

Caithness County Committee – 6 February 2023

Focus North Partnership

Summary

This paper outlines a recent review of Caithness and North Sutherland Regeneration Partnership which has resulted in the partnership being rebranded Focus North and the development of a new Masterplan and partnership structure with redefined roles.

Members are asked to:

- note the recent review and rebranding of the Focus North Partnership
- express the Committee's support for the Focus North Masterplan and structure, and Council's role in the Partnership.

Background

Focus North, the informal partnership of the main public and private sector bodies with a socio-economic remit in the far north of Scotland (previously CNSRP), has been working together since 2007 to develop the economy in Caithness and North Sutherland. Partners are: - The Caithness Chamber of Commerce; Dounreay Site Restoration Limited; The Highland Council; Highlands & Islands Enterprise; The Nuclear Decommissioning Authority; Skills Development Scotland; and The Scottish Government.

Strategic direction for the partnership is driven by the Executive board, consisting of Chief Executives, Directors, and other Senior officers of the partner organisations. Supporting the Executive board is an Advisory Board, which provides strong links to community, third sector, commercial and other public body representatives. The Highland Council is represented on the executive board is the Highland Council chief executive, the advisory board chair is the Leader of the Highland council, and several counsellors from the Caithness and Sutherland area sit on the Advisory Board.

Rationale and approach to change

When established, the partnership's focus was on replacing job losses anticipated from Dounreay during its decommissioning. Its work has already helped to create and sustain hundreds of jobs but there is now renewed enthusiasm as significant opportunities are developing that can further transform the local economy. The board recognised that these opportunities, the changing Dounreay decommissioning timetable, and other major impacts such as the Covid-19 pandemic, the climate crisis and Brexit offered the perfect time to revisit the Partnership's identity, focus, goals, and programme of activities.

The review process was undertaken through a series of workshops with local representative officers from all partners fully involved. The approach has been widely shared amongst stakeholders, including with this committee, as it was developed with feedback being sought and adopted where appropriate. During the review process, it also became apparent that a new identity for the partnership would be beneficial in keeping with its refreshed goals and the new identity Focus North has been selected. It is felt that this identity both embodies the intention of the partners and allows a rallying call to those outside the region to look at the opportunities here.

The new identity and approach have subsequently formally adopted by the Partnership's Executive board. A formal, high-profile relaunch of the new entity, Focus North, with its new approach and programme is planned for the 8th February 2023.

The opportunities and approach

There are several imminent large scale regional developments including: - SpaceHub Sutherland, Pentland Floating Offshore Wind Farm and Scotwind Leasing round Offshore wind farms; Onshore windfarm, power storage, transmission, load balancing and grid stabilisation projects; the expansion of the MeyGen Pentland Firth tidal stream power generation array; Hydrogen production, storage, and usage; the Flow Country bid to become a UNESCO world heritage site and Scottish Government's national priority to restore and protect peatland; and a still growing tourism market.

Fully embracing and maximising the local benefits of the opportunities outlined above will be a key factor and in reversing the feared population decline and demographic shifts. These opportunities can offer the region's young people the potential for sustainable and fulfilling employment, enabling them to remain in the region. This aligns well with Focus North's goals and the Scottish and UK Governments' goals to achieve a Just Transition to a net zero economy over the coming decades.

To maximise the local benefits from the regional opportunities some changes in approach have been incorporated in Focus North's methodology. Greater focus is being placed on maximising immediate opportunities to support economic diversification and population growth more generally. Less emphasis is being placed on the detailed Dounreay Decommissioning timetable. Developing the current opportunities will help establish a more diversified economy increasing local opportunities for alternative employment in the short, medium, and longer term. Just transition principles will be embedded in the developing programme of activities, as will climate change adaption measures and sustainability goals. The two documents in Appendix 1 (Focus North Masterplan) and Appendix 2 (Focus North Organisational Structure, Roles, and Responsibilities) describe the core activities the partnership will undertake and how the partners will work together to achieve this.

To maximise the success of the programme, it is essential to mobilise stakeholder and community input and commitment. For this reason, it is critical to seek formal support for this approach from local elected representatives. Formal endorsement will also make partners' internal decision making and commitment to support individual projects easier, due to the additional legitimacy given by elected members' endorsement. Due to the geography straddling both Caithness and North Sutherland areas this request will be brought to both area committees.

Peter Faccenda

Focus North Programme Manager

17th Jan 2023

Appendix 1 - Focus North Masterplan

Focus North Masterplan

Purpose of this document

This document outlines the background and opportunities in the northernmost part of mainland Scotland. It sets out the detailed goals agreed by partners for Focus North and the measurement process agreed to track progress against these. The goals are identified in the Focus North strategic operational policy, contained in the Focus North Organisational structural roles and responsibilities document.

Organisational Context

Focus North, the evolution of the Caithness and North Sutherland Regeneration Partnership, is an informal public-private partnership working to develop economic opportunities in the North of mainland Scotland. Partners Caithness Chamber of Commerce, The Dounreay Site, Highland Council, Highlands and Islands Enterprise, Nuclear Decommissioning Authority, Skills Development Scotland, the Scottish Government [and the University of Highlands and Islands] are working together to support the fair transition to a net carbon zero economy in this remote and rural area. Partners have committed to developing a fairer, resilient, more balanced economy, working to grow the working population and higher average household incomes. The partnership seeks to attract jobs in key new sectors, as well as sustaining employment in existing sectors. This will increase the number of private sector businesses operating and increase investment into the area.

Focus North's geographical area includes Caithness and North Sutherland but is generally not defined by an exact line on a map. It is deliberately flexible to accommodate the differing needs of multiple emerging inward investment opportunities that would benefit the north of mainland Scotland.

Focus North's activities are conducted in close consultation with the Sutherland and Caithness Community Planning Partnerships so that opportunities are not omitted, but just as important, efforts are not duplicated.

About the area

Focus North concentrates on the northernmost part of mainland Scotland, which incorporates the northern section of the North Coast 500 iconic tourist route, so the region's natural beauty and attractiveness to tourists is well known.

Perhaps less well known is that the region is leading: -

The renewable energy revolution

- 12 times more electricity is already produced than used locally from renewable sources.
- Production and storage capacity: -
 - Pentland offshore wind farm developing 100 MW floating offshore wind demonstration project 7.5 kilometres from the Caithness coast.
 - Recently agreed Scotwind sites surround the regions coasts supported by local harbour at Scrabster and Wick.
 - The MeyGen Tidal stream generation array in the Pentland Firth that has been producing power since 2014 is being expanded from 1.5 to 28MW
 - The region is home to two of the UK's leading battery research and production companies - AMTE and Denchi Power

- Development of battery storage schemes to help balance power production and demand.
- Hydrogen production of up to 2,000 tonnes per annum being proposed at Gordonbush from underutilised wind power.
- Hydrogen - hybrid aircraft are being trialled between Wick and Kirkwall in Orkney
- Hydrogen - hybrid trains are to be trialled between Wick and Thurso in 2024

The Space Industry

- The Mhoine peninsula is home to SpaceHub Sutherland - a vertical satellite launch site opening in 2024
- A developing space cluster seeking to attract up to 740 jobs supporting the space industry to the wider region.

On the Natural Environment

- The Environmental Research institute, carrying out world class research into the natural environment, including research into the peatlands of the flow country - Europe's biggest blanket bog.
- The Flow Country, an internationally important carbon sink, is being proposed for adoption as a UNESCO World Heritage site during 2023.
- The flow country green finance initiative - is seeking to attract ethical private investment in support of peatland restoration and long-term management of this vital ecosystem.

These activities will develop alongside the complex decommissioning programme at the Dounreay Nuclear site. The site continues to employ a large, highly skilled workforce and technically innovative supply chain to develop solutions to world leading decommissioning challenges.

Goals

Focus North concentrates on maximising local benefits from the significant opportunities above.

Our three-year regional goals are detailed below. *Economic Growth, People and Communities* and *Sustainability* should be seen as the 3 pillars that must be in balance for Focus North and the region to succeed.

- **Economic growth** - The area will undergo a Just Transition to a sustainable resilient, Low Carbon economy offering its increased working population Fair work and higher average household incomes than in 2022. Successful attraction of employment opportunities in key new, and sustaining existing, sectors will increase the number of private sector businesses operating and enable the regional economy to be more diversified and larger than it is now. Investment in the area will increase compared to 2022.
- **People and Communities** - The growing population will support a thriving, wellbeing economy where school rolls are rising, school leaver destinations are broadening, and apprenticeship uptake is higher than today and covering all of the professions that matter to our region. The workforce will benefit from Fair Work values, such as the Living Wage, have both higher levels, and a more diverse range of skills, supporting the transition to a net zero economy and the diverse opportunities in the region.
- **Sustainability** - The area will be a leader in the transformation to a low-carbon economy. Sustainable economic growth will be driven by projects underpinned by the principles of a Just Transition, the circular economy and leveraging renewable energy production and consumption. Communities will benefit by engaging and investing with the opportunities presented by the transition to net-zero, and partners will look to develop and strengthen local supply chains through supporting local procurement.

- **Partnership Effectiveness** - We will demonstrate progress against our goals. We will publish key targets, measure progress and report against these. We will regularly check in with our stakeholders on how they see our progress and make the results of this public.

Target sectors

Focus North will deliver these goals by focussing on the major existing and emerging opportunities detailed below, concentrating on a rolling three-year window: -

Space – develop and sustain a north coast space cluster around the UK's first vertical launch spaceport on the Moine Peninsula in Sutherland - SpaceHub Sutherland, attracting space industry companies to locate in the region.

Offshore Wind (fixed and floating) –work with Scotwind developers, and other demonstrator projects in proximity to the area. These will ultimately provide more than five gigawatts of renewable electricity from around these Northern coasts. The existing supply chain skills and onshore infrastructure potential will be further developed to create new, well-paid, and long-term employment opportunities.

Tidal generation – work with developers to maximise the potential for jobs in the build out and O&M phases as this technology emerges.

Hydrogen –work with onshore/ offshore wind developers and hydrogen industry companies to develop the emerging hydrogen economy as green Hydrogen Production storage, transportation and usage is being developed and will provide a basis of net zero economy potentially employing hundreds of people.

Future transport – there are opportunities for economic benefit to the area from various sub-elements of the emerging hydrogen industry relating to transport with hydrogen/electric hybrid aircraft and trains being trialled in the region.

Natural Capital – with public, private, and third-sector partners to capitalise on the region's immense natural capital. The flow country, seeking to be recognised as a UNESCO world heritage site attracts international attention and the vital wide-scale peatland restoration can provide opportunities for sustainable employment and help deal with the climate emergency.

Sustainable tourism –work with the tourism representative bodies to sensitively maximise the economic potential from our region that is already well known for its natural beauty, rugged coastlines, and world class visitor attractions.

Risk mitigation

We undertake activities to mitigate the risks to the realisation of opportunities listed above, including addressing the lack of skills available to assist the present and future businesses and organisations.

Programme

The Focus North works towards these goals through a programme made-up of projects and supporting activities to maximise the benefits to the local population of the exciting opportunities the region. Partners coordinate their local activities and develop collaborative programmes of activity to meet these regional goals.

Targets and progress against these will be shown in Appendix A below as they are developed.

| | | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| Number of green jobs | | | | | | | | |
| ULEV infrastructure measures | | | | | | | | |
| Number of businesses with community benefit principles embedded | | | | | | | | |
| Partnership Effectiveness KPIs | | | | | | | | |
| We said we would: - | | | | | | | | |
| Target a | | | | | | | | |
| Target b | | | | | | | | |
| Target c | | | | | | | | |
| ... | | | | | | | | |
| Stakeholder awareness /Satisfaction survey | | | | | | | | |
| Partnership maturity model | | | | | | | | |

Appendix 2 - Focus North Organisational Structure Roles and Responsibilities

Focus North

Structure and Roles of Partnership bodies 2023

Purpose of this Document

This document identifies the organisational structure, roles, and responsibilities of all the elements of Focus North. It identifies the agreed membership and interactions between the meetings of the partnership. It sets out what the partners have agreed to do and how they will work together to achieve to achieve their goals.

Introduction

As part of the Focus North (Formerly CNSRP) revisioning the governance structure has been re-examined and the new arrangements are detailed in this document. The structures, roles and remits developed for CNSRP were agreed in 2010 and revisited in 2014. The basic arrangements remain largely similar.

The partnership is governed by an Executive Board setting strategy and direction, a Delivery Group dealing with day-to-day delivery activities, and an Advisory Board providing oversight and advice to the Executive Board. (See Diagram in Appendix 1)

Executive Board

The Partnership is led by its Executive Board, which brings to together the Chief Executives or senior local staff from Partners and an official from the Scottish Government under an Independent chair. The Executive Board owns the Strategic Operational Policy (Appendix 3) which is enacted through the Delivery group. The Executive board is responsible for ensuring their own organisations incorporate partnership commitments into their targets and plans, and that there are adequate resources to meet these commitments. The Executive board has agreed and is committed to enacting the Partnership charter within their individual organisations (Appendix 4).

The Board will meet on a quarterly basis, and once per annum will hold an Annual General Meeting with the Advisory Board, attended by Delivery group members.

Membership

| Organisation | Represented by |
|----------------------------------|------------------------------|
| Chair | Independent Chair (External) |
| Caithness Chamber of Commerce | Chief Executive |
| Highlands and Islands Enterprise | Chief Executive |
| Highland Council | Chief Executive |

| | |
|-----------------------------------|---|
| Dounreay Site Restoration Limited | Managing Director |
| Nuclear Decommissioning Authority | Director of Socioeconomics |
| Skills Development Scotland | Regional Skills Planning Lead |
| Scottish Government | Head of Division – Rural and Island Futures |
| In attendance | |
| Focus North | Programme Manager |
| Administrative Support | Focus North Project & Comms Officer |

Delivery group

The Delivery Group, chaired by the Focus North Programme Manager consists of operational managers from each of the partners, supported by subject specialists from within the partner organisations where necessary. It is responsible for developing and implementing action plans to deliver the goals agreed in the Strategic Operational Policy. Members of the group will maintain lines of communication within their own organisations to ensure that, together with their respective Executive Board members, the necessary support is available, issues and opportunities are widely understood within their parent organisations and allocated partnership tasks are delivered to time and cost. Delivery group members will adhere to the principles outlined in the partnership charter.

Membership

| Organisation | Represented by |
|-----------------------------------|--|
| Chair | Focus North Programme Manager |
| Caithness Chamber of Commerce | Chief Executive |
| Highlands and Islands Enterprise | Area Manager |
| Highlands and Islands Enterprise | Regional Development Manager |
| Highland Council | Ward Manager – Caithness |
| Highland Council | Ward Manager – Sutherland |
| Highland Council | Economic Advisor |
| Highland Council | Executive Chief Officer Development |
| Dounreay Site Restoration Limited | Head of Sustainability and Socioeconomics |
| Dounreay Site Restoration Limited | Socioeconomic Manager |
| Nuclear Decommissioning Authority | Head of Community & Economic Development |
| Skills Development Scotland | Growth and Inward Investment Manager |
| UHI North Highland | Director of External Engagement & Facilities |
| In attendance | |

| | |
|------------------------------------|-------------------------------------|
| Partner or other organisations | Subject specialists as invited |
| Focus North Administrative Support | Focus North Project & Comms Officer |

The Delivery group will meet monthly but may create task specific subgroups to progress individual programme priorities. These groups may meet more or less frequently dependent on need.

Advisory Board

The Advisory Board role is that of an independent group to provide wider political and community engagement, oversight and feedback. As an independent group that decides its own membership, structure, meeting frequency and detailed remit. The most recent review of its role was undertaken in November 2022 and the agreed outcome is detailed below. The Advisory Board supports the implementation of the partnership charter.

The Advisory Board role is: -

- To input into priority setting, utilising the extensive knowledge and experience of the stakeholders in this group.
- To hold partners and each other to account on progress.
- To provide additional knowledge and resources where possible from within the Advisory Board members to inform decisions and support progress.
- To raise the profile, issues, and opportunities of the region with external decision makers.
- From time to time to form subject or task-specific subgroups on an agreed basis to examine agreed issues. Any subgroup will have a clearly defined scope and time frame to report. Each would be chaired by the relevant Advisory Board organisation, calling on additional resources to complete its work as needed.
- To undertake a formal review of the Partnership's progress each year and feed comments, conclusions, and suggestions back to the Executive Board.

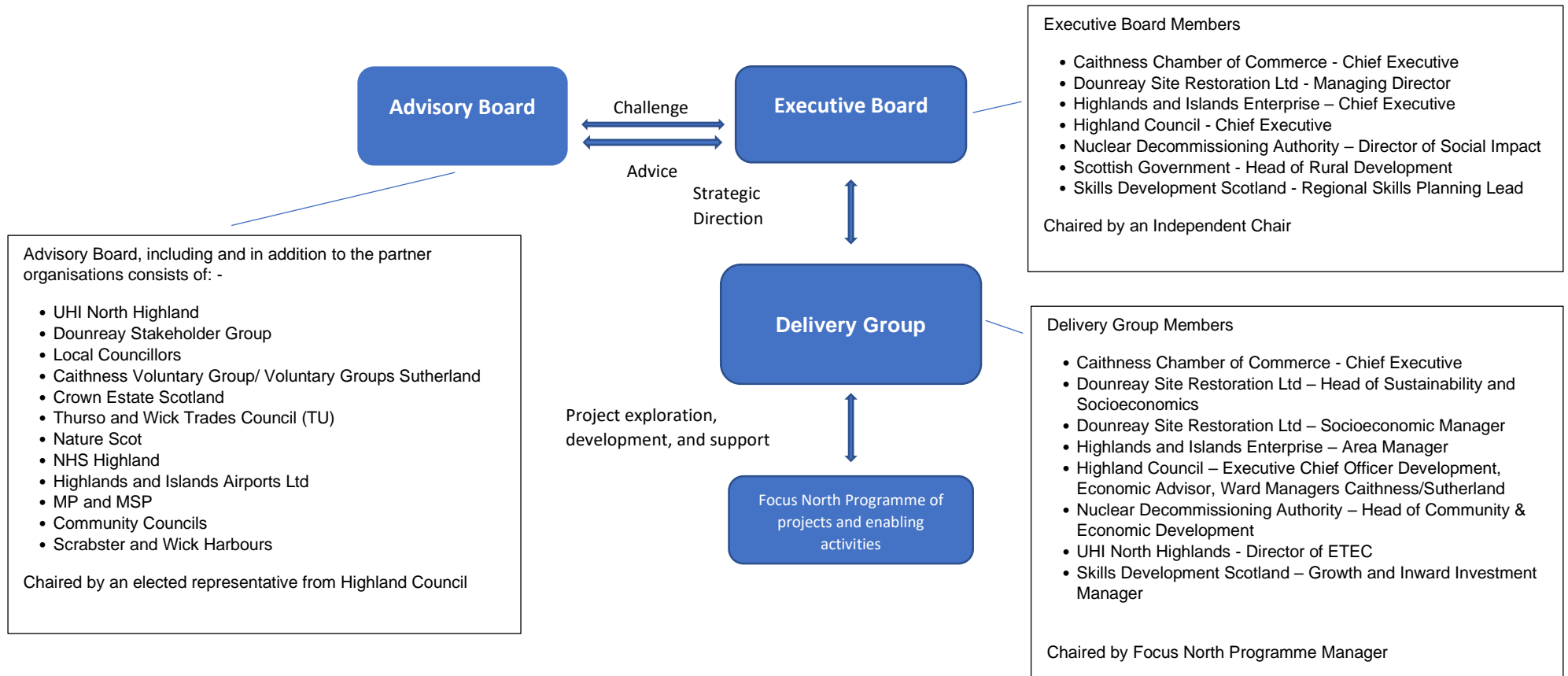
The Board will meet on a quarterly basis. Wherever possible the meetings of the Advisory Board will take place approximately two weeks before the date of the next Executive Board meeting, to allow feedback to be passed on. Once per annum the Board will attend an Annual General Meeting with the Executive Board.

Current membership is detailed below: -

| Membership | |
|---|---|
| Organisation | Represented by |
| Highland Council (Chair of Advisory Board) | Council Leader |
| Highland Council (Previous Chair) | Councillor |
| HC Wick & East Caithness - Ward 3 | Councillors |
| HC Thurso & NW Caithness – Ward 02 | Councillors |
| HC North, West and Central Sutherland – Ward 01 | Councillors |
| Caithness, Sutherland & Easter Ross – UK Parliament | MP & Office Support |
| Caithness, Sutherland & Ross Scottish Parliament | MSP & Office Support |
| Crown Estate Scotland | Energy Ports Development Manager |
| Nature Scot | Area Manager, Northern Isles and North Highland |
| Nature Scot | Operations Officer |

| | |
|--|---|
| Scrabster Harbour Trust | Trust Manager |
| Wick Harbour Authority | Director |
| Federation of NW Sutherland Community Councils | Chair |
| Association of Caithness Community Councils | Chair |
| Dounreay Stakeholder Group | Chair |
| Thurso & Wick Trade Union Council | Chair |
| Trades Unions - Dounreay | Co-ordinating committee Chair DSRL |
| Trades Unions - Dounreay | Trade Union representative |
| Caithness Voluntary Group | Senior Development Officer |
| UHI North Highland | Principal |
| Gills Harbour Association | Representative |
| Highlands and Islands Airports Limited | Airport Manager North |
| Up North! | Chair |
| NHS Highland | North Highland Manager |
| Caithness Chamber of Commerce | Chair |
| In attendance (as required) | |
| Organisation/Position | Represented by |
| Focus North | Programme Manager |
| Focus North (Secretariat) | Project and Comms officer |
| Highland Council | ECO Infrastructure & Environment |
| Highland Council | Economic Advisor |
| Highland Council | Ward Manager 02/03 - Community Support Caithness |
| Highland Council | Ward Manager 01/04 - Community Support Sutherland |
| Nuclear Decommissioning Authority | Head of Community & Economic Development |
| Highland and Islands Enterprise | Area Manager, Caithness & Sutherland |
| Skills Development Scotland | Skills Planning Lead |

Appendix 1 – Focus North Governance Structure



Conflicts of Interest

It is inevitable that the representatives involved with the Focus North Partnership will include personnel who have multiple roles and interests alongside their role in the partnership. This brings significant value, in that discussions are enriched by a wide range of skills and experience, but it also raises the potential for conflicts of interest to occur.

These interests may be financial or non-financial and be a direct interest of the individual or as a result of the interests of close relatives or acquaintances.

- Financial interests – (e.g. Company Directorships; Award of Contracts, land ownership)
- Non-Financial interests – (e.g. membership of public bodies; clubs/ societies)

It will be up to individual members to decide if they have an interest that is material to discussions within the partnership and declare it. If there is any uncertainty on whether a conflict exists, then the Focus North Programme Manager can provide guidance or access appropriate advice.

If a member thinks, from reading advance papers for a Focus North meeting, that they may have a declarable interest this can be declared in advance to the Programme Manager. The Chair of the meeting will also ask members if they have any declarations at the commencement of each meeting. Any declarations will be noted in the minute. Declaration of an interest may mean that the member is required to exclude themselves from a particular topic or whilst an item is discussed. The Chair of the meeting will have final responsibility for this decision.

Focus North Strategic Operational Policy: 2023 – 2026 (v1 Agreed 6 Sept 22)

| Our Purpose | 3-Yr Vision | Strategic Objectives |
|---|--|--|
| <p>Driving the opportunities that shape <i>Our future</i>.</p> | <p>Our Partnership <i>makes the difference</i> by growing the economic prosperity of Our communities.</p> | <p>#1: Masterplan Publish an agreed plan which is current, has measurable goals and time scales with identified owners.</p> |
| Our Core Values | 3-Yr Goals | <p>#2: People All partners provide relevant and empowered representatives supported by the full capability of their parent organisation</p> <p>#3: Funding Attract partner, public and private sector investment to deliver the masterplan.</p> <p>#4: Impact Deliver the masterplan, measure progress, and demonstrate results.</p> <p>#5: Profile Promote the region and the Partnership's objectives, activities, and impact.</p> |
| <ul style="list-style-type: none"> • Ambitious for <i>Our future</i>: Being creative and determined in exploiting the art of the possible in every opportunity. • Being <i>One team</i>: Continuously building trust whilst respecting our differences, within and outside the Partnership. • Planning as <i>One Team</i>: Being open and honest in envisioning our future by setting ambitious strategic objectives and goals, appropriately resourced to succeed • Being proud to deliver: Do what we say we will do and hold each other to account; don't dither - Deliver. • Communicating as <i>One</i>: Shared consistent narrative, demonstrating a commitment to the importance and value of the Partnership. | <ol style="list-style-type: none"> 1. Economic Growth 2. People/Communities 3. Partnership Effectiveness 4. Sustainability | |

Focus North Partnership Charter (v1 Agreed 6 Sept 22)

Our Intent

To deliver sustainable economic opportunities in the North of Mainland Scotland.

- We recognise this region as an important and globally distinctive centre of opportunity.
- We will develop an ambitious masterplan, aligned to Partner goals, and suitably resource its delivery.
- We will measure success based on agreed economic measures and community benefits.

Collaborate and Trust

To be a dynamic Partnership, committed to a common vision and shared goals.

- We will adapt our Partnership in response to need and opportunity and do so with agility and efficiency.
- We commit to taking responsibility and accountability for our actions.
- We value individual contributions towards collective strength.
- We will be honest and transparent with each other.

Act as One team

To build trust and respect in all we do.

- Honouring our commitments to each other and our communities.
- Actively listening and understanding our differences.
- Aligning our priorities and playing to our strengths.
- Deploying the right delivery resource to achieve success.