



# North Highland and Moray Space Cluster Strategy Appendix 1

Ecosystem Audit

September 2021

# North Highland and Moray 2021: The existing ecosystem.

## Part 1: Overview

For the purposes of this ecosystem audit the North Highland area is defined as the Dounreay Travel to Work Area and the area of Moray specifically linked to the Orbex facility in Forres.

Both the North Highland region and Moray offer an attractive proposition for new and emerging industry, with highly supportive business environments. There is a diverse range of industries, many with skills that could be transferrable to the space sector. In Moray some organisations are already supporting the space sector through the Orbex facility.

## Methodology

Caithness Chamber of Commerce (CCoC) agreed to carry out an audit of the existing North Highland and Moray ecosystems as funding recipient for CNSRP's Space Cluster Strategy Development Project. The research took place during April 2021 and included both primary and secondary research.

Primary research included contacting organisations in each respective supply chain through established means and existing membership lists, with the addition of organisations who are not currently CCoC Members but were perceived as potential supply chain companies based on the Space Industry Matrix supplied.

In the North Highland region, primary research was carried out by Caithness Chamber of Commerce and UpNorth! Development Trust, in Moray the information request was shared by Moray Chamber of Commerce with its members.

124 businesses were contacted in North Highland and 184 in Moray. A total of 52 responses were received, 47 from the North Highland region and 5 from the Moray region.

The completed Supply Chain Matrix highlights areas where there are businesses fulfilling these criteria in the existing ecosystem and allows for easy identification of gaps (see Annex 1, Space Cluster Supply Chain Matrix).

This matrix has been completed using the information provided by the 52 business respondents. Details of the 52 respondents and their capabilities can be found in Annex 2, Supply Chain Company Details.

Secondary research comprised of a literature review including Labour Market Reports accessed through Nomis, Socio-Economic Impact of Dounreay Decommissioning Reports, HIE Key Statistics and a review of relevant informational websites for each region.

## Part 2: North Highland Existing Local Supply Chain - Ecosystem Audit

The North Highlands has a knowledge-rich and innovative supply chain, with decades of experience working in the complex and highly regulated nuclear sector, as well as a growing body of expertise in working on major renewable energy and oil and gas projects.

It's home to Scotland's most famous drive - the North Coast 500, and to one of the most famous destinations in the UK - John O'Groats.

Key sectors are Energy (nuclear, oil and gas, renewables), Finance and Business Services, Construction, Trades and Manufacturing, Tourism, Food and Drink and Health. A more comprehensive overview of the wide range of businesses in the region operating across all sectors can be found on the Caithness Chamber of Commerce website.

### North Highland Energy Sector

The North Highlands has an outstanding capability in the energy sector and an impressive track record of working across a range of energy industries.

The area is rich in potential, has proximity to key energy assets in the offshore wind and oil and gas markets, and has a highly skilled and dedicated supply chain.

The following key sector areas that make up the existing local supply chain area highlight the considerable capacity of the North Highland region to support an array of industries with a highly skilled workforce and transferrable skills that could support the space sector within the region.

#### Oil and Gas

The Oil and Gas industry has a significant presence in the North Highlands. Subsea 7 has a major manufacturing site at Wester, just outside of Wick, where it creates state of the art pipeline bundles for offshore oil platforms, and Imenco has a base at Wick Industrial Estate manufacturing high-tech camera equipment for the industry.

To the west of the region, Scrabster Harbour offers significant benefits as a base for companies operating in the West of Shetland fields, offering significant time savings compared to an Aberdeen base.

Wick John O'Groats Airport has previously worked with Chevron as a base for offshore workers flying to West of Shetland rigs and, in conjunction with Scrabster Harbour, offers possibilities for quick crew transfers to offshore support vessels.

#### Nuclear

The North Highland region has a long association with the nuclear industry, which has enabled it to build up a valuable and unique skills base (see Supply Chain and Skills for more information). With the decommissioning of the Dounreay nuclear site currently expected to continue until 2034, and commitments given by major operators in the sector to allocate future investment in the region, nuclear is set to play a key role in the region's economy for the foreseeable future.

Future opportunities in the nuclear sector include the export of skills from the region, and experts from the region have already advised on the clean-up of the Fukushima Daiichi plant in Japan and the Ignalina facility in Lithuania.

These plans have developed further, with a collaboration between a 'Team UK' consisting of experts from Cavendish Nuclear, Jacobs and Dounreay Site Restoration Ltd using expertise gained from decommissioning the Dounreay Prototype Fast Reactor to support the Japan Atomic Energy Agency in decommissioning of the Monju reactor.

While predominantly focused on the civil nuclear industry, North Highland is also home to NRTE Vulcan, which operated for many years as a testing facility for Pressurised Water Reactors for nuclear submarines. Discussions are ongoing about the decommissioning of the site, and this is expected to generate significant opportunities in years to come.

The Caithness and North Sutherland Regeneration Partnership has submitted a bid for the region to host the UK's prototype STEP (Spherical Tokamak for Energy Production) fusion reactor. The North Highlands has a long history of supporting research and development in the nuclear energy sector, and this bid represents a continuation of that tradition.

There is widespread support for the project in the region and, if successful, the significant operational life of the reactor would create and sustain a range of high-quality jobs within the North Highlands and cement the region's reputation as one which is forward-thinking and at the forefront of clean energy development.

### Wave and Tidal

With the nearby Pentland Firth offering access to some of the strongest currents in the world, North Highland has proven an ideal venue for wave and tidal energy.

The region is already home to the MeyGen tidal energy project, which is currently the largest planned tidal stream project in the world and the only commercial multi-turbine array to have commenced construction. Phase 1A of the project has seen four turbines deployed in the Inner Sound of the Pentland Firth and, as of December 2020, the project has now exported 35GWh to the grid.

The Environmental Research Institute (ERI) based in Thurso offers world-class expertise to those operating in marine environments and has real-world expertise in delivering projects for wave and tidal developers around the globe.

### Offshore Wind

More recently North Highland has identified as an ideal base for offshore wind development, with easy access to proposed licensing sites, excellent port and harbour infrastructure, and a supply chain with significant experience in offshore wind developments.

The region is already home to one of the largest offshore wind developments in the world, the Beatrice Offshore Windfarm, consisting of 84 turbines with an installed capacity of 588MW. Wick Harbour acts as the operations and maintenance base for

Beatrice, and helicopter operations to the field are flown from the nearby Wick John O'Groats Airport.

Two other major offshore wind projects – Moray East (1,116 MW) and Moray West (950 MW) – are currently in progress or planned for development in the Inner Moray Firth, and discussions have already taken place with ports in Caithness as to how they can support both construction and operation of these developments.

The upcoming ScotWind leasing round has identified eight proposed development sites within easy operational reach of the region, and in coming years offshore wind is expected to be a significant growth sector for the region.

In recognition of this, the DeepWind supply chain cluster is now the largest offshore wind representative body in Scotland with over 560 members drawn from industry, academia, and the public sector. Its main purpose is to help its members achieve greater benefit from the current and future development of offshore wind in the UK and internationally. As the name suggests, it specialises in fixed and floating offshore wind in deeper waters, usually considered to be greater than a 40m depth.

## North Highland Business and Finance Sector

The North Highland region is well-known for being a centre of excellence in finance and business services, with a strong public sector giving the area a rich seam of expertise in finance and administration, and major national businesses in the sector choosing the region as a base.

### Business

The North Highlands has a well-earned reputation as a centre of excellence for business services for both business to business and business to consumer concerns.

The local workforce has excellent IT literacy, communication, and people skills. Couple this with the relatively low business costs, such as cheaper overhead costs, compared with locations elsewhere in Scotland and the UK and you have an extremely viable and attractive business proposition.

Of note, the region is home to BT's purpose-built contact centre at Thurso Business Park, a 24/7 service offering fallback and disaster recovery across the UK.

North Highland is also home to a range of businesses offering a wide variety of services, from insurance brokers and training providers to ecological consultants.

### Finance

The North Highland region boasts a strong pool of experienced and talented people working in financial services. There is also a breadth of knowledge and skills in administration and finance through the area's strong public sector.

Among these is the Equiniti office at Thurso Business Park, which administers pensions for nuclear industry clients including the UK Atomic Energy Authority (UKAEA) and the Combined Nuclear Pension Plan (CNPP).



In addition, the area is home to numerous smaller financial services businesses, covering everything from accountancy to wealth management. Caithness Chamber of Commerce represents many of these businesses and has lists of the key finance and professional services businesses in the region.

### North Highland Construction, Trades and Manufacturing Sector

The North Highlands is home to a strong base in construction and manufacturing, with the industry and workforce in the region having significant experience of working on major projects across a range of sectors. The decommissioning of the Dounreay nuclear site continues to generate significant work for the sector, and developments in both onshore and offshore renewables – along with the infrastructure required to facilitate these – has given the industry experience working across a wide range of challenging projects.

As well as large industrial manufacturers and construction companies capable of taking on major projects, the region is also home to a diverse range of smaller businesses with a wide array of specialisms from bespoke, luxury kitchen and bathroom manufacturing to traditional dry-stone construction.

The North Highlands also hosts several advanced, high-tech manufacturing businesses. AMTE Power and Denchi Group near Thurso manufacture and supply high-tech battery and power cell solutions to worldwide markets and are leading on a range of innovative national projects. Wick, meanwhile, is home to Imenco UK, a leading manufacturer of advanced underwater camera and imaging systems.

### North Highland Tourism Sector

The past few years have been an exciting time for tourism in the North Highlands, with a range of exciting ventures and initiatives to meet the growing demand from national and international visitors to the region.

The success of the North Coast 500 route has seen a surge in short-stay visitors to the region and has highlighted many of the hidden gems available to tourists across the North Highlands. Many new businesses have sprung up to meet this new demand, from bespoke tour companies to eco-friendly glamping offerings.

The foundation in 2013 of Venture North to act as a Destination Management Organisation for the region has also paid dividends for tourism in the North Highlands. Venture North works to promote inbound tourism, offering a full-featured destination map and online directory, and has also developed the Taste North Festival as a celebration of local food and drink. In the wake of COVID-19, Venture North is now working to develop an ambitious tourism recovery and regeneration programme for the North Highlands.

The iconic tourism destination of John O'Groats has seen significant investment and development over the past decade, both from external investors and community-led projects. A partnership between Together Travel and Heritage GB delivered a £6.5m joint investment to restore the iconic John O'Groats House Hotel and construct 23 state-of-the-art eco-friendly self-catering lodges.

The community-led John O’Groats Development Trust has also delivered significant regeneration efforts in the region, most recently with the upgrade of the coastal path to the Stacks of Duncansby and the installation of new children’s play equipment.

### North Highland Food and Drink Sector

The North Highlands has long held a reputation as a top producer of quality food and drink. A supportive business environment has seen the growth of several local producers into national and international markets and helped to attract inward investment to the region.

The region is home to several well-known and highly regarded food producers, including Reids of Caithness, which supplies award-winning bakery products to markets across the world. A coastal community, the region is one of the best in the world for fish and seafood products and as well as servicing a thriving local market, companies such as JPL Shellfish and Scrabster Seafoods ship seafood from the North Highlands to global markets.

Close proximity to some of the cleanest, freshest water in the world along with a range of local botanicals makes the North Highlands a perfect environment for brewers and distillers. The region is most famously home to Old Pulteney whisky, which has been distilled near the historic harbour of Wick since 1826. This “Maritime Malt” is consistently highly ranked by experts and the core Old Pulteney range has won numerous awards over the years.

The past decade has also seen a wide range of drink producers set up elsewhere in the region. Dunnet Bay Distillers has seen meteoric growth since its founding in 2014, and its flagship Rock Rose Gin can be found in bars and shops the world over. Other craft distillers and brewers have followed suit over the years, with the region now producing a range of gins, rums, whiskies and beers to suit all tastes.

### North Highland Health Sector

The Health sector in the North Highlands has seen several exciting developments in the past few years and is leading the way on innovative solutions for delivery of healthcare in remote and rural areas. The region was the first to roll out the “NHS Near Me” service, which offers a safe and secure video calling solution to allow patients to attend appointments with specialists anywhere in the country.

A significant redesign of the delivery of healthcare in the region is currently underway and will result in the creation of two Care Hubs in Wick and Thurso. These will combine a wide range of health and social care services in easily accessible locations, ensuring a holistic approach to patient care.

Caithness General Hospital in Wick is at the forefront of a growing movement to tackle the impact of pharmaceuticals on the environment, being the first hospital in the world to gain the prestigious Alliance for Water Stewardship standard. This recognises the work undertaken by the hospital to reduce its impact on the local aquatic ecosystem and wider environment.

## North Highland Skills Supply and Demographics

This section will explore the skills supply and some of the demographics of the working age population in the North Highland region.

### North Highland Population and the Labour Market

For the purposes of this report the region covered by North Highland is identified as the Dounreay Travel to Work Area, however, for the purposes of this section, the data available represents either Caithness and Sutherland or Caithness, Sutherland, and Easter Ross.

#### North Highland Population

In 2018 the total population of Caithness and Sutherland was 38,267 in 2018, a decrease of 3.9% from 2011. An older age profile than both the Highlands and Islands and Scotland is noted for the region, however the proportion of those who are economically active is higher than that of Scotland as noted in section 3.3.1.2 below.

**Table 1: Caithness and Sutherland Population (2018)**

Total Population	2011	2018	% Change
Caithness and Sutherland	39,809	38,267	-3.9
Highlands and Islands	467,043	469,365	+0.5
Scotland	5,299,900	5,438,100	+2.6

Source: HIE, Caithness and Sutherland Key Statistics, November 2019

#### North Highland Labour Market Participation

The labour market comprises people who are employed as well as those who are classified as unemployed or economically inactive, who can be considered as potential labour supply. The Office of National Statistics defines the economically active as those who are in employment or who are unemployed. The remainder of the working age population are defined as economically inactive. There may be many reasons for an individual to be inactive, including being in full-time education, providing care for a family member or through illness.

In 2019 the working age population (age 16-64) of Caithness, Sutherland and Easter Ross was 35,700. As illustrated in table 3.1 and figure 3.0, between January 2020 and December 2020, it is estimated that 78.3% (32,900) of the total population of the area was economically active, compared with 76.8% across Scotland. The breakdown of those who were estimated to be economically active is also indicated where sufficient sample sizes were available.



**Table 2: Labour Market Participation, Active and Inactive (Jan 2020-Dec 2020).**

	Caithness, Sutherland, and Easter Ross (%)	Scotland (%)	Caithness, Sutherland, and Easter Ross (Number of People)
<b>Total Economically Active†</b>	78.3	76.80	32,900
<b>In Employment†</b>	75.3	73.50	31,700
<b>Employees†</b>	64.8	65.20	26,800
<b>Self Employed†</b>	#	8.10	4,900
<b>Unemployed§</b>	!	4.30	!
<b>Inactive*</b>	21.7	23.2	8,500

Source: Labour Market Profile - Caithness, Sutherland, and Easter Ross Parliamentary Constituency (Nomis)

Note:

# Sample size too small for reliable estimate.

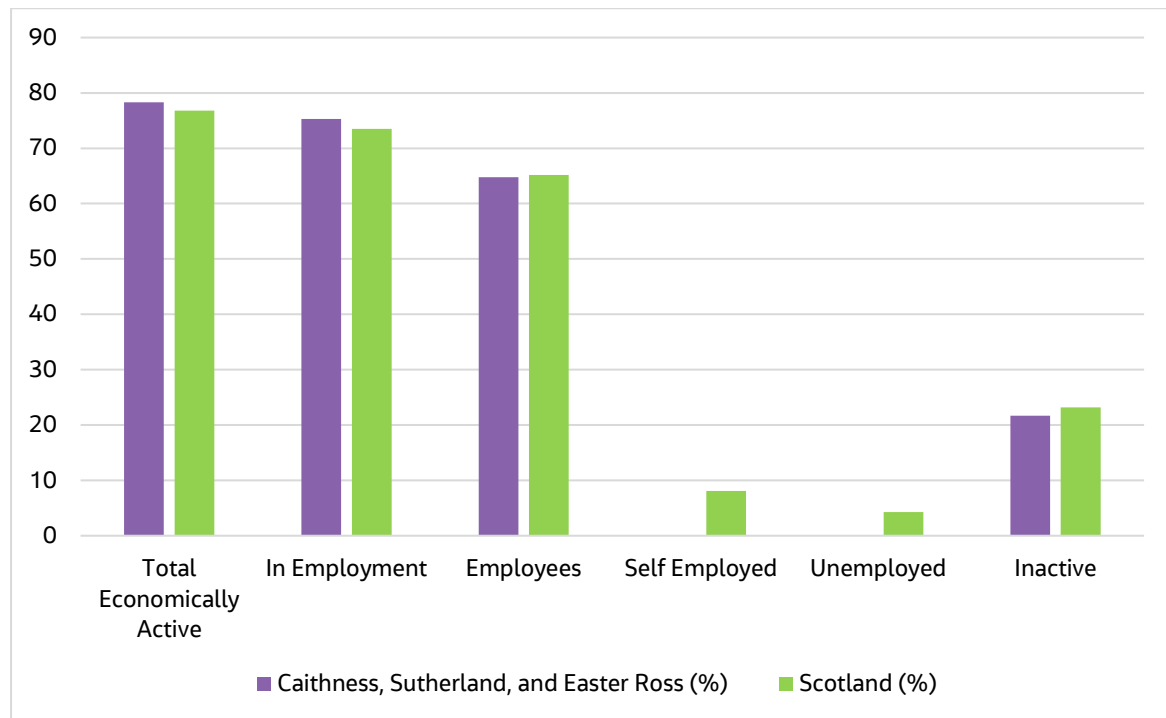
! Estimate is not available since sample size is disclosive.

† - numbers are for those aged 16 and over, % are for those aged 16-64.

§ - numbers and % are for those aged 16 and over. % is a proportion of economically active.

\* - All data, proportion of those aged 16-64.

**Figure 1: Labour Market Participation of those aged 16-64 Active and Inactive (January - December 2020)**



The total number of those categorised as economically inactive between January 2020 and December 2020 was 8,500 or 21.7%.

### North Highland Business and Workforce Diversification

The North Highland region has a diverse, yet highly skilled workforce. A legacy that initially derived through Dounreay being in the area but has continued to develop through the introduction and growth of the Key Sectors highlighted in section 3.2.

### Socio-Economic Impacts of Dounreay Decommissioning

A study of the Socio-Economic Impacts of Dounreay Decommissioning, commissioned by HIE and carried out in 2012 by Grangeston, indicated that of the organisations surveyed over-three quarters (78%) had generally experienced growth in turnover between 2006 and 2011. Of those reporting an increase in turnover, only 28% reported that the share of their turnover attributable to Dounreay had increased and 39% reported a lower share of turnover was now attributable to Dounreay. In comparison, 44% of the organisations reported an increase in the share of their turnover attributable to non-Dounreay work.

In the same report it was noted that over two-thirds of the organisations had diversified into new markets between 2006 and 2011. The main new markets identified by respondents included: Wave and Tidal, Oil and Gas, Offshore Wind, Non-Dounreay Nuclear Decommissioning, Onshore Wind and Biomass.

The report concluded that organisations had, by 2011, become less reliant on Dounreay compared to 2006, and were now more dependent on other markets including those new markets that had been diversified in to.

A subsequent study of the Socio-Economic Impacts of Dounreay Decommissioning was carried out in 2016, again commissioned by HIE, this time conducted by EKOS. Although there was no direct comparison to the above data available, the report did conclude that while Dounreay continues to be a major source of jobs and income for local people there are indications that diversification is underway.

The 2016 report noted that there was evidence of new businesses emerging with increased numbers of micro-businesses in non-nuclear related sectors, again confirming the reduction in dependency in the region on Dounreay. It was also highlighted that the number of people employed within the Professional, Scientific, and Technical sector had doubled and was equivalent to 500 jobs. Of the 2,790 businesses identified within the region Professional, Scientific, and Technical businesses accounted for 10% of all businesses, an increase of 4 percentage points since 2010. Outlined in section 3.3.3.2 below, the latest available data indicates a further increase in Professional, Scientific, and Technical jobs.

### Job Distribution by Industry

This section details the number of jobs held by employees. Employee jobs excludes self-employed, government-supported trainees and HM Forces. The information originally comes from the Business Register and Employment Survey (BRES) - an employer survey conducted in September of each year. The BRES records a job at the location of an employee's workplace. Part-time employees are those working 30 or fewer hours per week.

In 2019 the total number of employee jobs across Caithness, Sutherland, and Easter Ross was 24,000, with 62.5% being made up of full-time employees and 37.5% part-time as identified in Table 3.3 and Figure 3.1.

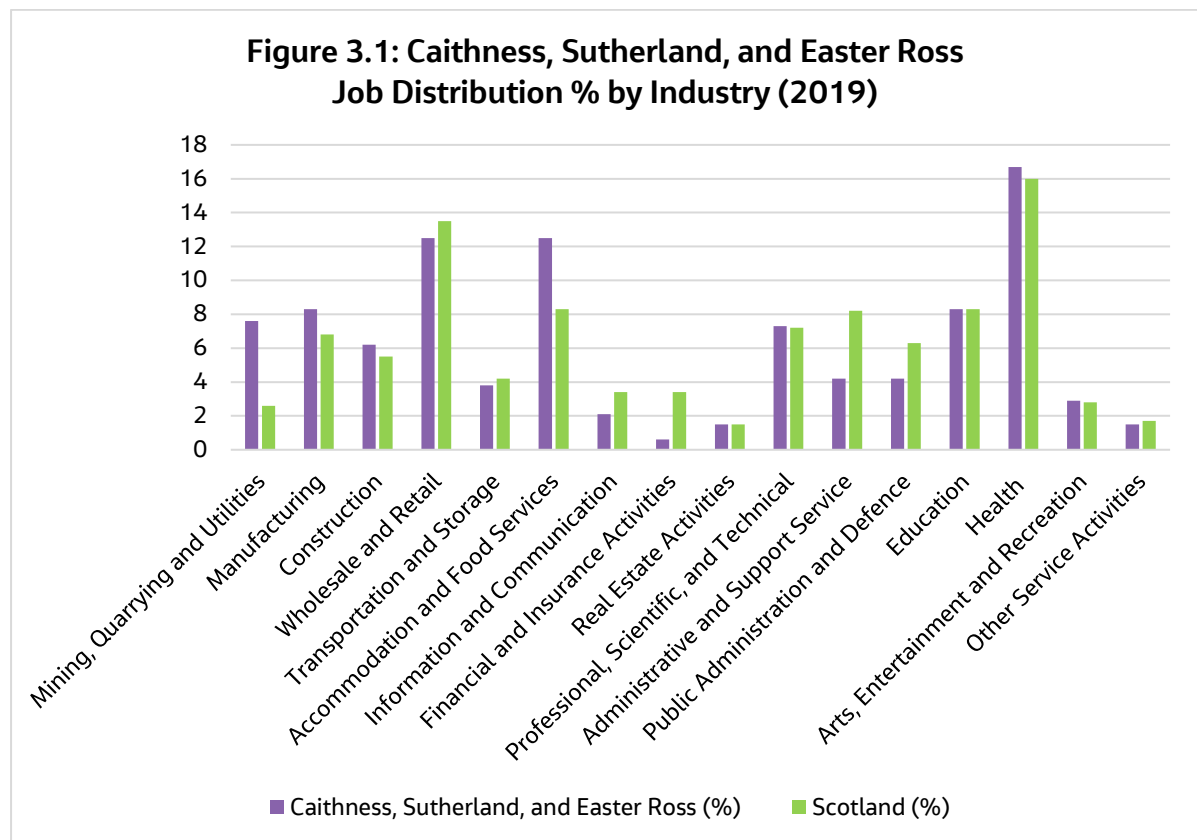
Job distribution across Caithness, Sutherland, and Easter Ross is varied, with the Health sector being the largest employer in the area, this is higher than the percentage of employment in the same sector across Scotland. The next largest employers are Accommodation and Food Services and Retail followed by Manufacturing and Education. The percentage of Professional, Scientific, and Technical jobs is also slightly higher than that of the distribution of jobs in this sector across Scotland as a whole.

**Table 3: Caithness, Sutherland, and Easter Ross Job Distribution by Industry (2019)**

	Caithness, Sutherland, and Easter Ross (%)	Scotland (%)	Caithness, Sutherland, and Easter Ross (Employee Jobs)
<b>Total Employee Jobs</b>	-	-	24,000
Full-Time	62.50	66	15,000
Part-Time	37.50	34	9,000
<b>Job Distribution by Industry</b>			
Mining, Quarrying and Utilities	7.6	2.6	1,850
Manufacturing	8.3	6.8	2,000
Construction	6.2	5.5	1,500
Wholesale and Retail	12.5	13.5	3,000
Transportation and Storage	3.8	4.2	900
Accommodation and Food Services	12.5	8.3	3,000
Information and Communication	2.1	3.4	500
Financial and Insurance Activities	0.6	3.4	150
Real Estate Activities	1.5	1.5	350
Professional, Scientific, and Technical	7.3	7.2	1,750
Administrative and Support Service	4.2	8.2	1,000
Public Administration and Defence	4.2	6.3	1,000
Education	8.3	8.3	2,000
Health	16.7	16.0	4,000
Arts, Entertainment and Recreation	2.9	2.8	700
Other Service Activities	1.5	1.7	350

Source: Labour Market Profile - Caithness, Sutherland, and Easter Ross Parliamentary Constituency (Nomis)

Figure 2: Caithness, Sutherland, and Easter Ross Job Distribution % by Industry (2019)



The businesses and workforce of the North Highland region continually engage with and adapt to the changing needs of local industry. This was adeptly demonstrated during a four-year skills transition programme which concluded in 2015. During this project over 800 Dounreay and Supply Chain staff were supported to upskill and diversify to meet the demands of new industry in the region.

Many high-tech, engineering and specialist businesses have established a base in the North Highland region, several having already expanded into the oil and gas, and renewable energy sectors, offering positive scope for further diversification into the space sector. Over the last fifty years, generations of engineers, scientists, technicians, and other skilled professionals have created a pocket of technical focus for training and education providers and businesses in the area. This skilled workforce has replenished itself through its children, supported by a technically focused educational infrastructure. This and the emerging workforce also have the advantage of being well educated and cosmopolitan with a rounded mix of complementary skills.

### North Highland Skills Training and Education

#### North Highland College UHI

North Highland College UHI, forms part of the University of the Highlands & Islands, which comprises 13 colleges and research institutions across the Highlands and Islands region. North Highland College UHI offers further and higher education and has campuses across the north including in Thurso, Halkirk, Dornoch and Alness. North Highland College UHI supports a range of vocational skills for science and engineering as



well as servicing the training needs of nuclear decommissioning and supplying a range of education and training programmes. Full details can be found at <https://www.northhighland.uhi.ac.uk/>.

### Environmental Research Institute/ Centre for Energy and Environment.

Based in Thurso, the Environmental Research Institute is part of North Highland College UHI. With a rapidly evolving research profile they provide a high quality, vibrant research environment and have become a focus for promoting excellence in research in the region. The Centre for Energy and Environment Based at the Thurso campus boasts a state-of-the-art laboratory, meeting and office facilities which compliments the Castle Street site. Recent programmes include multi-million-pound marine renewable energy programmes (MERIKA, TURNKEY); bioenergy projects funded by the EU Northern Periphery Programme, and development of a multi-disciplinary peatland research hub. Full details can be found here.

### Other Training Providers

The North Highlands is well served by a range of training providers, offering a range of professional learning and development opportunities. These cover everything from standard industrial qualifications to leadership and management development courses. A full range of training providers in the region can be found on the Caithness Chamber of Commerce website.

### Qualifications of the Working Age Population

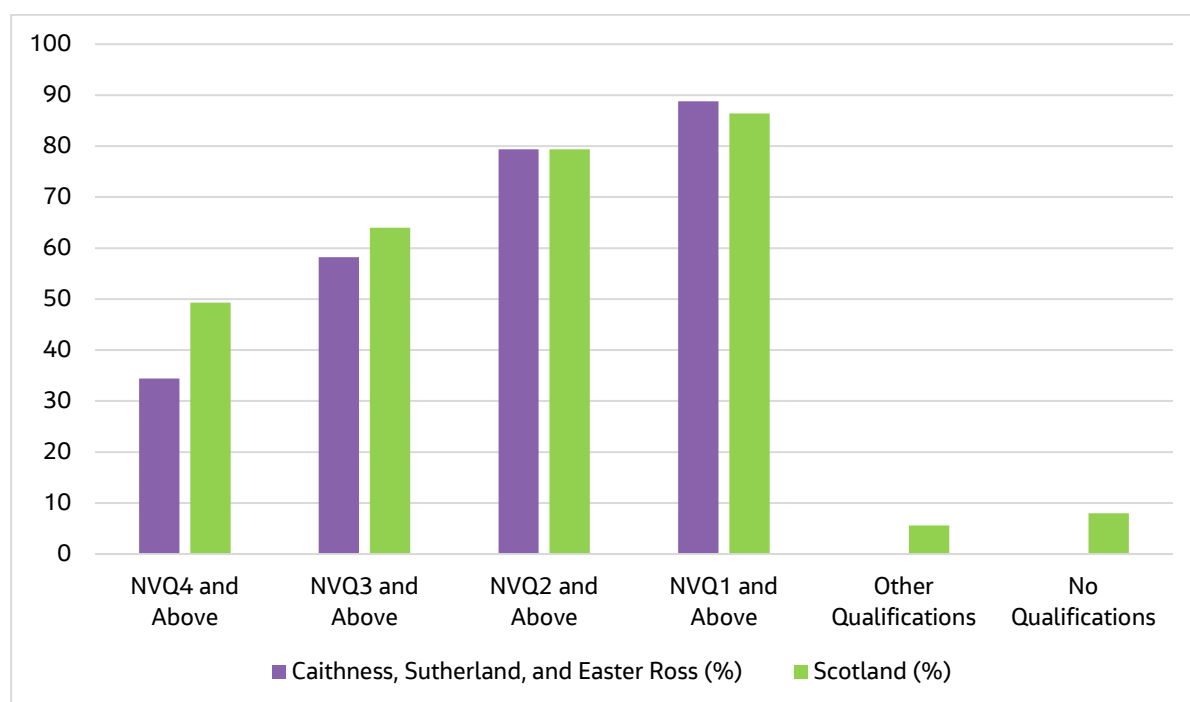
Latest research indicates that the working age population of Caithness, Sutherland and Easter Ross is less highly qualified when compared to the national average, as indicated in Table 3.4 and illustrated in Figure 3.2. In contrast the region has a higher proportion of people of working age holding qualifications at NVQ1 and above and equal proportions holding qualifications of NVQ2 and above.

**Table 4: Qualifications of the Working Age Population (Jan – Dec 2020)**

Qualifications	Caithness, Sutherland, and Easter Ross (%)	Scotland (%)	Caithness, Sutherland, and Easter Ross (Number of People)
NVQ4 and Above	34.4	49.3	13,400
NVQ3 and Above	58.2	64.0	22,700
NVQ2 and Above	79.4	79.4	30,900
NVQ1 and Above	88.8	86.4	34,600
Other Qualifications	#	5.6	#
No Qualifications	#	8	#

Source: Labour Market Profile - Caithness, Sutherland, and Easter Ross Parliamentary Constituency (Nomis).  
 Note: # Sample size too small for reliable estimate / Numbers and % are for those of aged 16-64

**Figure 3: Qualifications of the Working Age Population (January – December 2020)**



### Developing the Young Workforce North Highland

Developing the Young Workforce (DYW) is the Scottish Government’s Youth Employment Strategy to better prepare young people for the world of work.

There are 21 employer-led regional groups set up across Scotland. DYW North Highland is hosted by Caithness Chamber of Commerce.

DYW aims to:

- Better prepare young people for work
- Increase engagement between schools, colleges and employers
- Increase the number of positive destinations for school leavers
- Retain young people in North Highland
- Increase the number of local apprenticeships
- Increase employer activity in schools and the number of work placements.

During the latter part of last year and into this year, the regional groups are employing (either directly or through third parties such as the local authorities) dedicated DYW school co-ordinators for each secondary school. These co-ordinators will work with the core DYW teams to deliver the Scottish Government’s youth employment strategy.

The Covid-19 pandemic is anticipated to have a disproportionate effect on the employment prospects of Scotland’s young people aged 16 – 24. As a result the Scottish Government is introducing the Young Person’s Guarantee, which aims to ensure young people can access employment, education, training or a volunteering opportunity for 12 – 24 months to help them succeed in their chosen career path.

## Regional Skills Investment Plan

In October 2019, Skills Development Scotland published an updated regional Skills Investment Plan for the Highlands and Islands for the years 2019-2023 as part of its ongoing skills investment planning. Regional skills investment planning aims to bring the skills demand and supply closer together by working in partnership with public and private sector organisations to meet the current and emerging needs of industry in each area. The Highlands and Islands skills action plan can be found [here](#).

## North Highland Infrastructure

North Highland offers good connectivity to help businesses compete and grow in the global marketplace, with air, rail, road and sea connections to the rest of Scotland and beyond, as well as good mobile and broadband connectivity.

## Digital and Mobile Connectivity

The North Highlands has benefited significantly from UK and Scottish Government broadband rollout programmes, and many homes and businesses in the area are now able to access superfast broadband of at least 30 megabits per second. Commitments by Scottish Government through its R100 programme to roll out “full fibre” broadband will bring access to speeds of up to 1,000 megabits per second. Many areas in the region also have access to 4G mobile connectivity.

Despite the good progress which has been made in the past few years, there are still many areas of the North Highlands which lack access to superfast broadband or mobile connectivity.

For those areas which are unable to access the traditional broadband network, a range of innovative alternatives are available including 4G broadband routers and satellite broadband.

Support is also available from the Scottish Government through their Scottish Broadband Voucher Scheme which can provide up to £5,000 to businesses towards superfast broadband access. Rural addresses may be eligible to combine this Scottish Government funding with funding from the UK Government’s voucher scheme to a further £3,500 to businesses towards the cost of a full-fibre connection. The Scotland Superfast interactive map gives up-to-date information on what connectivity is available for a given postcode, and whether it is eligible for any additional support. Ofcom’s mobile availability checker provides the same functionality for voice, 3G and 4G services from all major providers.

## Transport

From the North Highlands, there are direct transport links to the rest of the UK by air, rail, road and sea, enabling everything from the transfer of personnel to and from bases of operations elsewhere in the country, to the haulage of heavy freight to and from the region.

There are several opportunities for interchange between modes of transport in the region to enable various activities. Past examples of this have included crew transfer to vessels at Scrabster Harbour via Wick John O’Groats Airport; shipment of pipeline components via

rail to Georgemas Junction for onward transport by road to the Subsea 7 site at Wester; and delivery of wind turbine blades via Wick Harbour for onward road transport to the relevant developments.

### Road

The A9 trunk road starts at Perth and runs north to Scrabster, offering a direct trunk road connection from Central Scotland to the region. The A9, is undergoing an ambitious dualling programme to further increase road transport capacity, and in the North Highlands has recently seen a significant upgrade at the Berriedale Braes.

From the A9, access to the Space Hub Sutherland site at The Moine is along the A836, around 48 miles from Thurso (40 miles from the Dounreay nuclear site) or 70 miles from Tain in the south. The road is single carriageway only and for many portions is single track, as are many of the other A roads in the local network.

The local roads network is significant in size and is managed and maintained by the Highland Council. With several windfarm developments recently completed or underway, and shipments of sensitive material from the Dounreay nuclear site, the Council and Police Scotland both have experience working with industry to enable shipments of bulky or sensitive material across the roads network.

### Rail

The area is served by the Far North Line, offering opportunities for both passenger and freight transport in an environmentally friendly fashion. Recent and planned upgrades to the infrastructure along the line are set to bring increases in journey time and reliability, as well as opening up additional capacity on the line.

From a freight perspective, the railhead at Georgemas Junction can handle a wide range of cargoes, from bulk freight such as timber to standardised intermodal freight containers.

The nearest major railway station to the site is in Thurso, around 48 miles away. Other, minor, stations with proximity to the site are Forsinard (45 miles) and Kinbrace (53 miles).

### Air

Wick John O'Groats Airport is the most northerly mainland airport in the UK and both the airport, and the Forward Base Operator have significant experience handling a wide range of aircraft and cargoes. It is around 69 miles from the site via the A836 road.

Local partners are in the process of finalising a Public Service Obligation (PSO) for Wick. Once in place, this will offer flights to and from both Aberdeen and Edinburgh – and from those to onward destinations – at times to suit business travel and at a reasonable price point.

Highlands and Islands Airports Ltd. are the lead partner in the delivery of a Sustainable Aviation Test Environment in the region, and Wick will have a key role to play in this. Infrastructure to allow the charging of electric aircraft is being put in place this year to

enable test flights to be carried out in late summer. Sustainability is also at the heart of the PSO and partners have ambitions for this to become the first net-zero PSO in the UK.

## Sea

The North Highlands is served by three ports – Gills Harbour (64 miles from site), Scrabster Harbour (48 miles), and Wick Harbour (69 miles). These offer a variety of strategic locations for all maritime industries, and all are within an hour's travel of the others.

Scrabster Harbour is the largest port of the three, located on the north coast near Thurso. It has a long history of servicing key maritime customers including the cruise industry, oil and gas, renewables, fishing industries and other freight customers. Scrabster Harbour Trust is undertaking an ambitious programme of redevelopment, most recently with the redevelopment of the St. Ola Pier. Once complete, this 280m long Pier will allow enhanced berthing capabilities for both service and cargo vessels.

Wick Harbour, on the east coast of the region, has undergone significant regeneration over the past decade and has recently seen substantial investment to better enable it to support new markets in wave, tidal, and offshore wind. Wick acts as the operations and maintenance base for the Beatrice Offshore Wind Farm and continues to attract new business and opportunities in the offshore wind sector. Wick Harbour Authority also has an ambitious programme of development underway, with a new High Water Protection Gate set to effectively double the harbour's capacity.

Gills Harbour, on the north-east coast of the region, offers the closest mainland port access to the Pentland tidal stream and has significant experience in servicing a range of marine activities. Most recently, the port has been involved in works on the MeyGen tidal energy project, and Gills Harbour has been endorsed as the hub of the Gills Bay Economic Development Zone. Plans are underway to develop the harbour's inner basin, allowing it to accommodate a greater number of vessels and larger vessels.

## Energy and Utilities

### Gas Networks

Scottish Government has ambitious plans to decarbonise the national gas networks, with decarbonisation efforts increasing throughout the 2020s. This includes plans to introduce low-carbon gases such as biomethane and hydrogen and the development of evidence as to the feasibility of converting the gas networks to supply 100% hydrogen. With both Wick and Thurso operating closed gas networks supplied by Liquefied Natural Gas, they are natural environments to pilot such projects. Indeed, in 2019, SGN proposed a biomethane feasibility study at three locations including Thurso and Wick.

### Range of Energy Options

Both commercial and residential premises in the North Highlands have a wide range of alternative power and heating supply arrangements in place including small-scale wind, biomass boilers, ground/air source heat pumps, and solar PV. The local supply chain is therefore well-versed in the sourcing, installation and repair of almost any form of energy or heating supply.



### Caithness HVDC Switching Station

As part of the Shetland HVDC project, SSEN Transmission is undertaking the construction of a switching station at Noss Head near Wick. This will be the first of its kind in Europe and marks the second time in 5 years that Caithness has been at the forefront of HVDC technology, following the Spittal HVDC converter station going online in late 2018. Once constructed and commissioned, the Noss Head station will allow up to 600MW of clean, renewable energy to connect to the grid.

### SSE Network Strengthening

Significant works have been undertaken in the region by SSEN over the past decade to reinforce the electricity transmission network in anticipation of significant additional renewable capacity coming online. Key components of this work in the region have included the reinforcement of the onshore network between Dounreay and Mybster, and the construction, commissioning, and energisation of a subsea HVDC link between Spittal in Caithness and Blackhillock in Moray. This has combined with reinforcements of the network between Beaully and Loch Buidhe, and replacement overhead lines between Beaully and Denny further south in the Highlands.

### Highland Hydrogen Hub

The North of Scotland Hydrogen Programme was set up with the aim of developing a state-of-the-art hub in the Cromarty Firth to produce, store and distribute hydrogen. A multi-partner programme, it would see green hydrogen produced by electrolysis using power from current and future wind farms off the Highland coast. This will then be used to help decarbonise transport, heating and industry across the region, with one pilot project already looking at the feasibility of providing distilleries with hydrogen.

### Onshore Wind

The North Highlands has been a leader in the development of renewable electricity generation by onshore wind turbines. The region is home to several major wind farm developments, totalling around 620MW of installed capacity, with many smaller single or multi-turbine developments also in place at residential and commercial properties.

Onshore wind will continue to play a major role in the region's energy mix in the years to come, with a further 1900MW of installed capacity currently proposed, in planning and under construction in the North Highlands.

### Business and Industrial Parks

With excellent transport links and a highly skilled local supply chain, North Highland is an ideal destination for commercial and industrial developments, and the area offers a range of premises well suited to industrial use.

### Forss Business & Energy Park

For easy access to both Dounreay and Thurso town centre, Forss Business & Energy Park offers a range of office space. Forss brings particular advantages for businesses working in the nuclear industry including ONR approval and presence within the Civil Nuclear Constabulary jurisdiction, allowing "list X" and classified work to be undertaken.

### Scrabster Business Park

Located directly adjacent to Scrabster Harbour, Scrabster Business Park offers a wide range of sites and premises well-suited to industrial use.

### Wick Industrial Estate

Located just on the outskirts of Wick and close to Wick John O'Groats Airport, Wick Industrial Estate offers a range of sites and premises suitable for industrial use.

### Golspie Business Park

Golspie Business Park, situated just a few miles outside the Dounreay Travel offers several individual serviced plots and lies on the southern outskirts of Golspie, benefiting from excellent road transport links to the main A9 Inverness/Wick trunk road.

### Property for Sale or Lease

The Highland Council maintains lists of commercial land and property that they have available for sale and lease in both Caithness and Sutherland, as well as across the wider Highland region.

### Lay-down Land / Large Fabrication Areas

Melness Crofters' Estate owns the 10700-acre estate known as MCE. MCE have signed a lease option with HIE for the proposed development of the land on A' Mhòine and have advised that they can provide access to land to further support the proposed programme of work and for portacabins and ancillary services.

### Logistics

Local supply chain companies, in conjunction with national and local couriers, carriers, haulage companies, and suppliers, have developed expertise in finding the quickest supply routes for materials nationwide. Many suppliers deliver daily to North Highland with others ready to move spare parts, raw materials, and other items on demand.

### Differentiators (What else makes North Highland a great place to live, work and invest?)

The North Highland region offers a distinctive proposition to those looking to live, work and invest in the area. This section will examine some of these areas.

### North Highland Business Environment

The North Highland region offers a unique business environment as indicated by the variety of key sectors outlined in section 3.2 which is well supported by the strong infrastructure identified in section 3.4. As a reflection of this North Highland supply chain companies are an interesting mix of national and international concerns, in conjunction with 'home grown' local businesses. The regions indigenous companies include those with engineering and fabrication capability as well as electrical, mechanical, controls and instrumentation skills. Others include high-tech, niche companies thriving in a highly educated and innovative environment. These businesses are well used to working together, coping with extreme conditions, and working within the highly regulated energy sector.

The concept of diversification, innovation, research and development and the ability to adapt to a changing business and industry landscape is embedded in the North Highland business community. This is demonstrated by the shift in dependency on Dounreay to other industry areas and the increased number of new businesses emerging as outlined in section 3.3.2.1. A further advantage of this industry diversification is the likelihood that many of the workforce will be experienced in several industry disciplines, many of which will be transferable to the space industry.

### Business Support

The North Highlands offers excellent support for businesses seeking to expand or start-up in the region with advice, guidance and support available from a range of organisations.

#### Advice and Guidance

- **Business Gateway Highland** offers practical, local business guidance through one-to-one support, specialist advice, business skills workshops and networking events for all sectors.
- **Caithness & North Sutherland Regeneration Partnership** brings together the public agencies and major private sector partners in the region to coordinate support for a number of major projects and key enabling activities that have been selected for their significant potential to shape the future economy of the region.
- **Caithness Chamber of Commerce** is the lead voice of business in the area and is well placed to help businesses of any size as they expand into new markets. The Chamber offers access to a network of over 200 local businesses.
- The **Federation of Small Businesses** in the Highlands and Islands offers its members a wide range of vital business services, support and a powerful voice heard in government.
- **Highlands & Islands Enterprise (HIE)** is the economic and community development agency for the north and west of Scotland. Their purpose is to support regional development and increase the numbers of people who choose to live, work, study and invest here. As an organisation they provide support to businesses, social enterprises and communities in many different ways.
- **Skills Development Scotland** is Scotland's national skills agency and is equipped to provide businesses with skills, training and funding advice. They can work with employers on an individual basis to support them to understand the skills they need and to meet those needs.

#### Financial Support

The Caithness Business Fund is a private sector fund established to distribute grants to small businesses within the Caithness and North Sutherland area and can support those looking to start up or expand with grants of up to £5,000.

The North Highland Regeneration Fund (NHRF) has been established by the Nuclear Decommissioning Authority to provide loan funding and can offer loans of up to £50,000 to support businesses in the region looking to start up or expand.

As the lead economic development agency for the region, Highlands and Islands Enterprise can offer a range of support and investment to businesses looking to grow.

### North Highland Leisure Environment and Quality of Place

People of the North Highland region enjoy a modern yet idyllic lifestyle. Good housing, education, and healthcare are matched by fantastic leisure, culture, and lifestyle opportunities.

The area is one of contrasts – from living in the heart of a town or village to the community spirit of country living. Stunning coastal locations and wide-open spaces can provide a sense of peace and tranquillity which belies the closeness of essential amenities.

The area and its remote location may be quiet but ground-breaking, history making, and often award-winning hard work has been a strong theme for many years.

### Leisure

The North Highlands offers fascinating nature sites, walking trails, exhilarating biking routes and many kayaking and surfing spots for those that enjoy the outdoors.

The North Highlands offers residents a wide variety of things to do. The impressive golden beaches are certainly worth a visit and are never too far away. The beaches have stunning views and are surrounded by high sand dunes and cliffs with small, deep caves.

For those who prefer indoors there are plenty of activities including sports clubs, craft groups and classes, baking clubs and writing groups.

### North Highland Community and Culture

There are a wide variety of clubs, groups, and social scenes that residents can participate in with something to suit a variety of interests, skills, and abilities.

There is always something to celebrate in the North Highlands! There are many voluntary groups and community minded businesses working hard to make sure their town or village is a nice place to spend time as well as live and work within. Popular annual activities take place across the region. These include community galas, fireworks displays, festive fun and celebrations of local and national culture which suit all ages. As well as these events which are designed to bring communities together, there is an array of projects working to combat isolation, loneliness, food poverty and much more. The North Highlands offers a truly caring community that takes pride in looking after its residents.

The region has seen a number of Development Trusts emerge in recent years. A development trust is a community-owned and led organisation, working to combine community-led action with an enterprising approach to address and tackle local needs and issues. The aim of a development trust is to create social, economic and environmental renewal in a defined geographical area, creating wealth within that area and keeping it there.

### Part 3: Moray Existing Local Supply Chain - Ecosystem Audit

The region of Moray, quite often referred to as Moray Speyside, is home to more than half of the country's whisky distilleries and some of its best-known food producers. Key sectors as listed in the Moray Economic Strategy 2019 - 2029 that offer the best development opportunity for growth are Aerospace and Defence, Creative Industries, Digital healthcare / Life Sciences, Food and Drink and Tourism. With the British Army based at Kinloss Barracks and the RAF base at Lossiemouth, Moray has a large Armed Forces population of serving members and their families, and veterans who have settled in the region.

The key sectors highlight the considerable capacity of the Moray region to support an array of industries with a highly skilled workforce and transferrable skills that could support the space sector within the region.

The Moray Economic Partnership is a collaborative group of organisations with the common aim of working together to grow a diverse, sustainable economy in Moray. The partnership both enables and leads on initiatives that are designed to deliver positive impacts aligned with the longer-term aims of Moray's Economic Strategy. The Partnership brings together The Moray Council, Highlands and Islands Enterprise, Moray Chamber of Commerce, The Scottish Council for Development & Industry, Moray College UHI, Skills Development Scotland, HITRANS, Moray Strategic Business Forum, NHS Grampian and Moray Health and Social Care Partnership, Cairngorms National Park Authority and tsiMORAY.

#### Moray Aerospace and Defence Sector

The aerospace and defence sector is strong in Moray, accounting for 8% of total employment, or some 2,750 employees and rising. This figure includes individuals currently working within the MOD locally and in various related industries who potentially have transferable skills or could be upskilled to work within the aerospace or other sectors. Boeing has a presence in Moray, supporting RAF Lossiemouth. It expects to have some 200 employees focused on maintenance, training, and support for the base.

#### Moray Creative Industries Sector

The creative industries are incredibly diverse and range from arts-based organisations to the small cluster of technology businesses that are growing quickly from bases in Elgin and Forres.

Economic evaluations in 2018 showed Moray had over 260 businesses working in the sector, highlighting a healthy level of activity and ambition. Some 86% of these are in the screen and digital or the crafts/fashion/textiles subsectors.

As with other regions across the UK, the sector is dominated by small and micro units, with a high proportion of semi-professionals, self-employed and voluntary or unpaid workers. There are increasing numbers of filmmakers, photographers and artists, and the emergence of a number of creative hubs has enabled the sector to evolve.



One of the most recognisable and significant companies working in Creative Industries is Johnston's of Elgin, famous for its cashmere and knitwear.

### Moray Digital Healthcare/Life Sciences Sector

Moray is currently experiencing a huge rate of innovation and growth, particularly in the Life Sciences Industry. A number of state-of-the-art digital health technology businesses have recently been established in the region. International information technology services company Atos and companies such as Alceli Ltd, manufacturing and supplying proton beams for cancer therapy are just two companies based in the region.

### Moray Food and Drink Sector

The food and drink industry in Moray is vast and the region produces around a third of Scotland's food and drink.

Moray is home to almost 50% of Scotland's whisky distilleries which contribute directly to both skilled employment and to the tourism sector. Aberlour, Benromach, Cardhu, Dallas Dhu, Glenfiddich, Glenlivet, Glen Moray, Macallan, Strathisla are the most notable distilleries. In 2018 Macallan opened its £140m new distillery visitor experience.

There are also craft breweries and artisan gin distilleries such as Elgin Gin and Moray Distillery.

Moray is also home to famous food brands such as Walkers Shortbread and Baxters Food Group, but also produces fine seafood and fresh produce. However, with product manufacturing becoming increasingly automated, employment in the food and drink sector is currently forecast to decline by 11% by 2027.

### Moray Tourism Sector

Moray Speyside reaches from the high tops of the Cairngorm National Park to the sea cliffs and coves of the spectacular Moray Firth Coast and is rich in heritage and culture.

The area is home to more than half of the Scotland's whisky distilleries including Macallan and Glenfiddich - Scotland's first ever distillery visitor centre and to brands such as Walkers Shortbread, Baxters, and Johnstons of Elgin.

The ancient city of Elgin is the central node in a network of smaller market towns including Forres, Keith and Buckie. The village of Findhorn boasts a thriving alternative arts and culture scene, while Tomintoul skirts the breathtaking natural beauty of the Cairngorms National Park, a gateway for adventure seekers, nature lovers and holidaying families alike.

The industry body, Moray Speyside Tourism, engages with businesses, communities, and public sector partners across the region to implement the area's Tourism Strategy, to raise the profile of Moray, to identify opportunities for collaboration, and to promote greater confidence in the local area and culture.

## Moray Space Sector

Moray has now become a focus for the Space industry and it already rich in aviation, technology, and advanced engineering skills, stemming from the RAF presence.

In late 2018 Orbex opened a new Scottish site at the Enterprise Park in Forres. Founded in 2015, Orbex is a UK-based private, low-cost orbital launch services company, serving the needs of the small satellite industry. Orbex has developed one of the most advanced, low carbon, high performance micro-launch vehicles in the world.

It has located its headquarters and production facilities in Forres. As a launch site operator, it is set to use the Space Hub Sutherland site in the North Highlands.

## Moray Skills Supply and Demographics

### Moray Population and the Labour Market

For the purposes of this report the region covered by Moray is identified as the area of Moray specifically linked to the Orbex facility in Forres, however, for the purposes of this section, the data available represents the whole Moray region.

### Moray Population

In 2018 the total population of Moray was 95,520, an increase of 2.2% from 2011. A younger profile than that of the Highlands and Islands and Scotland is noted for the region, however the age profile is older than that of Scotland as a whole. The proportion of those who are economically active is, like the North highland region, higher than that of Scotland as noted in section 3.3.1.2. below.

**Table 5: Moray Population (2018)**

Total Population	2011	2018	% Change
Moray	93,470	95,520	+2.2
Highlands and Islands	467,043	469,365	+0.5
Scotland	5,299,900	5,438,100	+2.6

Source: [HIE, Moray Key Statistics, November 2019](#)

### Moray Labour Market Participation

As noted previously, the labour market comprises people who are employed as well as those who are classified as unemployed or economically inactive, who can be considered as potential labour supply. The Office of National Statistics defines the economically active as those who are in employment or who are unemployed. The remainder of the working age population are defined as economically inactive. There may be many reasons for an individual to be inactive, including being in full-time education, providing care for a family member or through illness.

In 2019 the working age population (age 16-64) of Moray was 59,000. As illustrated in table 3.6 and figure 3.3, between January 2020 and December 2020, it is estimated that

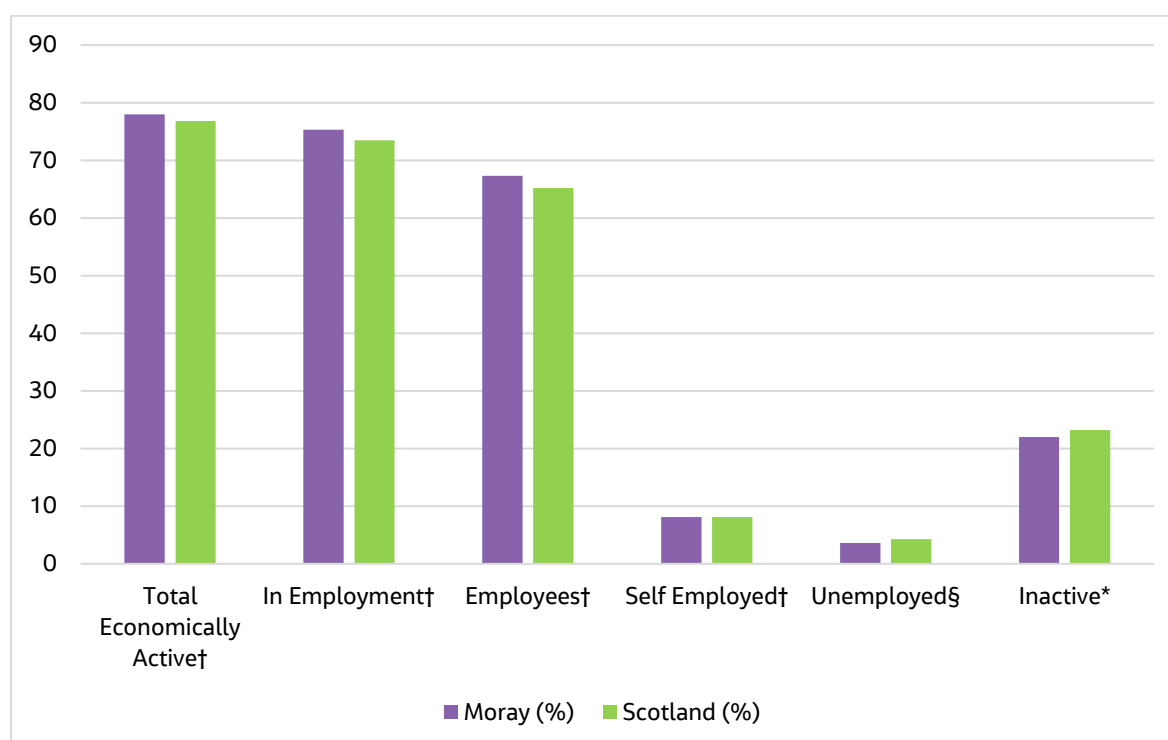
78% (48,500) of the total population of the area was economically active, compared with 76.8% across Scotland. The breakdown of those who were estimated to be economically active is also indicated.

**Table 6: Labour Market Participation, Active and Inactive (January – December 2020)**

	Moray (%)	Scotland (%)	Moray (Number)
<b>Total Economically Activet</b>	78.0	76.8	48,500
<b>In Employment†</b>	75.3	73.5	46,900
<b>Employee‡</b>	67.3	65.2	41,100
<b>Self Employed†</b>	8.1	8.1	5,700
<b>Unemployed§</b>	3.6	4.3	1,800
<b>Inactive*</b>	22.0	23.2	13,100

Source: Labour Market Profile - Moray Parliamentary Constituency (Nomis)  
 † - numbers are for those aged 16 and over, % are for those aged 16-64.  
 § - numbers and % are for those aged 16 and over. % is a proportion of economically active.  
 \* - All data, proportion of those aged 16-64.

**Figure 4: Labour Market Participation of those aged 16-64. Active and Inactive (January - December 2020)**



The total number of those categorised as economically inactive between January 2020 and December 2020 was 13,100 or 22%.

## Moray Workforce

The Moray region is rich in aviation, technology, and advanced engineering skills, stemming from a 70-year-old RAF presence. Moray is home to RAF Lossiemouth, one of the largest and busiest multi aircraft-type stations in the Royal Air Force, and Kinloss Barracks, the base for the army's 39 Royal Engineers (Air Support). In April 2018, the UK Government announced major investment in RAF Lossiemouth with the introduction of new aircraft to strengthen the defence of the UK and its allies. Over 10 years, MOD investment in the region of £3bn will increase Moray's population by up to 4,000 people, including an additional 550 service personnel by 2020, bringing the total number employed at RAF Lossiemouth to over 2,200.

There are also more manufacturing jobs per head of population in Moray than any other part of Scotland as outlined in Table 3.7 below.

## Job Distribution by Industry

This section details the number of jobs held by employees. As previously advised, employee jobs exclude self-employed, government-supported trainees and HM Forces. The information originally comes from the Business Register and Employment Survey (BRES) - an employer survey conducted in September of each year. The BRES records a job at the location of an employee's workplace. Part-time employees are those working 30 or fewer hours per week.

In 2019 the total number of employee jobs across Moray was 35,000, with 62.9% being made up of full-time employees and 37.1% part-time as identified in Table 3.7 and Figure 3.4.

Job distribution across Moray is varied, with the Health and Manufacturing sectors being the largest employers in the area, this is higher than the percentage of employment in the same sectors across Scotland and in the case of Manufacturing is just over 10% higher than the national average. The next largest employers are Retail, Accommodation and Food Services and Education followed by Public Administration and Defence and Construction.

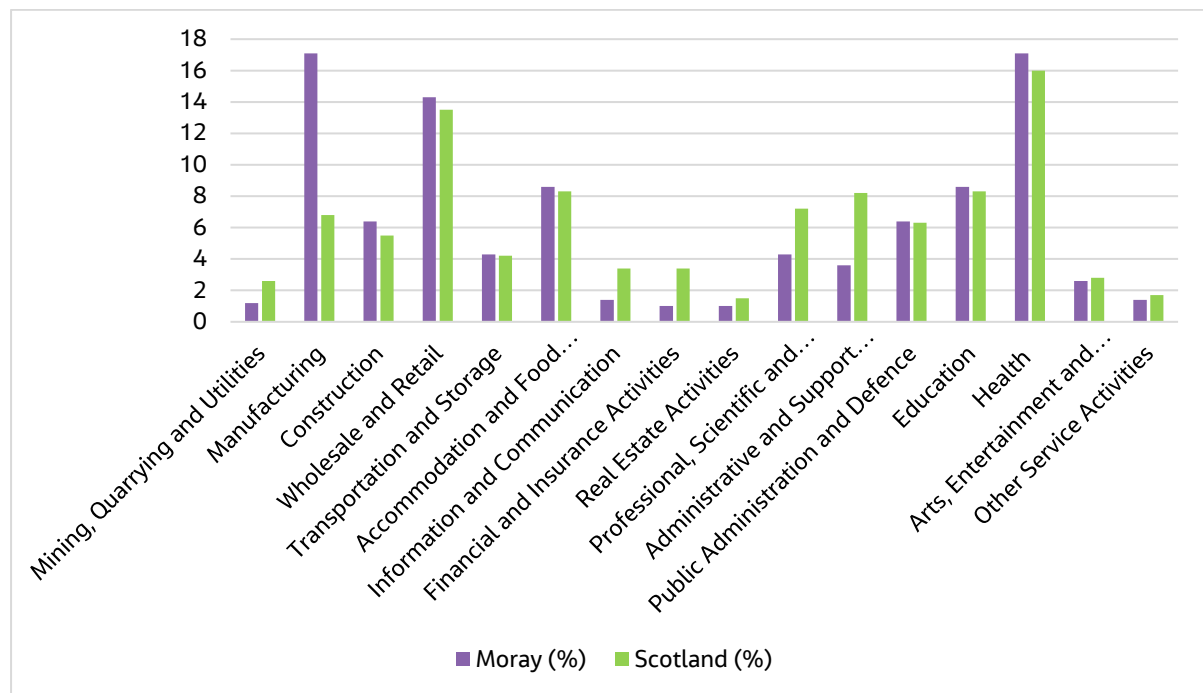
**Table 7: Moray Job Distribution by Industry (2019)**

	Moray (%)	Scotland (%)	Moray (Employee Jobs)
<b>Total Employee Jobs</b>	-	-	35,000
Full-Time	62.9	66.3	22,000
Part-Time	37.1	33.7	13,000
<b>Job Distribution by Industry</b>			
Mining, Quarrying and Utilities	1.2	2.6	425
Manufacturing	17.1	6.8	6,000
Construction	6.4	5.5	2,250
Wholesale and Retail	14.3	13.5	5,000
Transportation and Storage	4.3	4.2	1,500
Accommodation and Food Services	8.6	8.3	3,000
Information and Communication	1.4	3.4	500
Financial and Insurance Activities	1.0	3.4	350
Real Estate Activities	1.0	1.5	350
Professional, Scientific, and Technical	4.3	7.2	1,500
Administrative and Support Service	3.6	8.2	1,250
Public Administration and Defence	6.4	6.3	2,250
Education	8.6	8.3	3,000
Health	17.1	16	6,000
Arts, Entertainment and Recreation	2.6	2.8	900
Other Service Activities	1.4	1.7	500

Source: Labour Market Profile - Moray Parliamentary Constituency (Nomis)



**Figure 5: Moray Job Distribution % by Industry (2019)**



## Moray Skills Training and Education

### Moray College, UHI

The University of the Highlands & Islands comprises 13 colleges and research institutions.

Moray College UHI offers further and higher education and has two main sites in Elgin as well as a number of learning centres throughout Moray.

The college has a Gas, Oil and Renewables Assessment Centre based at its Technology Centre on the Linkwood Campus which has all the facilities required to offer training and assessment in Domestic, Commercial, LPG gas courses, OFTEC, Unvented Hot Water and Byelaws, Solar Thermal, Air and Ground Source Heat Pumps, and Biomass.

The Moray Aerospace, Advanced Technology and Innovation Campus (MAATIC) aims to create hundreds of new student places and provide the skills needed for working in the aviation sector. It is one of the key projects of the £100m Moray Growth Deal.

The architect services contract award was awarded through a competitive tendering process to NORR in the first quarter of 2021. The MAATIC is supported by £21 million from the UK Government and £12.3 million from regional partners as part of the Moray Growth Deal. The facility, led by Moray College UHI, will house three strands of work within the MAATIC project – the Aviation Academy, the Advanced Technologies Institute and the Highlands and Islands Enterprise led Manufacturing Innovation Centre for Moray (MICM).

The MAATIC project concept and design phase is due to start in March 2021 and will take the project to the next step towards the construction phase due to start in April 2022.

Co-located with the MAATIC will be a Manufacturing and Innovation for Moray (MIM) base that will have strong links to the National Manufacturing Institute for Scotland and will support a much-needed cultural shift through innovation and modernisation across technologies and sectors over a decade. The £7m facility will be co-located with the Moray Aerospace, Advanced Technology, and Innovation Campus to maximise synergies and is one of the projects outlined in the Moray Growth Deal.

### Other Training Providers

The Moray region is well served by a range of training providers, offering a range of professional learning and development opportunities. These cover everything from standard industrial qualifications through to leadership and management development courses. A full range of training providers in the region can be found on the Moray Chamber of Commerce website.

### Qualifications of the Working Age Population

Latest research indicates that the working age population of Moray is less highly qualified when compared to the national average, as indicated in Table 3.8 and illustrated in Figure 3.5. In contrast the region has a higher proportion of people of working age holding qualifications at NVQ1 and above and NVQ2 and above.

**Table 8: Qualifications of the Working Age Population (January – December 2020)**

Qualifications	Moray (%)	Scotland (%)	Moray
NVQ4 and Above	42.6	49.3	25,200
NVQ3 and Above	61.6	64	36,500
NVQ2 and Above	82.2	79.4	48,700
NVQ1 and Above	89.3	86.4	52,900
Other Qualifications	3.1	5.6	1,800
No Qualifications	7.5	8	4,500

Source: Labour Market Profile - Moray Parliamentary Constituency (Nomis)  
 Note: Numbers and % are for those of aged 16-64

### Developing the Young Workforce Moray

**Developing the Young Workforce (DYW)** is the Scottish Government's Youth Employment Strategy to better prepare young people for the world of work.

There are 21 employer-led regional groups set up across Scotland. DYW Moray is hosted by Moray College UHI.

DYW aims to:

- Better prepare young people for work
- Increase engagement between schools, colleges and employers
- Increase the number of positive destinations for school leavers
- Retain young people in Moray

- Increase the number of local apprenticeships
- Increase employer activity in schools and the number of work placements.

During the latter part of last year and into this year, the regionals groups are employing (either directly or through third parties such as the local authorities) dedicated DYW school co-ordinators for each secondary school. These co-ordinators will work with the core DYW teams to deliver the Scottish Government's youth employment strategy.

The COVID-19 pandemic is anticipated to have a disproportionate effect on the employment prospects of Scotland's young people aged 16 – 24. As a result the Scottish Government is introducing the Young Person's Guarantee, which aims to ensure young people can access employment, education, training or a volunteering opportunity for 12 – 24 months to help them succeed in their chosen career path.

### Regional Skills Assessment

In 2019, Skills Development Scotland published the Moray Regional Skills Assessment in line with the Moray Growth Deal. Regional skills investment planning aims to bring the skills demand and supply closer together by working in partnership with public and private sector organisations to meet the current and emerging needs of industry in each area. The latest skills assessment for Moray can be found [here](#).

### Moray Infrastructure

Moray offers excellent connectivity to help businesses compete and grow in the global marketplace, with air, rail, and road connections to the rest of Scotland and beyond, as well as strong mobile and broadband connectivity.

### Digital and Mobile Connectivity

The Moray region has benefited significantly from the Digital Scotland Superfast Broadband programme, which during just three years extended fibre coverage in Moray from zero to around 90% of all premises. More than 40,000 homes and businesses in Moray have access to the fibre network, making it one of the best-connected local authority areas in the Highlands and Islands region.

Commitments by Scottish Government through its R100 programme to roll out "full fibre" broadband will bring access to speeds of up to 1,000 megabits per second. Many areas in the region also have access to 4G mobile connectivity. However, there are still some areas of Moray which lack access to superfast broadband or mobile connectivity.

For those areas which are unable to access the traditional broadband network, a range of innovative alternatives are available including 4G broadband routers and satellite broadband.

Support is also available from the Scottish Government through their Scottish Broadband Voucher Scheme which can provide up to £5,000 to businesses towards superfast broadband access. Rural addresses may be eligible to combine this Scottish Government funding with funding from the UK Government's voucher scheme to a further £3,500 to businesses towards the cost of a full-fibre connection. The Scotland Superfast interactive map gives up-to-date information on what connectivity is available for a given postcode,

and whether it is eligible for any additional support. Ofcom's mobile availability checker provides the same functionality for voice, 3G and 4G services from all major providers.

## Transport

Moray is the perfect location with easy access to rail, road and airport links. Moray is located between Scotland's oil capital, Aberdeen, and the Highland capital, Inverness.

From Moray, there are direct transport links to the rest of the UK by air, rail and road, enabling everything from the transfer of personnel to and from bases of operations elsewhere in the country, to the haulage of heavy freight to and from the region.

Elgin (the region's city) is some 130 miles by road to A' Mhòine, near Tongue in Sutherland on a combination of trunk roads (A96 to Inverness, A9 to Tain) and then cross country on a mixture of A and minor single-track roads with a journey time of around 3 hours. However, some of these minor roads would not be suitable for heavy loads/traffic especially in the winter months. There is no direct rail link, the nearest main railway station being Thurso east of the site (48 miles drive) or minor stops at Kinbrace (40 miles) and Lairg to the south (46 miles).

## Road

The main trunk roads through Moray are the A96 and the A95 and are maintained by BEAR Scotland.

The A96 runs west/north-west from Aberdeen, bypassing Blackburn, Kintore, Inverurie, Huntly, Fochabers and Forres, and running through Keith, Elgin and Nairn. The road terminates at the A9 outside Inverness.

Transport Scotland plans to dual the A96, involving the upgrade of 86 miles of single carriageway between Aberdeen and Inverness and some of this has already been completed such as the Fochabers bypass. The road has long been the subject of frustration for hauliers, businesses, and locals, with traffic having to pass through several towns and villages. However, there are also campaign groups against the dualling and their case has been strengthened in the light of COVID-19, with less travel and commuting and the push for a green recovery.

The A95 is a single carriageway and starts just to the north of Aviemore, on its bypass and travels through Strathspey through many villages to Keith. Three distilleries are located on its route.

The local roads network is managed and maintained by the Moray Council.

## Rail

The area is served by the Aberdeen to Inverness rail line. It is not electrified. Most of the line is single-track, other than passing places and longer double-track sections between Inch and Kennethmont and Inverurie and Berryden Junction. Typical journey times are 2 hrs 25 mins between the two cities.

There have been a number of improvements to the line by Network Rail with Phase 1 planned improvements including a new station at Inverness Airport (due to open in

2022), extension of the platform at Elgin, the relocation of Forres station (2017) and a loop extension at Forres.

Direct Rail Services is just one company which has depots/hubs in Inverness and Aberdeen for rail freight as well as the Georgemas Railhead in Caithness.

### Air

Moray has the choice of connecting to two airports within a reasonable commute. Inverness Airport is just 35 minutes from Elgin (Moray's city), whilst Aberdeen International Airport is no more than a 90-minute drive. Inverness Airport is just under a 100-mile drive from the SpaceHub Sutherland site.

Inverness Airport is owned and operated by Highlands & Islands Airports Ltd and pre-COVID, had regular flights to Amsterdam, Belfast, Birmingham, Bristol, Dublin, Manchester, London and summer holiday tourist destinations such as Jersey.

Aberdeen International Airport is owned by AGS Airports Limited. AGS Airports Limited is jointly held by Ferrovial (via Faero UK Limited) and AGS Ventures Airports Limited, an entity managed by Macquarie Infrastructure and Real Assets (Europe) Limited. Pre-COVID there were regular flights to 100 destinations both in the UK, Europe and further afield.

### Sea

The main commercial harbour in Moray is Buckie, with Burghead, Cullen, Findochty, Hopeman and Portknockie now mainly serving the needs of the leisure boating community. There are other harbours in Moray including Lossiemouth Marina and Portgordon, however, these are privately operated.

Buckie Harbour consists of four basins. The maximum LOAs are currently 88 Metres at Pier 1 and 80 Metres at Pier 2, maximum Beam 15 Metres and maximum Draft 4.5 Metres. With appropriate risk assessment the port is willing to look at vessels out with those criteria to a maximum of 90 Metres LOA, 16 Metres Beam and 5 Metres Draft. This would be on a case-by-case basis and involve more stringent weather condition restrictions and will only be done at the top of the tide.

With consents in place to build around 400 turbines in the Moray Firth, Buckie Harbour has vast potential to accommodate an onshore Operations and Maintenance (O&M) base for these offshore wind developments.

## Energy and Utilities

### Caithness-Moray HVDC

The Caithness-Moray HVDC link is a 1,200 MW undersea connection between Spittal in northern Caithness and Blackhillock (south of Keith) in Moray, which was commissioned in January 2019. This link increases the capacity available to transport renewable electricity generated in northern Scotland, including Orkney and Shetland, into the wider transmission network.

### Combined Heat and Power

The Combined Heat and Power (CHP) plant near Craigellachie, Moray provides heat in the form of steam for the nearby Macallan whisky distillery and electricity to the national grid. Generating up to 15MWe of electricity the plant produces enough renewable energy to power 20,000 homes. The plant is fuelled with sustainable low-grade wood harvested from regional forestry operations.

### Gas Networks

SGN is the gas network operator in Scotland. The majority of properties in Moray have access to the UK mains gas network, with around 28% of properties in the region not connected to the network.

The Scottish Government's vision is to understand clearly the feasibility and costs of repurposing the gas networks to carry 100% hydrogen by 2030, however it is likely to be a mixture of hydrogen and low carbon gas.

### Onshore Wind

Moray is home to several exciting renewable energy developments, of which onshore wind makes up a significant portion. The region hosts around 160MW of installed capacity in onshore wind, with a further 58MW currently in the planning process.

The Glenfiddich Distillery, meanwhile, operates an anaerobic digestion plant providing 1.5MW of power, with an extension to provide a further 2MW planned.

### Other Developments

Planning permission was granted in 2017 and 2018 for two solar power development projects at the Former Milltown Airfield near Elgin, and at Speyslaw, totalling around 70MW of installed capacity. While neither of these projects have subsequently been taken forward, this is a strong indication of the willingness of the local authority and surrounding communities to explore investment in alternative energy sources.

## Business and Industrial Parks

### Forres Enterprise Park

The Enterprise Park Forres, Moray's premier business location offers an excellent working environment, with a range of high-quality business units and land development opportunities. It was developed by Highlands and Islands Enterprise and spans over 100 acres of land and has a wide range of high quality, flexible business space. It is also home to Horizon Scotland, a unique business centre, which can be rented for events of up to 80 delegates. The space was designed to facilitate collaboration and encourage innovation, and is the perfect setting for AGMs, training days or seminars. Full information can be found at <http://www.enterpriseparkforres.co.uk/about-moray/>.

### Elgin Business Park

Elgin Business Park is located just off the A96 and is located close to Elgin, the regional centre for Moray. The business park covers over 50 acres and individual plots are available for purchase or lease from 1 acre upward, with the possibility of a facility built to

specification also available. The site offers no restrictions on potential use, provided that planning applications are approved by the local authority.

Access to the site is via a newly constructed roundabout on the A96, offering a significant direct transport link to the Business Park. It is also serviced by good public transport links, as well as links to the cycle network and pedestrian footpaths.

### Property for Sale or Lease

Moray Council maintains a list of commercial land and property that is available for sale or lease in the region.

## Differentiators (what else makes Moray a great place to live, work and invest?)

### Business Environment

#### Business Support

The Moray region offers a range of support for businesses seeking to expand or start-up in the area with advice, guidance and support available from several organisations.

#### Advice and Guidance

- **Business Gateway Moray** offers practical, local business guidance through one-to-one support, specialist advice, business skills workshops and networking events for all sectors.
- **Moray Economic Partnership** brings together public and private sector organisations with the common aim of working together to grow a diverse, sustainable economy in Moray. The partnership both enables and leads on initiatives that are designed to deliver positive impacts aligned with the longer-term aims of Moray's Economic Strategy.
- **Moray Chamber of Commerce** is Moray's leading business organisation representing, galvanising, and supporting businesses of all sizes. Moray Chamber focuses on delivering dynamic, supportive, informative, and professional services to each of their members.
- The **Federation of Small Businesses** offers its members a wide range of vital business services, support and a powerful voice heard in government.

Highlands & Islands Enterprise (HIE) is the economic and community development agency for the north and west of Scotland. Their purpose is to support regional development and increase the numbers of people who choose to live, work, study and invest here. As an organisation they provide support to businesses, social enterprises and communities in many different ways.

Skills Development Scotland is Scotland's national skills agency and is equipped to provide businesses with skills, training and funding advice. They can work with employers on an individual basis to support them to understand the skills they need and to meet those needs.

#### Moray Growth Deal

In August 2020, partners signed Heads of Terms for a £100m Moray Growth Deal. The regional deal is designed to boost economic growth across Moray. It is a long-term plan



centred around specific projects designed to transform the economy, address concerns around encouraging young people to live and work in the area and address gender inequality in employment. It brings together Scottish and UK governments, Moray Council, partners from across the public and third sectors and private businesses. 8 key projects were outlined in the Head of Terms.

The Moray Aerospace, Advanced Technology, and Innovation Campus (MAATIC), which is exploring options collaboratively with the RAF and Boeing to create a skilled workforce for the Moray Region.

The Business Enterprise Hub (BEH), which will focus on education, research, and co-location of business support functions in Moray to support new business start-ups, and the upscaling of existing micro businesses to develop Moray's rural economy.

Early Years STEM (Science, Technology, Engineering, and Mathematics), which will support the development of creative indoor and outdoor hubs as a means of breaking down the barriers to STEM in young people (ages 3-8), and ultimately improving on interest and participation in STEM, particularly amongst young girls to help drive a rebalancing in the regional economy.

Manufacturing and Innovation for Moray (MIM); that will have strong links to the National Manufacturing Institute for Scotland and will support a much-needed cultural shift through innovation and modernisation across technologies and sectors over a decade. The facility will be co-located with the Moray Aerospace, Advanced Technology, and Innovation Campus to maximise synergies.

The Cultural Quarter in Elgin, which will invest in key local assets, including the refurbishment of Grant Lodge, and the Town Hall, and investment in the region's tourism infrastructure designed to leverage in private sector investment in a new 100 bed hotel. This will increase the area's cultural offering, supporting the quality of place and supporting partners' ambition to attract and retain young talent.

The Bus Revolution project, which will be building on the existing innovative and award-winning local authority run bus services in Moray to provide comprehensive and cohesive public transport links tailored to the region's largely rural economy. This will include an investment in fleet numbers to increase service flexibility, adoption of low-carbon technologies, use of app-based technology to improve response times and the customer experience, and consideration of facilities such as on-board Wi-Fi.

The Housing Mix Delivery project, which will provide an innovative approach to support national and local objectives to accelerate delivery of more homes in Moray (including affordable homes) through proactive public sector intervention to address market failure and overcome barriers, stimulating housing development in town centres, unlocking constrained sites, delivering affordable homes in rural towns and villages, and promoting pilot exemplar sustainable design and construction projects.

Digital Health, which will support the increasing demands and service capacity challenges on public health services. The project aims to create a dynamic and creative digital health and care cluster that will secure the provision of sustainable public services whilst

creating inclusive growth through the creation of new jobs, future skills, and equitable access. This will include the creation of an anchored demonstration and simulation environment (DSE) and Living Lab testbeds for the Moray region, based at Moray College.

### Moray Leisure Environment and Quality of Place

Moray is well known for its outstanding natural resources, renowned brands, world famous coastlines and high standard of living. It is one of Scotland's smallest regions nestling between the rich farmlands of Aberdeenshire and the mountains and glens of the Highlands.

Voted as one of the top five rural regions in Scotland for quality of life, Moray offers affordable housing, great schools, and beautiful scenery.

#### Leisure

Residents of Moray can take advantage of a lifestyle most people can only dream of. For those who appreciate the outdoors, there is plenty to choose from, including snow sports, water sports, mountain biking or walking.

With much of the region situated along the Moray Coast, residents can find sandy beaches in Burghead, Lossiemouth, Roseisle, Cullen and Hopeman. National Geographic voted Moray's 35 miles of golden sandy beaches in the top 12 most beautiful and unspoiled in the world.

The River Spey and River Findhorn are ideal for salmon and trout fishing and Moray's 18 golf courses make it ideal for keen golfers.

Moray Sports Hub details the many and varied sports clubs in the region and there are numerous clubs, groups and societies that can be found on the Moray Council website.

#### Moray Community and Culture

Moray has an active community, with and a busy volunteer sector that indicates its communities care about their residents.

There is a collaborative approach to community planning and development in the region which is led by the community planning Board.

The **Community Planning Board** have identified five priorities as follows:

1. A growing, diverse and sustainable economy – this is our top priority at the heart of the future success of Moray. It covers business, employment, infrastructure, public services and the third sector developing sustainable communities.
2. Healthier Citizens – the main areas identified for improvement are to reduce incidence of obesity, reduce the number of smokers, reduce alcohol dependency and improve mental health and wellbeing.
3. Ambitious and confident young people – the focus under this heading is to improve the life chances of children by supporting them and their families at the earliest possible stages and as required thereafter to give all children in Moray the best possible opportunities to achieve their potential.

4. Adults living healthier, sustainable independent lives safeguarded from harm – the main areas identified are i. Reshaping the support available for older people to ensure their needs are met to sustain active lives in the community; and ii. Reduce the number of households in fuel poverty.
5. Safer communities – whilst recognising that Moray is a safe place to live, we need to do more to protect those most vulnerable and at risk and be proactive to ensure that communities feel safer in the years ahead.

The Moray Community Planning Partnership is committed to delivering the five priorities to underpin this and enable its citizens to reach their full potential.

## Part 4: Case Study - Orbex (Forres, Moray)

Orbex established its headquarters at Enterprise Park Forres (Moray) in late 2018 and now has more than 90 permanent or dedicated contract staff across the company, the majority locally in Forres. Expansion plans for the existing facility are also under way to support Orbex's growth ambitions in the North of Scotland. It is anticipated that the company will grow to around 400 people locally in the next 5 years, operating a launch vehicle manufacturing capability of approximately 10,000m<sup>2</sup>. Vehicle production is intended to support launch operations from Sutherland as Orbex's preferred spaceport, and potentially other European spaceports.

Orbex has an established supplier portfolio to support its administrative and industrial capabilities. Over 20 local suppliers in the Moray area are supporting the business covering a wide range of activities including facilities maintenance, landscaping, IT, hospitality, security, recruitment services and marketing. Where possible, Orbex is also exploring specialist engineering services in the local area, (for example through the provision of machined parts for tooling) and draws on expert consultancy and engineering services in the wider Highlands and Aberdeenshire areas.

As the company grows Orbex expects to build on the established supplier network, and it is anticipated that there will be opportunities for space related businesses to set up and or relocate to the Moray area. In particular, it is likely that payload customers will benefit from proximity to the factory and launch facilities in order to support integration activities. Orbex is already in discussion with two payload customers to use a dedicated part of the planned new factory at Forres as an integration facility, and one technology partner is in the process of setting up a local office. It is also anticipated that businesses that already serve the factory and associated test facilities in Moray may have further opportunity to expand their services to the spaceport in Sutherland, for example through the provision of fuel and ancillary services.

More information can be found on the Orbex website <https://orbex.space/>



