

Economic Plan for Caithness

Background

Community Planning is described by the Scottish Government as “*about how public bodies work together and with the local community to plan for, resource and provide or secure the provision of services which improve local outcomes in a local authority area, with a view to reducing inequalities.*”

The Community Empowerment Act (Scotland) 2015 provides a new statutory framework for how Community Planning should work in Scotland. It outlines the duties public agencies have and the role they have collectively in acting together to tackle disadvantage within our communities. The Highland Community Planning Partnership (HCPP) works through a series of geographical local Community Partnerships and regional thematic groups.

Local plans are developed through the area Community Partnerships. The area Community Partnership for this area is the Caithness Community Partnership (CCP).

As part of the work of the CCP a number of plans are being developed during 2017. These include

- A Caithness Children’s Plan
- A Caithness Adults’ Health and Care Plan
- Locality Plans for Castletown, Thurso, Wick and Lybster/ Dunbeath
- A Caithness Economic Plan

A Caithness Economic Plan

Considerable work has been taking place to develop the Caithness economy over the past ten years, against a background of the decommissioning and eventual closure of Dounreay, which has provided significant economic value to the area for 60 years. In 2006 a working group developed a “Strategy for Caithness & North Sutherland” which led in 2007 to the establishment of Caithness & North Sutherland Regeneration Partnership (CNSRP). This informal partnership brought together the main agencies with a remit to address the economic and socio-economic effects of the decommissioning of Dounreay, and created a programme of actions to help “maintain, and if possible 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 to live and work”.

Since 2007/08 CNSRP partners have prioritised investment in key infrastructure and over the same period partners estimate that over 200 companies have committed to creating or securing around 1,300 full-time equivalent jobs. The CNSRP Programme for 2017-2020 focuses on opportunities that offer the best chance of delivering employment. To best articulate an economic plan for Caithness we have relied on the current partnership work that is being delivered by the CNSRP. We note that a wider perspective will be required for the Caithness Community Partnership in terms of the specific need to address inequality in Caithness.

Issues

The Caithness economy covers many different sectors and ranges of job opportunities. While the economy remains dependant on the employment from the Dounreay site and the

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local supply chain opportunities we acknowledge that other sectors are developing and new areas of the economy need to be developed. These new areas can also serve to address the areas of inequality in parts of Caithness. The areas of interest in terms of reducing inequality are listed below:

- Decommissioning of Dounreay is not the only area of the economy. It is likely to be some time (current Life Time Plan looking for eventual 2030-33 timeline) and addresses some higher level skills that may not fully address areas of inequality.
- Access to a range of jobs is important. Local jobs that offer access to employment in terms of reduced need to travel and lower entry skills are also relevant to addressing inequality in the local economy.
- Maintaining value of GDP in the county and planning to increase it. While ensuring that a mix of jobs are available we must be aware of the higher level jobs that will attract higher salaries and will also build career opportunities for the rising generation and will serve to attract new labour into the area.
- Maintaining and building skills is critical to ensure that specific advantages in the area are continued and built upon. This will require a close link between employers and training providers.
- Attracting new skills and opportunities will keep the labour market buoyant and will stimulate new opportunities for the area.

We will continue to identify specific issues in our locality plans that affect specific locations while noting that many economic issues affect a travel to work area rather than just a specific location.

Actions

Over the next three years we will focus on projects that lead to job creation. These will be driven by projects that:

Develop jobs from North Coast 500
Develop jobs from the Business Service sector
Develop jobs from the Nuclear Service sector
Develop jobs from the emerging Tidal sector
Develop jobs from the off shore wind projects in our area
Develop jobs from the potential of launching satellites in the North

We will also work to support local market opportunities, projects that attract new businesses into the area and develop a sustainable approach to skills development in the area.

To help deliver these employment opportunities partners will help:

- Attract new businesses, using both the skills that already exist in the area, and the area's geographic advantages
- Support existing businesses to grow, delivering employment opportunities through investment, innovation and internationalisation
- Invest in skills transition for the nuclear workforce, and in the skills needed to support a diversified future economy

Targets and measuring success

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CNSRP partners have agreed a target of between 270 and 670 full-time equivalent jobs in the above categories by March 2020. And between 2017 and 2030 partners estimate that a target of 1,400 full-time equivalent jobs is realistic.

In order to measure progress against our original economic position (as outlined in the Baseline Study of 2006), independent follow-up studies were commissioned after five years (2011) and ten years (2016).

In both follow up reports evidence was found of diversification away from dependence on Dounreay work. We will continue to review progress at five-yearly intervals to ensure continued progress can be demonstrated.

Communicating Progress

CNSRP developed an Advisory Board to help scrutinise progress and comment on specific issues associated with delivering the partners' activities. This Advisory Board has been chaired by the Leader/ Deputy Leader of Highland Council and brought together CNSRP partners with Councillors, Community Councillors, MP, MSP, Trades Unions, Voluntary Groups, North Highland College, Scrabster Harbour Trust, Wick Harbour Authority, Scottish Natural Heritage, Crown Estate Scotland, Highlands & Islands Airports.

The group meets quarterly and receives a written progress report from the CNSRP Programme Manager. Any issues identified can be forwarded to the Partnership's Executive Board, which brings together the Chief Executives of Highlands and Islands Enterprise and Highland Council with senior representatives of Skills Development Scotland, Scottish Government, Cavendish Dounreay Partnership and Nuclear Decommissioning Authority. In addition to written reports, the Programme Manager will continue to deliver presentations to a range of local, regional and national audiences, and maintains a weekly online blog summarising progress.

The Caithness Community Planning Partnership will be a key stakeholder in providing comment and ideas to support the delivery of future economic plans, and the CNSRP Programme manager will attend CCPP meetings to ensure issues and ideas are captured.

Summary

We will continue to develop local solutions to the economy by prioritising large projects that can combat the job losses that will come when Dounreay closes. We will also continue to work with communities and local companies to deliver a sustainable community in Caithness. We believe that by ensuring that there is a wider range of economic opportunities this will help to address some of the significant areas of inequality in the county.

Appendix 1 – Socio-economic impact of Dounreay decommissioning reports

Dounreay baseline study, 2006

Key findings:

- 15% of employment dependent upon Dounreay

Key recommendations:

- A coordinated partnership approach.
- A challenging and exciting strategy.
- Commitment by all partners to deliver the strategy.
- Inclusion of all social and economic groups.
- Strong leadership and networking.

Socio-economic impacts of decommissioning (2011)

Key findings:

- 10% of employment dependent upon Dounreay
- Increased volume of new business starts
- Contractors' survey:
 - 78% had increased turnover since 2006.
 - 44% had increased proportion of non-Dounreay work since 2006,
 - over 66% had diversified into new markets
- CNSRP "successfully leads" a process of change

Socio-economic impacts of decommissioning (2016)

Key findings:

- Increased volume of new business starts
- Supply chain diversification
- Area economy 12% dependent on Dounreay work
- CNSRP "value for money"