

Caithness & North Sutherland Regeneration Partnership
Advisory Board Meeting
Monday 21st February 2011
Pentland Hotel, Thurso

Present:

Cllr. AS Park (Highland Council – Chairman), Rev. R. Johnstone (Dounreay Stakeholder Group), W. Manson (Association of Caithness Community Councils), Cllr. K. MacNab, A. MacConnell (NDA), R. Kirk (HIE), J. Love (DSRL), N. Robertson (Caithness Chamber of Commerce), S. Black (Highland Council), D. Mackay (The Crown Estate), T. Morris (Caithness Chamber of Commerce), J. Green (Caithness Partnership), E. Sinclair (CNSRP), I. Gunn (CNSRP – minutes)

Apologies:

F. Gunn (Federation of N&W Sutherland Community Councils), L. Cranna (SNH), J. Thurso MP, S. Middlemas (DSRL), I. Hargrave (Highland Council), D. Milnes (Thurso & Wick Trades Council), Cllr I. Ross, Cllr D Flear, D. Macbeath (North Highland College – UHI), S. Sutherland (Caithness Chamber of Commerce), N. Rafferty (Scottish Government), J. Callaghan (The Crown Estate).

The Chairman welcomed John Scott and Alec Morrison (Scottish & Southern Energy Power Distribution) and Gordon Doull (Wick Harbour Authority) to the meeting.

Previous Minutes

E. Sinclair reported that the actions from the previous minutes had been completed.

Matters arising & Executive Board Feedback

All matters arising will be dealt with on the Agenda.

CNSRP Executive Board at its December meeting endorsed the general direction of the Action Plan, but wanted a shorter & clearer version. This was done, and was presented to Jim Mather on 1st February for endorsement (see Programme Manager update below). The executive board mirrored the thoughts from the Advisory Board that the communication between the two boards needs to be more formal. It was suggested that a written log of issues for communication to the Executive Board should be created and maintained. E. Sinclair agreed to circulate this before the Executive Board meeting on 25th February. **ACTION 1 – ES** to create and maintain an “issues log”

SSE Presentation – Electricity Grid programme for the north of Scotland

Alec Morrison gave a powerpoint presentation (separately distributed to members following the meeting) which outlined the significant infrastructural work required to transmit power generated from renewable energy sources in the north of Scotland to electricity markets in the south.

The first part of the programme of delivery in the North started today (21st February) at the Dounreay sub-station, as part of the enhancements to the Dounreay-Beaulie line. However, it was possible that £1bn of investment would be required over the next 10 years to achieve the necessary upgrades to existing lines and design and construction of new lines, including possible sub-sea connections across the Moray Firth from Caithness to Aberdeenshire.

Members asked about the transmission charging issue that currently seemed to favour generators nearer to centres of population. It was stated that Ofgem is currently undertaking a review of this system. Renewables generators in the north have so far made 1000MW of grid connection applications, which stimulate infrastructure activity. Planning work for a high-voltage DC converter station at Spittal has been the subject of local consultation over recent months.

It was agreed that the business opportunities arising out of the potential infrastructure work were significant, and given the shortage of skilled workers in the power distribution sector it was felt that greater attention should be given to this.

Wick harbour developments - Gordon Doull, Vice-Chairman, Wick Harbour Authority.

G. Doull gave an update to members on progress made since the harbour Authority took over the previous harbour trust in 2005.

WHA has taken forward diversification proposals for the harbour. The first of these to be achieved was the Marina, which was opened in 2009 with financial support from the NDA and The Crown Estate. Some 300 visiting yachts used the Marina last year, a rise of 50% on the first year's numbers, delivering onshore economic benefit. The Marina is also part of the newly-established Sail North Scotland initiative, offering greater marketing opportunities such as trade show at Gothenburg. HIE is also discussing with Highland Council the possibility of a Masterplan for the harbourfront/Pulteneytown area, to maximise further onshore economic benefits.

Another opportunity for the harbour is the onshore economic benefits from renewable energy in the Moray and Pentland Firths. The Harbour is approximately 10 miles from both Pentland Firth and the Moray Firth Offshore Wind site. Survey vessels for the Offshore Wind site have already been using the harbour, due to its ideal location. WHA has received financial support from the NDA to commission feasibility work to focus its efforts to capture operations and maintenance work from renewables. The Authority will be represented at the All-Energy Exhibition in Aberdeen in May.

Inward Investment Update – Roy Kirk, Area Manager HIE

R. Kirk outlined progress on several fronts. Inward investment research had been focusing on 2 areas - targets for oil & gas and renewables, with the aim of attracting target companies to relocate to Caithness and North Sutherland. He said that work has been done by the Chamber to bring about an "inward mission" to Aberdeen to look at its oil & gas market. Progress on pharmaceuticals and home working research has also been made. He expected to be able to move forward with the next phase of approaching key target companies from March onwards. He agreed to provide updated projections on the potential employment opportunities that the inward investment programme might realise. **ACTION 2 – RK** to provide updated projections.

HIE's Caithness Ambassadors programme was commencing, with a meeting of businesspeople working in the Aberdeen area who had connections with Caithness. The objective of the programme is to recruit a number of business people willing to pass on "referrals" to HIE who can then approach regarding the area's attractiveness as a business location. Officials from Scottish Development International were working with HIE on this programme, and it

was hoped to have a further event in London within the next two months. Those people signed up as Ambassadors could expect an electronic newsletter every 2 months on investment in Caithness.

Cllr Katrina Macnab raised the issue of Wick Tax office. R. Kirk said that an Action Plan had been developed and circulated to Tax office staff, Caithness Wards Manager David Sutherland, Eann Sinclair and John Thurso MP. Work continued to make the case to HMRC for the retention of the skilled staff resource at Wick, but a parallel action was to capture the detail of the skills in the Wick Office, and prepare to market these skills. R. Kirk agreed to give further updates to the next meeting. **ACTION 3 – RK** to update at the next meeting.

Programme Manager Update – Eann Sinclair, CNSRP Programme Manager

E. Sinclair outlined progress since the last meeting, based on the written update report circulated to members in advance of the meeting. He highlighted that the Executive Board members had a very positive meeting at the Scottish Parliament with Jim Mather MSP, Minister for Enterprise, Energy and Tourism. The priorities for the 2011-14 Action Plan were presented to Mr. Mather, and he was able to endorse the focus on energy and business services. Mr Mather also welcomed the publication of the partnership's ten-year vision for the area. A press release was produced after this meeting and was featured in the John O' Groat Journal.

He also presented his proposals to make changes to the way he reported on delivery programme of actions within the Caithness & North Sutherland Action Plan. Future meetings of the Advisory Board would continue to receive a written Programme Manager Update report, but to help clarify progress, a simple "traffic light" colour coding would be used. Cllr K. Macnab welcomed this approach. She also welcomed the updated table showing the number of jobs (new and retained) that had been projected by companies in key sectors during the lifetime of the 2007-10 Action Plan.

T. Morris said that HIE had previously agreed to investigate the economic impact of the new and retained jobs. E. Sinclair said that he was, on behalf of HIE and DSRL, commissioning a study on the economic impact of Dounreay decommissioning. This would provide an update to the study carried out in 2006, where it was found that between 20-23% of local employment was directly or indirectly dependent on Dounreay work. He expected the study to begin in early March, and report by early June.

The members agreed that they were happy for future reports to take this format. E. Sinclair agreed to communicate this to the Executive Board at its meeting on 25th February. **ACTION 4 – ES** pass on agreed format to Executive Board.

Member Updates:

DSRL – DSRL, NDA & PBO are working on a partnering agreement, which will strengthen the support the three bodies are able to give to the delivery of the Action plan. DSRL's 2011-12 Socio Economic Plan will be based on the priorities within the Caithness & North Sutherland Action Plan. It was discussed at the DSG's socio-economic subgroup meeting in January, and will be submitted to NDA by the end of March.

HIE – further changes to the organisation are expected by the end of March, and like most other public sector bodies HIE faces budgetary pressures. However, as seen in the Programme Manager’s update major projects such as the John O’Groats development continue to progress.

NDA - staff numbers at NDA’s Forss office have reduced from 12 to 6. The PBO Competition is currently in a dialog period. Both bidders are taking the socio-economic element seriously. NDA will this week facilitate a second round of meetings between the Dounreay unions, local stakeholders and the two bid teams. The bidders this time have the chance to reflect back what was presented to them during the first round of meetings in November. NDA funding was being successfully attracted to socio-economic projects in the area (eg. Wick Marina, Scrabster harbour, Skills transition). Discussions continue with HIE on ideas for an energy zone, and on future uses for NDA land at Dounreay.

Highland Council – Also having to make significant budget savings. Grounds maintenance staff are being retained within Council in Caithness – the only area of the Council where this is happening. The debate over future schools provision continues to be difficult. Disappointing coverage in the local press. The proposed new Council office in Wick remains on the draft Capital Plan, which is due to be finalised in the coming months. S. Black said that the Highland-wide Development Plan has had 290 positive responses. Also, last week’s “onshore visioning” meeting held jointly with HIE, Scottish Government and The Prince’s Foundation for the Built Environment at the Castle of Mey was very positive. He felt that the proper approach to forward planning was being taken, and looked forward to Council taking forward elements from the work.

Assoc. of Caithness Community Councils – W. Manson said that Community Councils are working to handle the effects of the budget pressures. The future of the Dunbar Hospital in Thurso has become a key issue for community councillors. Halkirk Village Council has approached the Editor of the John O’ Groat Journal to complain about lack of coverage given to positive issues at the expense of negative ones.

DSG – R. Johnstone said DSG members are also concerned about the effects of budget cuts. He highlighted the meetings regarding the PBO Competition and said DSG appreciated the openness shown from NDA and the two bid teams. He sees increasing numbers of applications for funding from the likes of Council schools to DSRL socio-economic funds and said this might jeopardise funding from community organisations. However, he also highlighted the Thurso West church’s policy to use local suppliers even where it could have been cheaper to order from further afield, giving the town a genuine community building.

Caithness Partnership – CP is responding to rail & air consultation. CP’s Koreen Macdougall has played a major role in developing the Town centre development officer post.

Caithness Chamber – T. Morris announced the final element of the “Make The Right Connections” funding - ESF – arrived this morning. MTRC will be a £2.3 million programme for 3 years to transition DSRL staff and the wider supply chain workforce into future employment opportunities through a major skills development initiative. She also welcomed two new members of staff for the Chamber - Nicola Dreaves is starting as Development manager on the 7th

March, Alan Steven starts the same week as Town Centre Development Officer. The Chamber is also expanding into new offices at 66 Princes Street, Thurso, and T. Morris felt that 2011 would be a positive year.

Crown Estate – D. Mackay highlighted recent work with the North of Scotland Industries Group. He also continues to work with the Crown estate's Developers' Forum, established to help developers in Pentland Firth Round 1 identify and address key issues and potential barriers to build-out. He said that some recent statistics show that devices could have a maintenance cycle of 5 years, with up to 40 technicians per developer to service the devices. He will also be having a meeting with National Grid, continuing to communicate key issues to them. D. Mackay felt there had been huge progress over the past 3 years. In the next few weeks he will also have meetings with local fisheries representatives.

Any other business:

E. Sinclair said that after their presence at last November's Advisory Board meeting Scrabster Harbour Trust have asked if they could join the Advisory Board. Members agreed that this would be a valuable addition to the Board given the key importance of the harbour in the energy sector, and further agreed that Wick Harbour Authority should also be invited.

The Chairman checked with members that the two issues for communication to Friday's executive board meeting were:

- Approval of the creation of a written "issues log" and
- Approval of future quarterly updates using the "traffic light" system to highlight progress and issues.

This was agreed.

Summary of agreed actions:

Ref:	Action:	Responsible Person:	Due Date:	Status:
1	Create an "issues log"	ES	23/02/11	
2	Update on employment projections	RK	Next meeting	
3	Update on Wick Tax office	RK	Next meeting	
4	New reporting format communicated to Exec board	ES	25/02/11	