focus in the future.

There have, he accepts, been casualties over this time and he acknowledges that there could be others in the future. But he says the area remains very well placed to capitalise on the energy and business services sectors.

Said Sir Anthony: "We believe our area is well placed to grow in both of these areas, whilst continuing to take advantage of assets in tourism, food & drink and other sectors such as manufacturing. Our current projections are that over the next three years we can create or retain up to 410 jobs, and by 2020 around 2,000 jobs." 

economy. The Trust has moved from intent to delivery and action with the commencement of the Phase 1 works. This sends a strong signal to our community and beyond regarding the economic and commercial opportunities for the future of the area."

The area is ideally situated to capitalise on its skilled labour force and its developing infrastructure to become a multi-energy hub. Identifying the skills likely to be needed for these opportunities and then helping the area's current and future workforce to transition into these areas of work is what lies behind the "Make the Right



# Feature on Business Services sector by Iain Grant

**Quality and quantity are important where building up the far north's network of business services firms is concerned.**



Yvonne McCarthy

CNSRP is confident in its growth projections for the sector over the next three years, recognising the value of relatively small-scale new and existing niche operations as well as the attraction of larger, more traditional call centre operations.

Since 2007 CNSRP partners have been working hard to help create an environment in which high-quality IT enterprises can thrive. And over the next three years the partners estimate that the business services sector can help retain or create up to 90 full-time equivalent jobs in the far north.

CNSRP Chairman **Sir Anthony Cleaver** commented: "Over the last three years there has been a significant commitment to employment creation from our business community. Looking forward we will focus our efforts even further on energy and business services and we estimate this growth will continue, keeping pace with the number of Dounreay related jobs being lost in the area."

Sir Anthony believes that Caithness is currently well-served by a cluster of IT-related companies, all of which have plans to expand. And with major new plans for investment in enhanced broadband capacity he believes that the area can be seen as an excellent place to

locate businesses already working in the sector.

A key priority identified by CNSRP partners was the need to upgrade the area's level of telecoms connectivity, and HIE has successfully led an ambitious proposal to deliver Next Generation (or "superfast") broadband connectivity to key towns and sites in the area.

HIE is working to exploit opportunities in several areas within the business services sector. Homeworking is a growing trend, with, for example, BT's call-centre in Thurso recently piloting a 'home-shoring' project with 15 of their employees working from home. HIE has recently held a series of information days to make local people aware of home working opportunities in the area.

Further call centre activity is another objective, with the emphasis on attracting smaller-scale niche operations.

**Anthony Wickes** was delighted when his Aberdeen-based IT company decided to open a new office in Caithness. It allowed him to return to his home county to join colleague **Mike Bain** in running Escape Business Technologies' base at the t3uk complex at Janetstown, near Thurso.

Escape has made major strides since forming 12 years ago to become one of Scotland's leading IT support businesses. It provides an integrated package of technical back-up, including virus protection and pro-active fault monitoring and detection. Its client portfolio features offshore oil and gas companies as well as finance companies and a major quarry operator.

Since opening in January 2010, the Thurso office has become an integral part of the operation. Mr Wickes said: "We haven't yet actively looked for new clients in the north as the Thurso office was set up to provide support for existing clients."

The company has, however, established several local contracts, including the provision of IT back-up for Thurso-based Pentland Housing Association. As in Aberdeen, where the company's payroll has grown to 40, there are expansion plans at Thurso.

Said Mr Wickes: "We have recently recruited a new member of staff and are currently looking at employing another two. We're very committed to working in Caithness and we've been exploring opportunities with the companies who are bidding for the management contract at Dounreay and those involved in the marine energy developments off Caithness."

The start-up in the far north of back-office functions is also a priority, with the locally-based Pensions Administration Office seen as a good example of a

business that offers high-quality skilled jobs that are not dependent on location. The Babcock-owned business recently moved from its previous base in Thurso to larger office accommodation at the Forss Business & Technology Park, and has announced that four of its key pensions contracts have been extended, securing the jobs of staff at the site. Babcock has also engaged global consultancy firm Aon to support efforts to find new markets for the business.

Senior Manager **Yvonne McCarthy** said "The move to new premises at Forss is a reflection of how we're growing. We specialise in complex "defined benefits" schemes and our reputation for delivering an excellent service has drawn in other customers. We employ 35 highly-skilled, experienced staff in Caithness, and the idea is to expand further."

**Outsourcing is another potential being considered.**

Global IT services specialists CSC took over the provision of IT support to Dounreay and other UK nuclear sites. Its Caithness workforce has the benefits of being part of a corporation which employs 92,000 people globally, with a \$17 billion turnover. Now based at Forss, CSC's Manager **Alan Sinclair** has seen his local team grow to 32, and sees the team creating around 15 new jobs in the next two years as they bid for contracts across the globe, to be delivered from Caithness. The company has attracted support in its growth plans from HIE.



Alan Sinclair

Alan said: "We have an exceptionally low level of staff turnover, and when we have recruited new staff the quality of recruit has been outstanding. With the remote working systems we have developed and the skills of our workforce we can easily service world-leading companies in the UK and abroad. With a

current nuclear industry client in New Mexico, for example, because of the time difference we have checked all of their systems every day even before their staff get into work."

HIE's Area Manager **Roy Kirk** said: "Our inward investment work is directed by research

studies to understand the needs of each sector, and to identify potential target companies with which to arrange specific follow-up contact.

We are working closely with our colleagues in Scottish Development International, the Scottish Government's inward

investment agency, and to ensure we have the resources required to deliver we have secured the 12 month secondment of **Simon Coles** from Babcock to support this next phase of work." 

## Partners welcome wave & tidal "build-out story"

### Report shows how devices for Pentland Firth could be built

Local partners have welcomed the publication of a Crown Estate report into the likely build-out timescales and requirements for wave and tidal devices in the Pentland Firth and around Orkney. The report predicts that delivering the 1.6 gigawatts of generating capacity announced last year as part of the world's first commercial scale marine energy leasing area may attract up to £6 billion of investment.

The technologies being developed to generate power from wave and tidal energy in the north are world-leading. CNSRP partners identified as priorities the capture of local economic opportunities arising from this new industry, and have been working closely with developers to understand requirements in infrastructure, skills, supply chain etc, and with local companies and potential inward investors to ensure that the area is able to meet those requirements.

#### The key highlights from the report are:

- During the consenting phase (where developers will carry out detailed environmental impact and licensing work) it is estimated that £100 million will be spent. Much of this is expected to be spent by 2015.
- If development sites are granted planning permission then projects will enter fabrication, installation and commissioning stages. Total capital spend is expected to be up to £6 billion by 2020.
- Once projects reach their operations and maintenance phase it is expected that a typical device lifecycle of

around 25 years can be expected, with associated operations and maintenance work over that period.

CNSRP Chairman **Sir Anthony Cleaver** said: "The CNSRP's Executive Board members welcome this report as a further important step towards understanding the requirements of this industry as it goes through the crucial stages of attracting finance and achieving planning consents. Caithness and North Sutherland businesses have the potential to win valuable business from this industry in the coming years, and as partners we are focused on attracting new businesses into our area to help turn the north into a global centre for marine energy."

Scottish Government Finance Secretary **John Swinney** said: "This report highlights the massive economic opportunities that lie ahead as we build a world-leading wave and tidal energy industry in Scotland, with around £6 billion potential investment in the Pentland Firth projects alone. This report will let Scottish companies and organisations better understand those opportunities and help them reap the commercial benefits."

Cllr **Ian Ross**, Chairman of Highland Council's Planning, Environment & Development Committee, said: "The Highland Council welcomes this report and the significant potential employment opportunities from wave and tidal power in the Pentland Firth and Orkney Waters. We are working with partners to ensure this new sector develops in our area, notably through our action plan and call for sites so that there is



land available to support its growth".

**John Robertson**, Wave and Tidal Development Manager at The Crown Estate, said: "The supply chain is still at an early stage of development, but this report takes us a stage further in understanding what opportunities there are for companies to step up to the challenge of being part of a competitive, reliable and flexible supply chain, which will form the backbone of the industry."

**Calum Davidson**, HIE's Director of Energy and Low Carbon, has worked with CNSRP's Advisory and Executive Boards over the past three years to help progress the Pentland Firth projects:

"It's well known that the Highlands and Islands has some of the best wind, wave and tidal energy resources in Europe, and we're already attracting interest from developers around the world. However, these resources alone won't deliver economic growth to the region. If the energy sources are here, we want the jobs to be established here too. There are a number of things we can do to

improve our chances.

We can continue to develop research capacity, as we're already doing with testing, deployment, environmental impacts, new technologies and systems in Caithness, Orkney, Argyll and the Western Isles. We will also be working to expand the supply chain of local businesses involved in the sector, including those with a background in oil and gas and nuclear. Together with Scottish Development International, we will be marketing ourselves across the globe to attract major manufacturers to the Highlands and Islands, especially to our key fabrications sites. And we will be working hand in glove with government on the critical issues of transmission charging and grid connections to ensure that the Highlands and Islands remains at the heart of the new energy revolution."

The report can be downloaded from the Crown Estate website at: <http://www.thecrownestate.co.uk/newscontent/92-report-highlights-pentland-firth-supply-chain-opportunities.htm> 

# Dounreay partnering charter

## Nuclear trio supports delivery of Action Plan

The nuclear industry in Caithness has announced a charter to improve the employment prospects of workers whose jobs currently depend on decommissioning Dounreay. The "socio economics partnering charter" brings together the Nuclear Decommissioning Authority, Babcock and Dounreay Site Restoration Ltd.

It sets out how the three organisations will work together to deliver the nuclear industry's contribution to the regeneration of the North Highlands. The NDA spends about £150 million a year on work to clean up and close down Dounreay. About £80 million of this goes into the local economy in salaries, contracts and purchases. This is expected to decline as more of the site is decommissioned and up to 2000 jobs become redundant.

The NDA pledged almost £4m last year to support local business development in preparation for the industry's exit

from Caithness. The announcement will strengthen the NDA's contribution through greater collaboration with contractor Babcock and its subsidiary site licence company DSRL.

"The work being carried out in this area is groundbreaking for the NDA," said its chief executive **Tony Fountain**. "We listened to stakeholders when they said that they wanted to see the nuclear industry taking a more 'joined-up' approach to socio economics. This agreement ensures we make best use of our combined resources to focus on delivering socio economic initiatives quickly and effectively."

Babcock and its predecessor companies have provided jobs at Dounreay for many years. **Martin Austick**, a non-executive director, said: "We are now looking forward to more formally broadening this support to the wider Caithness community and working alongside the other



partners to help deliver a thriving and sustainable future for the area."

DSRL managing director **Simon Middlemas** said: "This is the nuclear industry coming together as one to knock down this site in a way that helps the community to rebuild for the future."

Trade unions at DSRL say socio-economics is a major issue in decommissioning. They welcomed the charter. "This type of partnership should also ensure that regardless of which consortia

is successful in winning the new parent body contract for the site licence company, they will be committed to honour this agreement," said **Davie Alexander**, chair of the joint TU group.

**Eann Sinclair**, programme manager at CNSRP, welcomed the charter, which will help the industry align its efforts to the wider economic transition process outlined in the Caithness & North Sutherland Action Plan. 

# Engineering Technology & Energy Centre

## £8.7M engineering skills facility points the way ahead

The new multi-million-pound engineering centre at North Highland College UHI in Thurso accepted its first intake of students last month, including first-year apprentices from local engineering companies.

The centre is believed to be amongst the largest and best equipped of its type in Scotland, providing approximately 3600 square metres of purpose-built engineering facilities, dedicated to the engineering and renewable energy sector.

The project was funded by CNSRP partners the Nuclear Decommissioning Authority and the Highland Council, as well as the Scottish Funding Council, European Regional Development Fund and the National Skills Academy for Nuclear. The facility's opening will bring state-of-the-art training facilities to the area, offering access to a range of

qualifications from apprenticeships through to degree level.

**Jim McLaughlin**, human resources director for the NDA, which has invested £2m in the project, said: "There is already a strong local engineering capability in the North of Scotland that has been fostered by its association with Dounreay. ETEC will provide a high-quality learning environment that mirrors workplace conditions, bringing engineering practice and theory more closely together and giving NHC Engineering students, and the companies they work for, a competitive edge."

**Michael Dunnett**, Dounreay Site Restoration Ltd's head of human resources and chair of the Scottish regional steering group for the National Skills Academy for Nuclear, said the facility will be a major asset to the area. "This is a major investment to ensure that we have a



skilled and competent workforce to support the nuclear industry in Scotland but also to support the offshore renewable developments which are planned around the coastline of Caithness and north Sutherland," he explained.

Looking forward to the opening of the new centre is college vice-principal and director of learning and

teaching **Donald MacBeath**. He said: "Over the past three years, the college's campus in Thurso has been transformed through the creation of ETEC and the Centre for Energy & the Environment. The ETEC is truly a facility to be proud of and it will equip the college and its stakeholders to make a full response to the area's engineering skills development and education needs for many years to come." 

# “Make The Right Connections”

## £2.3M skills programme is launched

The 'Make the Right Connections' programme, aimed at helping local people benefit from new job opportunities, has been launched.

Caithness, Sutherland and Easter Ross MP **John Thurso** launched the programme on behalf of Caithness Chamber of Commerce, which is leading this transformational initiative. “Make the Right Connections” aims to help local companies and their staff grasp new opportunities expected to come to the region, replacing work lost in the run-down of the Dounreay nuclear site.

New jobs are expected in the north of Scotland from developments such as marine energy in the Pentland Firth and Orkney Waters, offshore wind in the North Sea and business service support made possible by new superfast broadband connections.

'Make the Right Connections' programme will help employees of businesses that currently support Dounreay decommissioning to develop their skills towards new opportunities as the site moves towards closure. Over £800,000 of funding for the programme has come from the NDA and a further £300,000 from DSRL. Other

sources include £1.15m from the European Structural Fund and £40,000 from Skills Development Scotland.

The programme will help to retain skills in the area, adapt workforce capabilities, boost employment and generate new enterprises in the region. It will also assist local supply chain businesses diversify into new sectors. In order to assist in the delivery of the programme the project has been broken down into a series of seven objectives. Each objective has been developed into a series of specific work packages which will enable the project to be phased and the programme objectives realised.

The objectives of the programme are:

- Support Dounreay supply chain businesses to redefine their capabilities to fit emerging opportunities
- Market the redefined skills to attract inward investment
- Encourage personal motivation for change
- Facilitate personal career adaptation and diversification
- Provide extensive, practical career development, retraining and redeployment
- Facilitate the repositioning of people into new jobs or enterprises



- Facilitate matching of re-skilled people with new opportunities

continuing personal development portfolio.

By registering for the programme companies can benefit from capability reviews, diversification opportunities, redefined company skills and tailored training programmes which inevitably assist in workforce retention.

As well as tailored training, those individuals registered for the programme can benefit from the 'Recre8t Yourself' 2 day workshop. Participants are encouraged, through a series of activities, to take a greater level of personal responsibility for their career progression. It will encourage personal motivation for change, revise an individual's own capability, facilitate personal career adaptation and potential diversification and develop a

Speaking at the launch **Trudy Morris**, Chief Executive of the Caithness Chamber said, “This is just a start. Re-skilling is a gradual process. 'Make the Right Connections' will point people towards realistic job opportunities. It will assist local companies and individuals to diversify by helping them get the right skills in place at the right time.”

Any company or individual interested in finding out more about the programme can contact **Marcus Mennie** or **Christine Miller** at MtRC, Caithness Chamber of Commerce, Caithness Horizons, Old Town Hall, Thurso KW14 8AJ. Tel: 01847 896508 or email [skills@caithnesschamber.com](mailto:skills@caithnesschamber.com)

## Scrabster harbour work progressing well

Work is progressing well on phase 1 of the £20M Scrabster harbour development, with main contractor **RJ Macleod** working on the significant additional laydown areas and quayside space at the old fishmarket pier.

The development was made possible by funding from Scrabster Harbour Trust and the European Regional Development

Fund as well as from CNSRP partners HIE, the NDA and Scottish Government.

The Phase 1 development is expected to be complete in Summer 2012. 



# Superfast Broadband on the way

**One of the early priorities identified in the Caithness and North Sutherland Action Plan was the development of better IT links to and from the north.**

Highlands and Islands Enterprise (HIE) is now taking the steps towards implementing a transformational project which will deliver access to superfast broadband for businesses and homes across the Highlands and Islands over the next few years.

HIE, working in partnership on the project with the UK Government's Broadband Delivery UK (BDUK), the Scottish

Government and local authorities, has launched a procurement process to appoint a suitably experienced partner to co-invest in the provision of Next Generation Access (NGA)

**Alex Paterson**, Chief Executive of HIE, and member of CNSRP's Executive Board, said: "Good communication links are a cornerstone in growing attractive, sustainable communities in remote and rural areas. Having superfast, reliable broadband brings with it a whole range of opportunities, both in delivering the services our communities need every day and in the ways we as a region can do business."

In June, HIE launched the procurement process to appoint its partner. Two bidders, British Telecommunications PLC and Commendium Ltd, have moved into the next stage of the process – the Competitive Dialogue Sessions. The rollout of next

generation broadband services will be delivered in phases and is expected to begin in late 2012.

Mr Paterson commented: "Understandably, everyone wants to know if faster broadband capability will reach them. Our ultimate aim is for all our communities to benefit, throughout the Highlands and Islands. At this first stage we are committed to seeing a fair spread across the region. The winning tender will need to demonstrate the best options for value and reach."

The procurement is part of a wider programme of activity which HIE is leading to maximise the benefits of improved digital connectivity - keeping our region globally accessible and our businesses highly competitive. The desired end results will be sustainable economic growth, improved delivery of public services and stronger communities. 



## Council's Action Plan for Marine Energy in Caithness & North Sutherland

**Ten-point plan for onshore requirements of new industry**

**The Highland Council has published a 10-point Action Plan which it is developing with key partners, to help plan for the growth of the marine renewable energy industry in North Highland. This follows on from Onshore Visioning workshops held at the Castle of Mey in August 2010 and February 2011 to which a wide range of people and organisations were invited.**

This work is mainly focussed on the onshore development that will be necessary in North Highland to enable and support wave, tidal and offshore wind power. These sectors have been identified as priorities for the Caithness & North Sutherland Regeneration Partnership, of which the Highland Council is a key member. The Action Plan's priorities include making sure that there is a range of business and industrial sites available to meet likely needs,

putting in place masterplans or design guidance for key areas of change and pursuing ways of assisting delivery of development.

The Prince's Foundation for the Built Environment (PFBE) was commissioned by the Highland Council, Highlands and Islands Enterprise and the Scottish Government to hold the workshops and to prepare a report. The PFBE's report provides a record of the issues and key locations discussed at the workshops and its recommendations have provided a starting point for preparing the Action Plan.

The purpose of the Action Plan is to ensure that there is a co-ordinated planning approach to the delivery of on-shore development for the marine renewables industry. It provides focus on key actions and gives information on timescales, lead agency and partners involved.

Councillor **Ian Ross**, Chairman of the Council's Planning, Environment and Development Committee said: "We would like to thank everyone who took part in the two workshops at the Castle of Mey. The Council is committed to sustainable economic



growth and the on-shore aspects of the marine energy resource in North Highland offer the potential of investment from this industry. The North Highland Vision work complements the work being undertaken by the Council and other key partners working within the Caithness & North Sutherland Regeneration Partnership. This emphasises the Council's shared ambition with other partners to realise the maximum development opportunity in Caithness and North Sutherland."

**Hank Dittmar**, Chief Executive of the Prince's Foundation for the Built Environment, said: "The Prince's Foundation is concerned with improving the quality of people's lives whilst looking after the environment. We were delighted therefore to have brought together local representatives with marine energy developers and other interested parties to consider the growth of this new industry in the north of Scotland. The Scottish Government, the Highland Council and Highlands and Islands Enterprise, in sponsoring these workshops, have recognised at an early stage the importance of broad-based engagement in readiness for the anticipated upsurge in marine energy related development. We will continue to contribute to the coordinated effort for onshore planning through the North Highland Initiative, helping local communities to benefit sustainably from a flourishing marine energy industry, whilst working to ensure that the special qualities of the region are protected and enhanced."

The Prince's Foundation for the Built Environment report and the Action Plan can be found on the Council's website at [www.highland.gov.uk](http://www.highland.gov.uk) 

# Stay in touch!

## CNSRP website updated



The CNSRP website has been revised and updated. It has been an important tool to help partners, stakeholders and the wider community remain in touch with the work of the Partnership.

A weekly blog provides detailed commentary on progress, and the site also holds key documents from meetings of the Partnership's Executive and Advisory Boards, as well as

descriptions of the priority areas of activity being pursued.

Progress can also be followed on Facebook as the Partnership continues to identify ways of communicating with stakeholders and the wider community.

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# Diggers get to work at John O' Groats

## Work got underway in the Autumn on a multi-million pound redevelopment at John O'Groats.

A public private partnership has provided a major boost to delivering the ambitious plans, drawn up in consultation with the community by HIE, to rejuvenate the iconic tourist destination.

With an additional investment of £1.8 million from HIE, Natural Retreats and Heritage Great Britain are developing 19 luxurious apartments and 23 stand alone eco-friendly holiday residences, which are set to be ready to open in Summer 2012.

With the aim of bringing the world-renowned site of John O'Groats back to its former glory, the development is being underpinned by strong sustainable principles including the use of locally sourced materials and trades, green build techniques and Highland contractors – Highland firms Andersons and Norscot Joinery are already part of the process.



Alex Paterson Chief Executive HIE, Matt Spence Chief Executive Officer Natural Retreats

