



## **Caithness & North Sutherland Regeneration Partnership**

### **Advisory Board meeting**

**T3UK, Janetstown, Thurso 31<sup>st</sup> May 2010**

#### **Present:**

Cllr Sandy Park (Chair); Eann Sinclair (CNSRP); Duncan Mackay (The Crown Estate); Stuart Black (THC); Roy Kirk (HIE); Cllr Ian Ross (THC); Cllr Katrina Macnab (THC); Cllr. David Flear, Ian Clark (T&WTC); William Manson (ACCC); Ronnie Johnstone (DSG); Trudy Morris (CCoC); June Love (DSRL); Donald Macbeath (NHC); John Green (Caithness Partnership); Iona Gunn (CNSRP – minutes); Audrey Maciver & Calum Davidson (HIE); Richard Stoneham & Yvonne McCarthy (PAO Thurso – Item 5 only)

#### **1 Apologies:**

Frances Gunn (FNWCC); Neil Robertson (CCoC); Stephen Sutherland (CCoC); Ian Hargrave (THC); George Farlow (THC); Simon Middlemas (DSRL); Jamie Stone MSP; John Thurso MP; Willie Watt (WHA); Lesley Cranna (SNH); Gordon Jenkins (NHC); Rachel Skene (HIE); Claire Conway (HIE)

#### **2 Previous Minutes**

The minutes of the 18<sup>th</sup> March were approved as submitted.

#### **3 Matters Arising**

Advisory Board trip to Orkney renewables sites: now programmed for 14<sup>th</sup>/ 15<sup>th</sup> June. Final numbers and itinerary to be confirmed early next week.

Melness wind power project: S Black reported that there were ongoing discussions with SSE regarding connection plans. ES reported that the Melness group were currently content with progress.

Apprenticeships: ES will update later in agenda.

Joint meeting with PBO bidders: ES said this had not been progressed yet. Contact has been made with both currently-announced bidding groups. J Love said that DSG was working with E Sinclair and others to make this happen.

LEADER resourcing: Cllr I Ross said that Highland Council has addressed short term issues by increasing the current administrative resource available, and that the issue has also been raised at a Scottish level. He has submitted a written update on this which he asked to be circulated to members. **ACTION – I GUNN**

#### 4 Pentland Firth update – Audrey Maciver (joint Head of Energy, HIE and Calum Davidson Head of Key Sectors, HIE)

A Maciver gave a presentation (this can be viewed at [www.cnsrp.org.uk/downloads](http://www.cnsrp.org.uk/downloads)) to update on progress in the offshore energy sector.

She first spoke about the wider Scottish context, and emphasised that the strong demand for test berths at EMEC in Orkney was positive news for the likely future development of the industry – the challenge is how to build on this high level of interest from developers. She highlighted current funding mechanisms such as the Scottish Government’s WATERS scheme and the Saltire Prize as opportunities to support developers, as the current industry stage was very much about project risk.

In terms of potential economic impact in the Pentland Firth/ Orkney waters area she said that work done to date suggested between 600-800 jobs could be created and secured. However, it was important to be clear about the timing, as these opportunities are not short term. R Johnstone asked if the UK/ Scottish job projections included wider and indirect employment. A Maciver said the published figures did not include elements such as Operation and Maintenance, which might naturally be expected to be local opportunities. C Davidson said it was difficult to separate the projections into Orkney and Caithness/ north Sutherland at present. However, these are aspirations, and it is up to us as areas to secure maximum benefit based on key strengths. R Kirk added that he hoped by the next AB meeting to have firmer outcomes in terms of both requirements and what we can do on an area level to address these. S Black emphasised the need to go forward with a well-developed description of the area’s strengths, creating a positive environment for investment. We need to get better at making use of available funding and HIE’s client teams.

The groupings involved in delivering the marine energy opportunity were described. The Pentland Firth Coordination Committee exists to ensure alignment between public sector bodies. The Pentland Firth Delivery Body brought together the public sector, Round 1 leaseholders, National Grid, SSE and EMEC. They will be meeting during week commencing 7<sup>th</sup> June to examine key actions aimed at de-risking the development processes where possible. Lastly a Developers’ Forum brought together leaseholders and The Crown Estate to discuss contractual milestones and share some information (eg bird surveys).

She said that a major conference later this year would highlight globally the investment opportunities in offshore wind, wave and tidal in Scotland. Further financing opportunities were crucial in getting from demonstration to commercial scale production. Cllr D Flear asked about an update on the additional £12M in HIE funding and asked if it would have a role in encouraging developers. R Kirk agreed to forward an update to members. **ACTION – R Kirk** to forward update to members.

A Maciver said that HIE was working on a “build-out story” which would capture opportunities for local economic benefit. In the meantime a wave and tidal focused follow up to the national Renewables Infrastructure Plan was being worked upon. She agreed to feed back on progress at the next meeting. **ACTION – A Maciver**

T Morris asked who in HIE were working on the Client Relationship elements of the public sector support. A Maciver said that Keith Muir (Caithness), Graeme Harrison (Orkney) and Elain Cameron (Inverness) were working on it.

Cllr D Flear asked how information from the various groups was fed back to a local level. S Black said he now represented Highland Council on the Delivery Body and would be happy to feed back to the Advisory Board. A Maciver also said that she or a member of her team would feed back at future Advisory Board meetings. She also said that there would be future opportunities for Delivery Body members from Scottish Government and others to attend future AB meetings. It was agreed that this would be very useful. **ACTION – ES** to agree future attendees with A Maciver.

## **5 Pensions Administration Office Thurso – Richard Stoneham and Yvonne McCarthy**

Richard Stoneham gave an update on progress with the PAO Thurso. He said that he had spoken at a meeting in Caithness last year, at which point the future of the business was uncertain. The PAO was set up at the start of the UK nuclear industry, and the Thurso operation now covers pension arrangements for a range of nuclear industry organisations in the UK. It employs 36 staff and covers some 71,000 lives. In the past 6 years its business has grown. The business has contracts work until 2014 but is looking to extend and grow further. Its new owners Babcock are now helping assess requirements to allow the business to “scale up” its delivery.

Cllr D Flear said that this was entirely the kind of Caithness-based operation that should be encouraged, and should send a signal for future business opportunities for the area. S Black asked if, given the desire to grow, the business had been in touch with HIE about becoming an Account-Managed Company? R Kirk said it was an exciting business with the potential to secure high-quality jobs in the area. E Sinclair agreed to pass on contact details. **ACTION – ES**

S Black also asked if the business had any existing links with North Highland College. Y McCarthy said they had few links with the College. D Macbeath said that there might be an opportunity to link into some of the online course delivery offered by the College. Y McCarthy said they would be interested in that. **ACTION – D Macbeath** to pass on details.

Cllr K Macnab suggested that the business would be an excellent model to use when considering the future of the HMRC operation in Wick.

## **6 Programme Manager Update**

E Sinclair talked about the draft of the Programme which would be discussed at the Executive Board meeting on 3<sup>rd</sup> June, together with a scoping report on resources required to deliver the programme. The clear priorities are marine energy and inward investment. He hoped that now the area Vision document was available a public launch of the Vision and version 1.0 of the Programme would be possible.

R Kirk said that if the programme was to be meaningful its actions needed to be agreed by those responsible. He could see some actions that had not been agreed. He

was also concerned at the level of job projections and the detail that lay behind the figures.

S Black emphasised that the creation/ retention of 2,000 jobs over the next ten years meant an average of 200 jobs per year, which he did not feel was overly ambitious. He also highlighted the example of Pelamis wave developer, whose requirements for scaling up delivery of 1 to 2 devices per year to 1 device per week must offer significant opportunity for employment. Cllr I Ross felt that although Highland Council was not named in many actions they had key supporting roles in many, and despite the current financial situation the Council would continue to provide important investment in the area. T Morris said the draft programme was a good start, but the challenge was now to work together through the Partnership to deliver it.

ES also highlighted the importance of a more formal approach to workforce transition in its widest sense. Discussion were ongoing to develop a programme that would look at new and prospective entrants to the labour market as well as existing workforce requiring new or broadened opportunities. A possible ESF funding bid was being worked on with Skills Development Scotland, NDA, DSRL and Caithness Chamber of Commerce. Discussions led by T3UK on future delivery of apprenticeships in the area was being considered as part of this proposed programme. It was important to provide opportunities for transition, whether that is for new entrants of existing workforce. This is what the programme will focus on.

Cllr K Macnab highlighted the problem for school-leavers and students, and B. Manson asked why nothing seemed to have changed in relation to apprenticeships since he had previously raised this over 12 months before. D Macbeath said that the budgetary pressures on UHI were increasingly severe, and the College's priority was full-time students. R Kirk asked what would happen to the young people who were not offered apprenticeships. E Sinclair felt this made the proposed programme of work event more important, and not simply in engineering-related apprenticeships. It was important to have a diverse range of routes available.

It was agreed that the programme should be made public at the earliest opportunity.

## **7 Member Updates**

North Highland College: D Macbeath highlighted that student numbers had increased, which posed a number of challenges whilst the two capital build projects were being delivered on the Thurso campus. UHI had received no increase in funding from the Scottish Funding Council.

Thurso & Wick Trades Council: I Clark highlighted the Trades Council's ongoing lobbying role. It had taken messages from the Partnership to all of the political conferences this year, and would continue raising awareness of the urgent issues relating to decommissioning at Dounreay, and the economic future of the area.

Highland Council: Cllr I Ross reported strong member interest in Caithness & North Sutherland issues at the Planning Environment & Development Committee. Advisory Board minutes are now forwarded to Committee members, and a paper on the CNSRP had been considered by the full Highland Council earlier in the month, at which Cllr Flear had successfully asked for an amendment to include Berriedale Braes as an issue going forward. S Black reported on discussions with the Prince's Foundation for

the Built Environment on a proposed event in Caithness in August. E Sinclair and R Kirk have also been involved in this. If successful then invitations will go out to Advisory Board members. He also said that Council staff were working with T Morris and Koreen MacDougall regarding Town Centre Development. Cllr Flear congratulated K Macnab on securing the bulk of the funding for the Community Regeneration Centre in Pulteneytown, which had significant potential to create employment. He highlighted the ongoing issue of Berriedale Braes, and the work the Council continues to do to take this forward. He also looked forward to forthcoming visits to Orkney and Cumbria on transport, renewables and socio-economics. He had been involved in discussions with current PBO Babcock to investigate how they could help in the economic regeneration process, and also how their role within the Babcock Dounreay Partnership could help.

Caithness Partnership: J Green spoke of the current position regarding transport Scotland's reluctance to take up the opportunity of carrying out the feasibility study into Berriedale Braes. He also highlighted Koreen MacDougall's work with T Morris regarding town centre development in Wick and Thurso.

DSRL: J Love highlighted the importance of communicating to bidders and others that the forthcoming PBO competition was for a closure contract, giving added weight to socio-economics. She also supported the ongoing discussions regarding workforce transition. DSRL was currently finalising its own Workforce Transition Strategy.

DSG: R Johnstone highlighted concerns regarding the future of the Dunbar Hospital. Its importance to the community is clear, but NHS Highland consultation on its future takes place against a background of 25% of its beds already being removed. The needs for palliative care beds do not change. The Chairman agreed that provision of good healthcare facilities was an important consideration in retaining population and attracting inward investors.

HIE: R Kirk mentioned a recent study into high energy consumers with a view to inward investment propositions from the area. He also highlighted the recent HIE approval of £400,000 to Pulteneytown people's Project for its Regeneration centre in Wick, and said that staff were looking at the potential for facilities such as the now-closed Cinema to be operated as a social enterprise. He also said that he was developing an Area plan for HIE. E Sinclair asked if there was an opportunity to do a story round this. R Kirk said it would be a good press release. A Maciver highlighted ongoing discussions relating to the Fossil fuel Levy fund, which might have significant implications for this area. She also highlighted work taking place with companies involved in marine development such as Siemens, who are having an information day with 6 companies including one from Caithness. She also spoke of the work being done on the issue of transmission charging which is felt to disadvantage areas such as ours in terms of the cost of transmitting electricity across the national Grid. She said there were some encouraging signs in this ongoing discussion.

Caithness Chamber of Commerce: T Morris said the Chamber's stand at All-Energy was larger than previous year, with 8 local companies represented. The stand was supported by DSRL. Feedback from companies has been positive, and the decision to feature local produce on the stand was a crowd puller. Companies have requested a larger space at next year's event, and work will need to be done to ensure better publicity. Meantime Chamber members are going to Northern Ireland later this week to see MCT's tidal device. The Chamber brought local retailers together with representatives from Tesco to discuss plans for the company's new Thurso store. This confirmed that there is an opportunity to work with Tesco to minimise the store's

impact on existing local independent retail business. She also said the Chamber was working on proposals for a Young Entrepreneur scheme.

Assoc of Caithness CC: W. Manson highlighted ongoing community concerns with roads infrastructure, and also pointed to concerns over the future of health facilities such as the Dunbar Hospital in Thurso.

E Sinclair  
CNSRP

<b>Ref:</b>	<b>Action:</b>	<b>Due Date:</b>	<b>Responsible Person:</b>
1	Written update on LEADER resourcing issues to be circulated to members	08 June 10	I Gunn
2	Update on the additional £12M in HIE funding	08 June 10	R Kirk
3	Feed back on progress with National Renewables Infrastructure Plan.	Next meeting	A Maciver
4	Agree future attendees for PF feedback	28 June 10	E Sinclair
5	Pass on PAO details to R Kirk	04 June 10	E Sinclair
6	Pass on online course delivery details offered by the College to PAO	28 June 10	D Macbeath